

MESSAGE FROM THE LOK SABHA

THE CONSTITUTION (THIRTEENTH AMENDMENT) BILL, 1962

SECRETARY: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary of the Lok Sabha :—

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Constitution (Thirteenth Amendment) Bill, 1962, which has been passed by Lok Sabha at its sitting held on the 28th August, 1962, in accordance with the provisions of Article 368 of the Constitution of India."

Sir, I lay the Bill on the Table.

MOTION RE PROGRESS OF THE THIRD FIVE YEAR PLAN—Continued.

THE MINISTER OF PLANNING AND LABOUR AND EMPLOYMENT (SHRI GULZARILAL NANDA): Sir, I am thankful to the hon. Members for the very keen interest that has been evinced in this House regarding the Plan and its various aspects. I endeavoured, while introducing the Motion, to give to the House an unvarnished, frank appraisal of the situation with regard to the Third Five Year Plan, the degree of success achieved and also such features as may not be regarded as quite satisfactory. Sir, I endeavoured to elucidate the causes and the factors which have entered into the situation and are responsible for the fact that in certain directions the results have been not as good as we had hoped for. The process of elucidation has been very much helped by the discussion that has taken place in this House.

Sir, I also tried to bring out and deal with the various remedial measures that have been taken in order to remove those deficiencies, bottlenecks, which have come in the way; and also mentioned

a number of other steps that have been devised or are being considered to overcome the difficulties that are being encountered.

Sir, I expressed in the Lok Sabha and I reiterate here my own assessment, the assessment of the Planning Commission, of the Government, regarding the outlook for the Plan. I wish to state that having regard to all the factors, on the reckoning of the resources that have been obtained and are likely to be available, I feel no hesitation at all about the successful implementation of the Plan. I feel confident about the plan as it is embodied in the documents relating to the Third Five Year Plan, that is, an outlay of Rs. 7,500 crores in the public sector, and an investment of Rs. 6,300 crores in the public sector and Rs. 4,100 crores in the private sector, that is, an investment Plan of Rs. 10,400 crores. Such a statement is subject to the assumption that extremely adverse circumstances will not arise which are beyond human ken, from whatever we can foresee about developments, I feel quite confident that we are going to move towards a successful implementation of this Plan. But, I must, Sir, point out that there are some people—I do not believe they are here, some people outside; and their views are reflected in some of the newspapers—who feel unhappy when I say that we are confident about the implementation of the Plan as if they have some kind of vested interest in the Plan not succeeding. They will always try to gloat over any kind of failure or slowing down in any vital sector.

There is also the important question relating to the material content of the Plan in physical terms. This is subject to various developments, various factors, particularly the question of costs. All those factors are not predictable at the moment but one thing which enters into our calculations of how much in reality we are going to achieve through plan outlays is the question of costs. If the costs rise, the physical programme naturally shrinks. The increase in costs

may be on account of the fact that we had to pay higher prices in the foreign markets than we had visualised. There in fact we can exercise very little control but it may also be that the Plan does not succeed in terms of the realisation of physical targets, because costs rise inside the country. Now, I have dealt with the question of costs which, of course, are conditioned by the price level. Of course, there are other factors also like efficiency, productivity, etc. We shall make every possible effort to keep down the price level in the country. I believe attention will be focussed on that by all concerned from day to day. It is of course clear that the price level is not simply a question of Government policy. It enters very largely into it. The prospect of success in holding of the price line depends on the collaboration of many elements. We should consider the strength of feeling in the country and the earnestness that is now visible all round on this score, because a few years ago, one would have said that development entails pressures and, therefore, some rise in the prices is inevitable but we cannot say that 10 years after planning started in this country. During this period, prices have risen by about 30 per cent. and therefore, the question arises of the degree of toleration. I personally feel very assured that we should not allow the price level to stretch beyond the point it has reached already. I feel that with the efforts that we are contemplating, the various measures that we have now unfolded, we may be able to give satisfaction to the people and the House on that score.

One more thing to which I might invite the attention of hon. Members is the fact that the targets given in the Plan are related to a certain figure which is related to the physical programme and the cost of that physical programme is, to a considerable extent, higher than the financial limits under which we are operating. That fact has always to be kept in mind. Our effort is to go as much further as possible towards the attainment of the

physical programmes. It may well be that ultimately the content of the Plan is not going to be exactly what we put in the Plan in its formulation stage because of the various changes and adjustments that may occur. Some programmes got delayed in an earlier stage and, maybe, that at the end of the Third Plan also in certain sectors, we may not reach the full target and in some other cases, we may even do better, as already we have tried to provide more funds for those needs. The conditions prevailing will largely determine the course. I am aware of the fact that when I say that our targets will be realised largely, they are targets in the sense that whatever the amounts that we are going to provide for the purpose, the goals we are envisaging for the Third Plan are going to be very much higher than what we have sought to achieve in the previous two Plans—for example, increase in national income at the rate of over 5 per cent. compounded as against 3.5 per cent. in the Second Plan; agricultural production to increase by 30 per cent. as against about 16 per cent. in the Second Plan; industrial production to go up by about 70 per cent. as against 40 per cent in the Second Plan. Therefore, when I express my confidence about the progress that is likely to be achieved, I have in mind that this is going to be a formidable task, not an easy task for the whole nation. Therefore, the efforts in all these directions in the matter of raising resources, in the matter of implementation, in the matter of greater co-operation of the people, will have to be commensurate with the tasks that we have set before ourselves.

I will say a few words on some of the important points that arose in the course of the discussion. It is not possible within the limitations of time to deal with all those points and if any hon. Member finds that there was something of importance from his point of view, which I have not been able to attend to, I could give later the necessary information to him or to the House. One thing which has been

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repeatedly mentioned here and elsewhere is about some kind of backwardness that this country has displayed in the matter of economic growth, compared not to advanced countries but even some countries in Asia which are relatively backward including our neighbours. The question is being asked: "What is happening here?" You have this document which is being mentioned again and again, the World Economic Survey issued by the U.N. and those figures are being hurled at us. India's rate of growth is just 3 per cent. and there are others whose rate of growth is much higher. I would like to just take a few moments because a good deal of misconception underlies this comparison and a kind of climate is being created of some kind of inferiority so far as this country is concerned. But it is not so. It is true that in the period 1951-52 to 1957-58 the rate of growth was about 3 per cent. annually. Later, in the next year, that is 1958-59, the increase was about 7 per cent. Therefore, the average will go up but that is not the point. I want to deal with the broad picture. The relevant questions are: what is the input? What is the rate of savings? What is the rate of investment from which we can expect to get some return? The level of total net saving in India over the period 1950-51 to 1958-59 was 8 per cent. of which 7 per cent. was domestic saving and 1 per cent. foreign saving, whereas in a number of countries of which I have a list before me, the rate of saving, total net, is very much more except in the case of Indonesia where the rate is less but for Thailand the rate is 11 per cent. against India 8 per cent., Turkey 10 per cent., for the Philippines it is less, Burma 13 per cent., and Greece 12 per cent. The component which comes from the inflow of foreign saving is so much larger in almost every case. That is one way of putting it. You can put the amount of aid in terms of annual average *per capita* assistance received in dollars. Our figure is 0.6 dollars and for the other countries the

figures are: 1.0 dollar for Pakistan, 1.26 dollars for Thailand, 2.64 dollars for Philippines and so on. It goes on to much higher figures, to 10 dollars for South Korea, 19 dollars for South Vietnam and 23 dollars for Laos. These are some of the countries which have been compared in this volume. The rate of economic growth is not uniform everywhere. In highly advanced countries, say for instance, the United Kingdom, the rate of growth during that period was 2.5 per cent., in the U.S.A. it is 3.3 per cent., Canada 3.9 per cent., France 4 per cent. and so on. And the rate of total net savings was 15 per cent., 18 per cent., 25 per cent., and 19 per cent. respectively.

SHRI BHUPESH GUPTA (West Bengal): They are all with developed economies?

SHRI GULZARILAL NANDA: I have given figures for both developed and developing countries. In both cases the fact is that their rate of total net saving is higher, maybe, because there are no agitations or organised resistance to taxes or they are not allowed to succeed, I don't know. Whatever that may be, the fact remains that we are putting in much less effort. This was one thing which I thought I must clear up before I proceed further, apart from the lack of comparability or otherwise of the data for different countries.

There is another fact which is not being properly kept in view. In what direction are we moving? That has to be kept in view. How do we make our investments? In those countries which have shown greater progress, they had been importing consumer goods earlier. Now, they are developing manufactures to produce consumer goods where the ratio of return or output to investment is very much larger. But in our country we have already advanced in the matter of consumer goods and our investments now are increasingly

directed to basic and heavy industries like steel, machine-tools and fertilizers, where the investments are much larger and the period of gestation is longer. Therefore, really there is no comparison at all between India and those other countries. In the case of India, the results are going to come up later. Therefore, when we find that there is a relatively smaller result in this country, we should remember that we are only preparing for a larger stepping-up later by concentrating our investments in basic and heavy industries.

A good deal was said about what was described as the very small progress over the last ten-year period. Also the question was asked: What is it that has been done during the Second Plan? Well, I am sure that these ten years, have not been wasted. We have done many things in various directions and I do not think I need take the time of the House in going over the whole ground. I would not even have referred to this matter of what has been achieved during the last ten years but for the fact that I have been again and again reminded of shortages and shortfalls in different sectors. Maybe that they are there. But what about the achievement in this period? Take the case of power production. Installed capacity of power has increased from 2.3 million k.w. to 5.7 million k.w. during this period of 10 years. It shows an increase of 148 per cent. Industrial production has increased by 94 per cent., finished steel by 140 per cent., and aluminium to nearly four times. There are many important directions in which we have made progress, and what is more, this will form the basis for future development. In the production of sulphuric acid, caustic soda, etc. we have taken big strides. Of course, I am conscious of the fact that we have not done much in some other things, for instance in cloth, relatively. There the explanation is that in the case of traditional industries, the movement forward is relatively smaller and thus the advance of index of industrial production is

slower because of these items. Also there are a number of new items of production which have not yet entered into the picture particularly, where modern engineering and technology are being applied in various directions. I need not take the time of the House in explaining all that.

The fact, however, remains that still we are not satisfied. And particularly, I am not satisfied and all my colleagues and myself are all very much concerned about the fact that even the minimum requirements of the people are not satisfied and that they are not having a decent human living. That is true. But then we have to make up the leeway of a century of neglect during which there was practically no growth at all. Now, the long stagnation has been broken and we are moving ahead and these are the first steps. We have not only increased production, but we have at the same time increased our capacity for further growth and to accomplish bigger things in course of time within the country. For instance, we can in the near future make a steel plant of our own. This is what has been done during the last ten years. But all this is being forgotten. Many persons are being trained for this kind of work, the engineering personnel, the technicians and so on. I think that is the biggest asset in this country which we have been building up.

[THE DEPUTY CHAIRMAN in the Chair].

We have been told about the Second Five Year Plan, that there were various shortfalls that we did not achieve this and we did not achieve that. Again I would say that even the Second Plan has, in actual fact, succeeded in achieving a good deal in spite of the fact that there was reappraisal and pruning of the Plan, cutting it down to its core, though the targets remained the same. We all know the reasons why the Plan had to be reduced. Naturally, we could not do many things, for example, the target in power could not be reached. Also a number of other things could not be done.

[Shri Gulzarilal Nanda.]

I would like now to refer to what my hon friend Shri V. T. Krishnamachari referred to, namely, the increase in population. When we built up the frame-work of the Plan, the annual increase in population was assumed at a lower figure, i.e. 1.9 per cent. But now it is actually a little over 2 per cent. This means larger demands on our limited resources for consumption purposes and naturally, this will be reflected somewhere else. I am not at all making a plea that we should be exonerated from any fault or laxity. Being conscious of all that, I can say again that I do not attribute all our difficulties to the monsoon or to foreign aid only. I believe sincerely that there are some things which we ourselves are not doing well enough and to that extent we are responsible for what has happened with the Plan. For instance, we did not do sufficient advance planning in the matter of the bigger things that we undertook. We had not got sufficient experience and, therefore, delays occurred. Orders could not be placed in time and various other things could not be done. We had not estimated things properly. Being a country dealing with things which were altogether new, it would naturally take a longer time to begin, and it did take a longer time. That is why some of the projects could not be completed within the stipulated period and they spilled over into the Third Plan. Perhaps, the only thing we can be accused of is whether we have learnt the lessons of this experience, or are we trying to ensure that we do not over-estimate the capacity to get things done for the future. If a steel plant is there, it is not going to give its full-rated capacity in the first year and we should take note of that. It is true of any country and yet we put the figure of production very nearly that. All these things are there. There are not enough technical consultants in this country and we depend largely on outside technical assistance so far as these things are concerned. We are trying to overcome these shortcomings so that we may place ourselves in a

better position in the future. We are also trying to see that the administration improves in this respect. I cannot give a complete guarantee but I believe I can give an assurance that at least the same kind of mistakes will not be repeated and we will be able to move ahead much faster than we have done in the past.

The rate of progress turns round to the question of resources. There was also a Parliament question regarding resources, both external and internal. Talking about the question of external resources, the hon. Mr. Sudhir Ghosh warned us that we had underrated our requirements in respect of foreign exchange and foreign aid and that we might come up against difficulties if we did not take proper notice of our needs in that respect. I am thankful to the hon. Member but this is not news to us. In the Third Plan document itself, we have stated that the foreign aid which is being visualised is considerably less than what would be needed actually, after taking into consideration the general needs of the economy for maintenance. It is a very difficult task that we have set before ourselves and we have now put the figure of additional external assistance required at Rs. 400 crores to take charge the spill-over. This is not part of the Third Plan requirements in the sense that we have taken the requirements of external assistance for the Plan at Rs. 2600 crores, composed of Rs. 1900 crores for the Plan projects, Rs. 200 crores for components etc. and Rs. 500 crores for repayments of loans. I am indicating this just to show that Rs. 2600 crores is apart from the commitments to be made during the course of the Third Five Year Plan which will be related to the projects that have yet to be started, but of which the results will in all likelihood come early in the Fourth Plan. After all, it is a continuous process and we do not end the last year of the Third Plan and not think of the next Plan. The next Plan is going to be a bigger Plan than the previous one and the question we

shall discuss is whether we are prepared for it. I believe, Madam, we have to give more thought to it since it did not receive sufficient attention at the early stages. We have now applied ourselves to this matter and in a few months as much as possible of the picture of the Fourth Plan will emerge before us. We are trying to take action in that connection. Then, efforts will be made to secure the export earnings. We have already given the Railways Rs. 25 crores more in order that the preparation for the Fourth Plan may start now.

SHRI SUDHIR GHOSH (West Bengal): I have no doubt that the hon. Minister is aware of these matters but my purpose was to suggest that it would be wiser for us to talk about these coming difficulties at this stage of the Plan instead of waiting till the fourth or the fifth year of the Plan.

SHRI GULZARILAL NANDA: Foreign aid does not come in one lump; if it were so, then we would be assured for a number of years but it comes only in dribbles.

SHRI C. D. PANDE (Uttar Pradesh): It comes only annually.

SHRI GULZARILAL NANDA: Also, it is being committed from year to year. This is about external resources. The question of foreign aid is one part of it. Our efforts to develop export trade and thus to increase export earnings are not less important, in fact they are more important, because in the years to come we have to rely less and less on foreign aid and more and more on our export earnings. It is necessary to give keen consideration to the problem of exports. The hon. Member on the other side asked some questions about the Export Promotion Committee and its recommendations. Naturally, all the recommendations which go to make a better success of the Plan will receive proper attention. There was the question of the E.C.M. and certainly a good deal will depend on how things shape, and we are making every effort to see that they shape in the right way.

SHRI BHUPESH GUPTA: Don't you think it is necessary to find new export markets?

SHRI GULZARILAL NANDA: So far as new export markets are concerned, we have turned our attention to all parts of the globe, at anything that will help us, without any ideological considerations or inhibitions of any kind; and so far as the East European countries are concerned, our trade with them is increasing year by year. We have the State Trading Corporation which is trying to take effective steps in the matter both of export promotion and handling imports in the interests of the nation. The performance of S.T.C. is improving every year and I think it is capable of doing much more.

I referred to the question of prices in the first instance and in the course of the remarks made by hon. Members, indirect taxation was mentioned. Prices are bound to increase because of indirect taxation.

SHRI BHUPESH GUPTA: One of the factors.

SHRI GULZARILAL NANDA: Yes. Also, indirect taxation was mentioned from another viewpoint. We are anxious to see that the burdens of any scheme of resources do not fall heavily on the people who can bear it less. From that point of view, indirect taxation is not a very highly acceptable method of raising resources but considering the fact that there are only about one million persons in the country who are liable to pay income-tax and also considering the fact that in the upper ranges the rate of income taxation is high . . .

SHRI BHUPESH GUPTA: But evasion is there.

SHRI GULZARILAL NANDA: I am not making any kind of defence. I do not say that we are getting out of direct taxes as much as we should because I believe that a great deal of evasion takes place.

SHRI BHUPESH GUPTA: Only yesterday I received a letter from the Government. I enquired as to how many people in the country paid taxes out of their assessed income of Rs. 12 lakhs and over and I received a reply from Government yesterday saying that the number was six in respect of Rs. 12 lakhs and two in respect of Rs. 25 lakhs. Therefore, you can see that evasion takes place. This is one of the main aspects which should be brought to the forefront.

SHRI GULZARILAL NANDA: I am one of those who, at least on this particular issue, is not in very great disagreement with the hon. Member that there is evasion on a fairly large scale and, apart from evasion, some legal avoidance also. There are large gains being made in industry and trade, and with all sense of responsibility I would say that from whatever information we are able to gather from our contacts with the community, what appears in the balance sheets is not all that the industry yields. There is a considerable amount of leakage and pilferage, whatever you may call it and I would rather give more attention to these anti-social acts, the malpractices aimed at concealment of incomes.

SHRI BHUPESH GUPTA: Publish the names.

SHRI GULZARILAL NANDA: We will have to think of those things also. We will have to cast the net wider to catch in other people. They have also to share the burdens.

SHRI BHUPESH GUPTA: But do we have got the requisite fishermen?

SHRI GULZARILAL NANDA: I don't take fish.

SHRI BHUPESH GUPTA: You have to catch big fish.

SHRI GULZARILAL NANDA: Now, Madam. . . .

SHRI M. R. SHERVANI (Uttar Pradesh): May I draw the attention of the Government to this point that according to the present structure a

person if he is worth Rs. 20 lakhs and has an income of Rs. 3 lakhs has to pay Rs. 3,26,000 as tax? Is it not an encouragement to the man to evade tax because if you show clearly that you have an income of Rs. 3 lakhs you will have to pay Rs. 3,26,000?

SHRI BHUPESH GUPTA: According to information given by Government only one person in the country has an income of Rs. 25 lakhs. That was the information I got yesterday. So you can understand.

SHRI GULZARILAL NANDA: Madam, I think we have discussed this subject enough and I do not think we are going to get anything more out of discussion here, but the fact remains that speculative profits and such other profits which escape taxation are considerable. Now, in a poor country indirect taxation is inevitable and whatever we may do, I might assure the hon. Members that our effort is that as much as possible indirect taxation should fall on the people who are more capable of bearing it, that is, the rates are relatively higher on luxury and semi-luxury goods and in case of essential articles, they are either lightly taxed or spared altogether.

Certain calculations were made last year of the effect of indirect taxation on prices. It was estimated that taking all the commodities covered by the wholesale price index, the increase that would take place as a result of changes in the prices of commodities affected by the tax measures would be 0.47 over the pre-Budget level. The actual increase in the food articles group was much more than it should have been, i.e. 0.52 per cent. instead of 0.47. Hon. Members may certainly tell me, 'After all, what is wholesale price? People who go and purchase things in the market get them at retail prices and there the gap is wider.' It may be so. Therefore, one of the things which we have to do in the case of holding the price line is to know more about retail prices and their behaviour and to deal with that problem in various ways, for example,

opening of co-operative consumer stores and such other regulations as may be called for.

SHRI BHUPESH GUPTA: And State trading.

SHRI GULZARILAL NANDA: That may also be. Now, one aspect I have to deal with relates to the rate of growth. We were told about the year 1961-62, the first year of the Third Plan, that we have not done well enough. It is quite true; obviously about 3 per cent or so at the beginning of the Third Five Year Plan is not good enough. The Plan has to make an average of 6 per cent, although it may be argued that during the first year, the outlay was about 15 per cent of the total for the five-year period.

SHRI BHUPESH GUPTA: This is after two Plans.

SHRI GULZARILAL NANDA: In the last year of the Second Plan, national income increased by over 7 per cent but did we make an average of 7 per cent. in the Second Plan? No. So, the hon. Member himself has given the answer. The last year of the Second Plan gave us 7 per cent; did we expect that in the next year it should be 8 per cent? If a Plan which gives an average of about 3.5 per cent increase in national income, in the last year yields 7 per cent, it means it was something extraordinary and you cannot repeat that performance every year. Compare the pre-Second Plan year with the last year of that Plan. In 1955-56 the increase was only 2 per cent and in 1960-61 it was 7 per cent.

SHRI BHUPESH GUPTA: Why this wide fluctuation in the rate of increase?

SHRI GULZARILAL NANDA: It was chiefly due to the fact that in the year 1960-61, agricultural production rose by 8 per cent.

SHRI M. S. GURUPADA SWAMY (Mysore): Due to weather?

SHRI GULZARILAL NANDA: Of course, the hon. Member may think

of becoming a little humorous about these things but it is so. We did not expect 8 per cent increase in a year. Our expectation in the last year of the Second Five Year Plan was 75 to 76 million tons but actually we got 79 million tons. Because of very good weather, we got more. But it is not possible to repeat that in the next year. So we cannot compare one year with the previous year and Madam, I may tell you that this has been the experience over the years. Hon. Members feel so much concerned in this downward change—in fact this up and down movement has been going on year to year—but I think, on the whole, we are marching forward. In the year 1960-61 the national income increased by 7.1 per cent while agricultural production rose by 8.1 per cent. And let us compare it with the previous year, that is, 1959-60. In that year, national income rose by 1.8 per cent. and agricultural production fell by 2.5 per cent. That means that climatic factors enter very largely into these things.

SHRI M S GURUPADA SWAMY: What about industries?

SHRI GULZARILAL NANDA: Industries, so far as national income is concerned, make a relatively small contribution. In one year, industrial production may be higher and yet there may be actually a fall or no significant rise in the national income. This has been going on like that.

PROF. M. B. LAL (Uttar Pradesh): There is considerable fluctuation in the rate of growth of industries also.

SHRI GULZARILAL NANDA: There is. In 1957-58 industrial production went up just by one per cent. whereas in the previous year it was 9 per cent up. In 1959-60 it was up by over 11 per cent. There are fluctuations and one of the factors behind these wide variations in industrial production, to go back again to agriculture, is that much depends on the production of cotton and raw jute. It will

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be found that cotton cloth and jute manufacturing form the bulk of our industrial production. In the case of some new industries, the rate of growth has been substantial. Considering the time at my disposal I do not want to go into details indicating the directions in which the increase has been very good even during 1961-62.

SHRI BHUPESH GUPTA: There is extreme instability and uncertainty in the matter of planning, apart from the low tempo.

SHRI GULZARILAL NANDA: Now, I will proceed to another subject, the question of agriculture in which so many hon. Members have taken a great deal of interest and to which Shri Krishnamachari also referred. He indicated the direction in which further efforts should be channelled and also mentioned some of the important things which we should do in order to escape those hazards or at least to minimise them from year to year. One hon. Member said that you should have put agriculture in the core of the Second Five Year Plan, as if we took away something from agriculture, just as we did in the case of power. It is not so. While the financial allocations and investments in some other sectors were reduced, so far as agriculture is concerned, the position is this. Regarding agricultural programmes the original provision was Rs. 303 crores and the actual expenditure was Rs. 323 crores. Regarding community development, Rs. 200 crores was the provision and Rs. 226 crores actual expenditure. In respect of major irrigation, the amount originally provided was Rs. 381 crores and we actually spent Rs. 429 crores, that is, we extended the irrigation works programmes also. So, it is not correct to say that the investment in agriculture was reduced, as the impression seems to be in some quarters. So far as the outlays are concerned, so far as the resources allocated are concerned, there has not been any kind of

stringency about it. Liberal provisions have been made and still if we are not doing as well as we should, it is because of organisational faults. The various institutional arrangements that we had made and which were expected to assist in increasing production took time in coming up to their full capacity and making their impact. In that respect, as I said in the beginning, there are millions of peasants whom we have to reach. We have to devise ways so that we can reach them effectively. Much will depend on how effectively the village plans, plans for each family and the timely supplies of improved seeds, fertilizers etc. are undertaken.

SHRI BHUPESH GUPTA: What about land reforms?

SHRI GULZARILAL NANDA: I have not forgotten the hon. Member's pet theme of land reforms. That is also my pet theme. If the cultivator has not got sufficient material incentive for the efforts put in and he does not get the fruits of his labours, he loses interest in increasing the output. And, therefore, agrarian reforms are not only a matter of social justice, but also they are essential for the purpose of getting the best out of our natural resources and securing increased production. Now, it is not true to say that we have not been giving continuous attention to this matter, and I believe we have already got some results out of the effort put in. I do not speak of what we did about the abolition of intermediary tenures which brought more than twenty million tenants into direct relationship with the State. Large areas of cultivable waste lands were also vested in the Government. Out of these and other lands available with the Government, about 8 million acres have been distributed during the past decade, mainly to the landless peasants. Some progress has also been made in the conferment of security of tenure on tenants and ownership rights for sub-tenants and share-croppers. In eight States and the Union territories, provision has been made already by legislation for the transfer of owner-

ships in respect of non-resumable lands and the work is going ahead. In the matter of rent, what was the situation before and how far have we advanced? Ten years ago, the customary level of rent paid by tenants-at-will was more than half of the gross produce or more. Now, the rent that legislation contemplates in most cases is that it should be fixed at about one-fourth of the gross produce or less. Well, we will be told "It is all very good, your legislation, but what about the implementation?" I agree, I concede that implementation lags behind. Legislation was slow in certain States. It has come now practically everywhere. Also, implementation to be effective, takes time due to socio-economic factors which retard proper observance in practice. Now, I believe as progress is made with regard to transfer of ownership to tenants, the regulation of rent will lose much of its significance. I believe we cannot talk in the same language which the hon. Member, Shri Bhupesh Gupta, used to employ five or ten years ago. But his amendments are on the same lines. He forgets to note that things have changed very much.

SHRI BHUPESH GUPTA: I relied on the Report of the Second Agricultural Labour Commission which has pointed out that 3 per cent of the village household, landlords hold among themselves 30 per cent of the land, and other figures are there.

SHRI GULZARILAL NANDA: That means the impact of all the land reforms has not yet been reflected on those figures. In some States, it may be, that they have not gone ahead as much as in the other States. Well, I need not burden the House with all the various steps that we have taken in the matter of improvement of agricultural production. It will take more time than Deputy Chairman would feel inclined to give me. So, I would go on to another topic.

Regarding irrigation, at least I may refer to this one fact. Provision for irrigation is being increased, in parti-

cular, minor irrigation after the decisions that we have taken specially in regard to cotton and oilseeds. Both the programmes are being taken up so that in respect of these vital commodities we do not continue to be at the mercy of the seasons to the same extent as we are now.

Now, about industry there were certain questions. I could inform hon. Members about what happened in this sphere. They are entitled to point out "Your industrial production has been slow, the rate of increase is less than before." I have given some indication of the factors which have governed that process. Particularly we are told about coal, for example. It is true and I am very sorry about it. I was asked, what are the various reasons. Somebody asked, why the N.C.D.C. could not perform the task assigned to it, why they could not realise the target. It is for a variety of reasons which I shall explain in a few words.

1 P.M. The production of coal in 1961-62 was somewhat less. It did not go up. One reason was that in the outlying fields where new mines were being opened up, the time that was taken in developing them was actually more than we thought would be necessary. They found that the quality of the coal was different from what was needed. Therefore, valuable time was lost, and in the Kurasia mine, to our misfortune, fire broke out, and we lost production for one year.

SHRI BHUPESH GUPTA: You put an Engineer and not an I.C.S. man at the top.

SHRI GULZARILAL NANDA: We need all these persons including the hon. Member in this country. So, that was one reason. There were other reasons also. Therefore, the N.C.D.C. is placing itself in a position to step up the production much more rapidly. We have been assured that by the end of the Third Plan, considering all the measures that have been adopted, they will be able to reach the target which has been fixed by a Working Group.

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which recently looked into both transport and production of coal. Regarding transport, matching arrangements have been made so that as coal production goes up, the requisite transport is made available by improvement both in the traffic facilities and the method of operation.

There was a question about reduction in the target of fertilisers. There is no reduction in the target of fertilisers. There was at one time an apprehension that we might not be able to reach the target because in the private sector certain parties to whom licences had been given were not moving ahead fast enough. But it has now been found that it is possible to expedite the arrangements, and we are very likely to reach the target on fertilisers also. Madam, I would not take more time on industries.

Social objectives figured very largely in the discussion and I should like to say something about them.

THE DEPUTY CHAIRMAN: Would you take more time?

SHRI BHUPESH GUPTA: Let the hon. Minister continue because he is dealing with the points. Therefore, we would like to hear him.

SHRI GULZARILAL NANDA: I may take about fifteen or twenty minutes more.

THE DEPUTY CHAIRMAN: The House stands adjourned till 2:30 P.M.

The House then adjourned for lunch at two minutes past one of the clock.

The House reassembled after lunch at half past two of the clock, **THE DEPUTY CHAIRMAN** in the Chair.

SHRI GULZARILAL NANDA: Madam, I have taken so much time of the House and I will try to complete my speech in a very short compass of time.

Time and again, hon. Members have referred to the plight of the common

man, and asked: What has he got out of the Plan? Will he ever feel any enthusiasm about it? Fresh burdens are being imposed upon him but he is not in a position to reap the fruits of development. I shall acknowledge straightway that the common man has not yet arrived at a stage when we can say that, by and large, his basic needs have been fully met. It has not been so. But how do we manage to bring that stage about? It is not that others have to dole out money to the poorer people. Nobody imagines that it is a feasible course. What we should aim at is to increase the employment opportunities. That is one thing. But so far as the rural areas are concerned, as the hon. Member pointed out, the condition of the agricultural labourer has deteriorated. How do we help him? How do we help others who stand at low levels in the hierarchy there? It is possible only by securing a substantial increase in agricultural production first because large numbers of people are dependent on agriculture. It is only through an increase in agricultural productivity that benefits can accrue to those people.

SHRI BHUPESH GUPTA: The Planning Commission made some suggestions. What about them?

SHRI GULZARILAL NANDA: I have already dealt with that point. I agree that land reform has to go to a stage where every tiller becomes the owner of the land and it is not possible to immediately reach that position where the tenant is secure and he is not to pay an undue share of his produce to the landlord. All possible steps are being taken to improve the condition of the landless workers.

Madam, the real problem is the land-man ratio. The population goes on increasing rapidly. There is some reclamation of land, but how much of land goes for non-agricultural purposes? Therefore, it is an impossible task for an under-developed country to raise the level of living of its people in the rural areas very much on the strength of agriculture alone. However much we increase production, there is still

room for further improvement. A great deal of improvement can occur in regard to the yields. All that is possible and will be done in course of time. But what shall we do with people who have an acre or a little more of land? Even if you double the income from one acre, it can never suffice to maintain an average family in comfort. That is the other problem. And the only way to help them is to create other avenues of employment so that a petty holder may in course of time be induced to give over his one acre to somebody else who has already got three acres and thus make a total of four acres. And this man who had just one acre before will seek remunerative employment elsewhere, say in industry.

Now, I do not at all like the idea that village people, who seek other occupations, for example, employment in industries, must move away from the rural areas to the towns. Urbanisation has been increasing which to some extent is inevitable. But it is not good. I think we must take work to the rural areas, specially non-agricultural work. That is the only way in which we can prevent the growth of slums in the cities. This will do away with the problem of congestion which arises in urban areas because the workers will be living in their own homes and they can go a little distance to a small factory. Therefore, there is a strong case for rural industrialisation and diversification of the economy of the rural areas. Other things will follow including roads, road transport, power, etc. And to that aspect we have been giving the attention it deserves. Now, big plants have come into existence, not in the cities, but in open spaces and in the process many villagers have been supplanted. But I do not call it rural industrialisation. A steel plant creates its own township. It is the smaller industry which is to go to the village. Towards that end, something was done before but a special effort is now being made through a programme of which I have given some indication already—an integrated development programme for rural

areas of which industries are an important and permanent part.

Now, that is one way of helping the poorer people, especially the agricultural worker. There are also minimum wages fixed for certain trades and categories of work. This gives relief to some extent. But there are economic limitations. A man who is having three or four acres himself, how much can he give away to one who is poorer still? I do not accept the fact that the conditions in rural areas have worsened. They may not have improved. I do not think there is any improvement. Nor has there been any deterioration. If you look closely into the figures given in the Agricultural Enquiry Committee's Report, the whole thing will become clear. I shall now briefly refer to those sections of the community who are labelled backward, persons living in the scheduled areas—the Scheduled Castes and the tribal people—for whom special measures have to be taken. There are specific programmes for them, subject, of course, to our capacity to help. More and more is sought to be done for them, that is, a portion of the nation's resources is being directed towards those areas which are vulnerable or weak and for the benefits of backward sections. Special assistance is being provided for them in the matter of education, health, housing and other things. For the tribal people, there is a special type of community block to meet their requirements. Whatever the nation as a whole can collect from the better-off people, it is in a sense utilised for assisting the backward, more disadvantageously placed and under-privileged sections of the community. This can best be done through social services largely, specially through education, health, etc. We may not have done very much but to say that there is no improvement at all in the condition of under-privileged sections is not correct. Then may I ask a question: If the consumption of food *per capita per day* has increased—the overall increase over the last 10 years is 17 per cent.—then, is it that the better-off sections have started taking more food. Naturally, the level

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of consumption of food has improved further. Otherwise, they would not . . .

SHRI BHUPESH GUPTA: What is the pre-War percentage? What is the figure as compared to the 1939 pre-War percentage? Take that as the starting point.

THE DEPUTY CHAIRMAN: What is the percentage as compared to 1939? That is what he asks.

SHRI GULZARILAL NANDA: Well, I have looked into the earlier records and I can give a general reply first. In the long past, over many years there was no sign of the *per capita* income having increased at all in this country. (Interruptions).

This consumption may be of various kinds, but it is generally reflected in the *per capita* income. The *per capita* income remained static over long years and it only started moving upwards during the period after independence, after planning started. The percentage increase *per capita* during the ten years, 1950-51 to 1960-61 were: Cloth—68 per cent.; enrolment in primary schools—79 per cent.; enrolment in middle schools—103 per cent.; enrolment in secondary schools—133 per cent. Then in the matter of technical education the number of institutions running degree courses has increased by 104 per cent; and admission capacity by 236 per cent; the number of institutions running diploma courses has increased by 128 per cent. and the admission capacity by 333 per cent. Also there has been a large expansion of the craftsmen training programme during this period, between 1950-51 and 1960-61, and all this is for the common man. Now young persons when they come out of their schools, where do they go? Here are the programmes of technical training for them. In the matter of health, the number of hospitals and dispensaries has increased by 47 per cent. and of beds by 65 per cent. There are other directions to which we can look and find considerable improvement. Yet we cannot afford to be complacent because of these per-

centage increases, and I for myself assert and emphasise that there is no meaning, not very much, looking that way. Therefore, I agree that there is no marked improvement in the condition of the common man. However, over a brief span of ten years, a nation has put forth some effort and got certain results in the interests of the average man.

The question of social justice and concentration arose in the course of the debate. I have stated in the other House and I repeat it here. Questions have been raised again and again about the Committee headed by Prof Mahalanobis: What is the result of that enquiry? Does it show that concentration has increased or not? And why is this report not coming? My answer has been, it may be very difficult really to judge from statistics, and even if the statistics are not conclusive, since they are not complete, the area to which that information relates is but a small part of the whole economy. However, the fact stands out glaringly that the disparities are very large in this country; there is heavy concentration in the hands of a few people. It may have its economic justification or at any rate an explanation certainly, but it is argued that certain sections want incentives, material rewards, in order to produce more. I would say that the people at large also need incentives. And when there are large numbers below the poverty line, almost in a state of destitution, and some few who are the opposite of it, then it becomes a disincentive. Therefore, the reduction of inequality and promotion of equal opportunities, is not a matter of social justice only; it becomes an essential condition for economic advance. A sense of justice should be created in the country, that people are having a fair deal, and therefore, if it is true that the normal operation of economic forces leads to inequalities in an economy, which is not regulated fully, the problem is to regulate it in a manner, without in any way creating any risks for production; that is, without production having to go down. Here is a very big task of social strategy.

The question of social justice also arose in the matter of regional disparities. This is not a matter between one State and another; that may be so, but it is much more relevant to backward areas within a State. Every State has its backward areas, and the question always is: What are we doing about these backward areas within a State? Well, we try to bring it to the notice of the States themselves and some special steps are being taken in that connection. As in the case of millions who stand almost at the bottom and cannot be raised, in the course of another, say, five years or so, it is going to take a process of development because special measures have to be taken whereby more of the national income increase goes to the States which are relatively less developed. Similarly backward areas have to look forward to faster development, to their interest, hope and ambition to rise to the normal level. That process is going to take some time, but throughout we have to bear this in mind, that every year, in every Plan, we see to it that something more is done for the backward areas through various projects, through allocations, Central assistance, and in other ways. That is always kept in view. Our various projects, specially big central projects lag behind owing to the fact that the requisite resources are not available, but there are other things which can be done.

There was the mention of Bhakra and Nagarjunasagar. Now, I was not at that time present in the House but I learnt that some comparison was made. It was said that in one State one big project was financed by the Centre while in another State similar projects were being financed through loans. But they are all financed by loans whether it is Bhakra or Hirakud. The loans are payable by State Governments with interest. There is no distinction and discrimination at all. I would like, with your permission, to read a very brief statement so that I do not take much time on this very important aspect.

It was felt, expression was given to the feeling, that development in the Southern Zone had lagged behind and that, in particular, the State of Andhra Pradesh was being treated badly. The Planning Commission had occasion recently to bring together data relating to economic development in different regions in India, and a paper on the subject will be shortly available. The basic approach in our Plans is that the development of different regions and of the national economy as a whole constitutes a single inter-dependent process and both aspects are equally vital. It is our set aim that over a reasonable period all regions in the country should realise their potential for economic development and that all of them should attain levels of living which are not far removed from those of the country as a whole. For this reason, our main stress in the scheme of balanced regional development is on three points: firstly, to take all the measures possible for developing the growth potential of each region; secondly, to keep a careful watch on the progress achieved in different regions and to take additional steps to speed up development wherever there are serious lags; and thirdly, to carry out systematic surveys for identifying the problems of different regions.

The hon. Member, Shri Raghunatha Reddy, cited certain figures of national income and *per capita* income in different regions. I am afraid, the figures he quoted are little more than conjectures. No authoritative and comparable data on the subject exist at present. This is not the occasion for me to go into detail about the development which has taken place in different regions in India under the first two Plans. But I would like to assure the House that the States in the South have made considerable progress during the past ten years and will make still greater progress under our Third Plan. Over the past ten years, foodgrains production in the Southern Zone comprising the States of Andhra Pradesh, Madras, Mysore and Kerala has increased by 49 per cent., compared to the all-India

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figure of 41 per cent. Irrigation has increased by 46 per cent., compared to the all-India figures of 42 per cent. Installed generating capacity has increased from 330,000 kw. to 1,174,000 kw; an increase of 256 per cent. compared to an increase of about 142 per cent. for the country as a whole. Out of 23,500 towns and villages electrified in the country at the end of the Second Plan, more than 11,200 or nearly 48 per cent. are situated in the Southern Zone. In regard to roads, about 41 per cent. of the country's surface road mileage is situated in the Southern region. In the matter of educational facilities for the country as a whole, at the end of the Second Plan, facilities were available for 60.7 per cent. of the children in the age-group 6—11, but in the southern region this figure stood at 74.7 per cent. and was in fact higher than in any other region.

SHRI K. SANTHANAM (Madras): What about industrial production? It may complete the picture.

SHRI GULZARILAL NANDA: The supply of power will lead to industry. I gave all these statistics merely to establish the point that while a great deal more has to be done for all parts of India, and certainly for the South, the progress achieved in the South since independence is something which should be a source of general satisfaction to the entire country as much as to the States in the South.

I shall not take the time of the House in dealing with the specific case of development in Andhra Pradesh except to say that the picture drawn by the hon. Member that that State is being treated unfairly is not correct. It will be our effort to give increasing attention to the less developed areas in Andhra Pradesh as well as in other States.

Madam, when I give these figures, I do not want to minimise or under-rate the deficiencies which the hon. Members pointed out, and I agree that we must do more and more for removing

them. I only said, let us have a proper perspective. The things which will give great satisfaction to us should not be ignored.

Then there is the question of employment. One hon. Member suggested that unemployment was increasing. But look at the figures of employment which tell us, how much more employment has been created. There are all these investments. We are discussing how to raise more resources to be able to step up the level of investment. But that is going to take some time. If population had not increased during this period at a rate higher than anticipated, probably in the course of the Third Plan, we would have succeeded in matching the new employment opportunities with the number of fresh entrants to the working force. At any rate, these are not things completely under control at present.

Madam, hon. Member, Mr. Dave, spoke about labour. That is a subject with which I am familiar to some extent, and I would not like to join issue with him because our objective is the same, but I would like to remove some misconceptions. If he allows me, I will have to look at the points which he made so that I can deal with them precisely. The hon. Member referred to some change regarding wage policy and labour policy over these years. I can assure him that there has been no change for the worse. If there is any change, it is a change for the better.

At one point of time we decided in the Indian Labour Conference to introduce the concept of a need-based minimum wage. There has been a lot of criticism on that some ridicule also. But I have always adhered to that concept. Maybe, that we are not able to pay that wage at present, but we must understand what the minimum is. It does not cease to be a minimum wage simply because we cannot pay it. But having had the concept before us, we have to realise that we have to go towards that objective as quickly as possible. In my speech at the last session of the Indian Labour Conference, I tried to emphasise that larger

aspect. It is not by giving a raise in wages here and there that you can improve the lot of the workers; it cannot simply be done. If there were only 10,000 workers, you give them 50 per cent. more wages, the progress of the economy will not be adversely affected. But what you give to lakhs of people has to come from somewhere. Any increase in productivity, to the extent that the wages have not reached the living wage level, must be shared, very largely. But the point which I made in the Indian Labour Conference was this. I have been a worker in the labour field and, therefore, speak from experience. Through strong pressures you can get something for one small group but not for the entire working class. I find that in the last few years the real wages increased only when prices fell. And even if they got higher nominal wages, the real wages fell because during that period prices rose. Therefore, the interest of labour lies more in lower prices rather than in more wages. Not that what is due to them should not be given. Where the question of increased productivity comes they should get their due share. Therefore, there was no difference of opinion on that issue, but there was some misapprehension on that score.

SHRI ROHIT M. DAVE (Gujarat): May I, Madam, read one sentence from his own speech:—

“A consideration of the possibilities of raising the wage levels in the country cannot further be divorced from the question of the need for the expansion of employment opportunities.”

That is what the hon. Minister said with reference to increase in productivity.

SHRI GULZARILAL NANDA: I think the hon. Member must very enthusiastically agree with that proposition. After all, we have before us the somewhat broader objective of doing good to the worker's children also. A worker does not always have only

one child. He has sometimes more, two or three. What has to be done about that?

SHRI ROHIT M. DAVE: But what is the meaning of increasing employment opportunities? It only means keeping more profits with capitalists so that they can expand their unit and thereby increase employment opportunities.

SHRI GULZARILAL NANDA: I did not say that employment opportunities should be expanded only through that channel. I said that a larger part of the total investments should be in the hands of the community, that is, in the public sector. Through taxation you can extract the investment potential and thus enlarge the public sector.

SHRI ROHIT M. DAVE: It is unfortunate.

SHRI GULZARILAL NANDA: Nobody among the representatives of labour questioned that. Since this is not the Labour Conference, I do not want to make another speech on labour. But I would like to read one or two things from my speech over there. It reads:

“The prevailing standards of nutrition and housing for the workers are not compatible with our expectations of high efficiency. This is a question of means. But the tasks involved also lie in the field of education and organization. All these things cannot happen at once. But there can be a phased programme so that we move forward in successive stages if all the partners strive in collaboration towards these ends. This kind of planning with the human being in the forefront will surely meet the tests of good business also. But there will have to be some radical rethinking on the part of all of us.”

Please note, “there will have to be some radical rethinking on the part.

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of all of us". The hon. Member will surely understand what is meant by "radical rethinking." It goes on to say:

"The most important among the incentives to be provided to the workers in order that they do their part fully is the sense of assurance that they are having a fair deal."

So, Madam, I believe, to charge us with not being solicitous about the interests of the working class will not be fair because having been connected with planning for over ten years, naturally I know better as to how those interests can be really promoted. I have already taken half an hour. I think possibly I will not forgive myself if I go on encroaching further.

3 P.M.

SHRI GOPIKRISHNA VIJAIVAR-GIYA (Madhya Pradesh): Could this reply be printed and circulated to hon. Members?

SHRI GULZARILAL NANDA:
About implementation, just a few words because that is really the crux of the thing. How do we implement our Plans? Some questions were raised, very relevant questions about both planning and implementation. For example have you got a proper evaluation machinery? Are you able to judge from day to day what is happening to the economy and anticipate the bottlenecks which may appear at a later stage? What is planning, if you are only confessing failure after it has arisen and if you are not able to foresee it before? Very legitimate questions these are. I would say that there are flaws in our arrangements at present but over the last few years we have developed more and more the machinery of evaluation and also the quality of planning has been improved. I may also add that it was not that we did not foresee what has happened during the last year. If hon. Members would

refer to the Third Plan volume, there is ample proof there that the Railways had foreseen that the pressures were going to arise and the strain would continue. We also had the idea that power supply was not going to be enough. Because of certain circumstances over which we had no control, some power projects were held back and if those projects were completed, there would have been no difficulty about power. This year we are suffering in the matter of power from whatever happened a few years back and the consequences still linger. It is only two or three years later that the results of what we do now can be seen. It was not that it was a mystery to us what was going to happen but we were really not able to do very much because of helplessness rather, so far as foreign exchange resources were concerned. In some cases, inexperience in regard to bigger things also hampered us in some ways. So, this idea of having proper techniques of planning and a proper machinery for implementation and evaluation, is a common ground. The intention is to do more in this direction and we are engaged in thinking about that. Reform of administration is just a part of that process.

An hon. Member said something about the ship of planning having been stuck in the mud. I do not know what kind of metaphor he used. He said something about a point of no return. Possibly, he meant something else. I agree that we have reached a point of no return, that is, no return to stagnation now. We are determined to move forward. We have already achieved the capacity for doing bigger things in the country and if conditions continue to be favourable—and I hope they will not be unfavourable—then the stage of self-reliant and self-sustaining economy is within our sight. I have done.

SHRI BHUPESH GUPTA: The hon. Minister in the other House mentioned something about the prices, that he was going to take certain measures with regard to checking the

prices and holding the price line. I do not know if since then, he has thought over this matter and developed some kind of concrete proposal; we would like to have that. Secondly, we would like to know from him what mechanism will be created in order to go into this question. Previously, it was the Chief Ministers' meeting, they said. Do I understand that he will consult the Opposition and the others in order to formulate such a policy? We would like a little clarification on that. Thirdly, why the sum of Rs. 20 crores which was given as loan to the Tatas and ISCO in 1954 with which they have expanded and out of which they have made enormous profits are not being recovered by the Government? Why is the money left with them indefinitely?

SHRI GULZARILAL NANDA: I am not very much in favour of leaving anything with people who have already too much. Therefore, whatever recoveries have to be made, according to the terms of agreements with them will be made. Regarding the question about price policy, we are engaged in processing it further and also working out methods of implementation. I know that it is going to be a very big task to achieve results and the difficulties are enormous. Yet there has to be a determination that that task will be done and the difficulties will be overcome, so that the brief answer is that the policy statement made about the prices is being pursued and the hon. Members will hear something about it, as to the kind of action that will flow from that.

SHRI K. SANTHANAM: May I ask . . .

THE DEPUTY CHAIRMAN: The Minister has replied at length.

SHRI K. SANTHANAM: May I ask a small question? Does not the Minister agree that one of the major difficulties of landless labourers and other poor classes is the burden of maintaining old people out of their daily

wages because they have no other resources and does he not think that it is time to have some system of old age pension, at least for these suppressed classes?

THE DEPUTY CHAIRMAN: I shall in broad agreement with the idea that there should be help made available to old people who are placed in a difficult situation as it is. However, the question of the means, etc., how to fit it into the various priorities, all that has to be considered.

THE DEPUTY CHAIRMAN: I shall now put the amendments to vote.

SHRI GULZARILAL NANDA: He can withdraw his amendments.

SHRI BHUPESH GUPTA: No. I will press them.

THE DEPUTY CHAIRMAN: The question is:

1. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House views with concern that the tempo of development generally and in a number of vital sectors such as steel, coal, power, transport and agriculture is very slow and discouraging even though the two Five Year Plans are over and the Third Plan is in its second year.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

2. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with concern that the rate of growth even in the Third Five Year Plan remains not only extremely slow but is far behind even the meagre target of the annual 5 per cent., the rise of national income in the first year of the current plan being only 3 per cent.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

3. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that Government do not fully realise the implications of this slow rate of growth and the uncertainties in this matter of national income when by all computations the rate of growth should be at least 6½ per cent in order to maintain the population at the existing level of living taking into account the growth of population at the rate of 2 per cent.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

4. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that instead of drawing correct lessons and formulating remedial measures and reforms in our economy to ensure rapid growth of national income, the Planning Commission tried to explain the situation away by reference to vagaries of weather and the like.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

5. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes that if the present slow trend of growth in the national income which is only nominal continues, there will be little prospects of rise in investments, more especially when the rising prices go on restricting the savings of the masses.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

6. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that the rate of growth in the economy cannot be stepped up without re-organising our agriculture, without radically changing the industrial and the economic policies of the Government, without coming to grips with growing unemployment problem and harnessing India's vast manpower to production.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

7. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of opinion that unless immediate steps are taken to accelerate the growth of economy and increase in the national income, it may be difficult to even keep abreast with the growth in population and maintain the standard of living at the existing levels.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

8. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that the present policy of Government in regard to domestic saving is misconceived, biased in favour of the rich and is not at all in conformity with either the requirements of the Plan or with its declared social objectives.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

9. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that if the present policies with regard to domestic savings are not radically altered, the rate of domestic saving is likely to increase only nominally, thus restricting the prospects of economic development.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

10. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House cannot but note with concern that as a result of certain policies of the Government, designed to carry out the Plan through imposing economic burdens on the working people, particularly through inflation, high prices and increased tax loads on the masses, there is lack of both incentive and enthusiasm among the masses for the Plan.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

11. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House notes that the absence of any systematic measures to increase the earnings of the workers, peasants and office employees and other sections of the working people has contributed to the lack of enthusiasm for the Plan.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

12. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes that neither the Planning Commission nor Government recognises the importance of providing material incentive to the working people and constantly raising their standard of living for the success of planned development.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

13. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes the failure of the Government to arrest the growth of unemployment and formulate correct policies and measures for creating far greater employment opportunities than as at present and thus lessening the negative economic and social impact of the growing unemployment.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

14. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes that the economic policies of Government have, instead of bringing down prices, continued to maintain them at high levels and even boost them upwards.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

15. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House takes serious view of the fact that as a result of Government's bias in favour of the Capitalist class and the exploiters, it has completely failed

to evolve a price policy which 'is essential for planning and is most urgently called for in order to lessen the economic burdens of the people.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

16. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with surprise that the Government is now trying to make out that high prices are a sign of prosperity and that in a developing economy, the rise in prices is inevitable.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

17. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with regret that in the matter of prices Government has failed to implement even the decision of the National Development Council which entrusted some Central Ministers as well as the Chief Ministers of the States to formulate and evolve a correct price policy to hold the price line.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

18. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House further notes with regret that despite this decision of the National Development Council for a meeting of the Chief Ministers to evolve a

price policy, no such meeting was even once held.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

19. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that the failure to evolve a correct price policy is not fortuitous and that it arises from the fact that Government and the Planning Commission put the interests of the exploiting classes before that of the working people and the nation as a whole.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

20. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that Government and the Planning Commission should seriously take note of the following major factors which have given rise to the rising prices and which are fraught with grave consequences for the entire economy:

(i) The monopolists, bankers, landlords, speculators and similar other private profiteering interests dominate the decisive spheres of our economy, particularly the vast sectors of production and distribution, including commodities affecting the basic needs of the people.

(ii) The deficit financing, expansion of bank credit to facilitate speculation, indirect taxes, heavy excise duties and sales-tax, absence of any effective control on profits and prices.

(iii) The tremendous control of the private banking over our entire economy.

(iv) Failure to enforce the Essential Commodities Act and devise other anti-monopoly and anti-profiteering measures.”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

21. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House regrets that the Planning Commission and Government not only ignored the negative and deleterious role of the foreign private capital in our economy but even tried to offer justification for the continuance of foreign exploitation and even for new penetration of foreign private capital.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

22. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House regrets that the Government does not realise that the positions which the foreign private capital enjoy in our economy mean on the one hand exploitation of our resources by foreign elements and at the same time, obstacles in the formation of national capital on account of heavy remittances and other earnings by these foreigners abroad.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

23. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House rejects the thesis that foreign private capital involving such exploitation is essential for building a self-reliant economy.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

24. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House is of the opinion that full economic independence cannot be attained unless all forms of exploitation by foreign monopoly capital are eliminated and thus a dreadful legacy of the British rule is made a thing of the past.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

25. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House rejects the Government argument that in order to secure equipments and necessary assistance for our economic development, it is essential to allow the foreign private capital to continue its exploitation and freshly penetrate into our economy.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

26. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House draws the attention of the Government that in the changed world of today

[The Deputy Chairman.]

with the world socialist system notably the Soviet Union, being in a position to render increasing economic assistance to the under-developed countries, it is no longer necessary to submit to the terms of the foreign private capital."

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

27. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House records its disapproval that while the country is passing through shortage in foreign exchange and other difficulties in regard to resources, the foreign companies and investors in India and their foreign business personnel should have been allowed to remit Rs. 30/40 crores annually abroad, thus depriving our economy of these substantial resources.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

28. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that the Planning Commission and the Government do not draw the proper conclusions from the recent moves of the U.K. to join the European Economic Community or from the decision of the so-called Aid India Club to postpone the fulfilment of its commitment for economic assistance to our country.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

29. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that adequate steps are not being taken to reorganise and diversify India's foreign trade and bring it increasingly under the State sector in order to meet the situation arising out of:

(i) the consolidation of the European Economic Community and Britain's entry into the Common Market; and

(ii) the present trends of world capitalist economy.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

30. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that instead of offering concessions to the monopolists in the name of export promotion, the Government should increasingly enter the field of export and import trade.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

31. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is in particular of the opinion that there is no justification for allowing the foreign interests to dominate in any manner our external trade and that it is essential in the interests of national economy that the foreign trade which is in their control should be promptly nationalised.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

32. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that no effective measures have been taken even in the Third Plan to weaken the economic power of the monopolists and reduce concentration of wealth, with the result that the monopolists are becoming stronger and the concentration of economic power continues to increase.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

33. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that despite the appointment of the Mahalanabis Committee to investigate into the distribution of national income, etc. no concrete results have followed in evolving remedial measures, much less in implementing them.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

34. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with concern that the latest trends in the Government are to give more concessions to the monopolist elements in the name of providing them incentives, although such concessions run counter to the socialist objectives of the Plan and the needs of balanced economic growth.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

35. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House disapproves of the handing over of a number of heavy engineering, chemical and fertilizer projects to the private sector, instead of undertaking them in the public sector.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

36. "That at the end of the motion, the following be added, namely:—

'and having considered the same, this House disapproves of the present policy of the Government in giving undue economic assistance to the monopolists in the private sector through Government and semi-Government credit institutions, such as the Industrial Finance Corporation, Life Insurance Corporation, Industrial Credit and Investment Corporation, National Industrial Development Corporation and Refinance Corporation, without taking into account the vast internal resources that the private concerns under the monopolists today control and what is more in disregard in some cases of even priorities.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

37. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House disapproves the decision of the Government not to recover the loans amounting to Rs. 20 crores which were given by the Government to the Tata Iron and Steel Co. and the Indian

[The Deputy Chairman.]

Iron and Steel Co. although these companies have not only carried out their expansion with the help of these loans but are making enormous profits as a result thereof."

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

38. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that the Government do not take due note of the economic and social implications of the fact that a few big multi-millionaire business houses control India's banking today which contribute in no small measure to the growth of monopoly capital.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

39. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with regret that the agrarian measures so far taken have not resulted in land passing into the hands of the tillers of the soil with the result that the agrarian economy remains still in the grip of landlord interests and production of foodgrains and other agricultural products continue to suffer.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

40. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes that even the measures to reduce rents which have been passed by various States have not in fact

resulted in any substantial reduction in rents.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

41. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with regret that the agriculturists such as jute growers are not guaranteed a minimum fair price for their products and that they are subjected to the manipulations of wholesalers, speculators and other exploiting classes.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

42. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes that despite some increase in the volume of agricultural credit, the agricultural indebtedness has not been significantly relieved and the peasants continue to suffer in the hands of money-lenders and speculators.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

43. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that unless radical agrarian reforms are carried out in the interests of the peasantry, there are not going to be material changes in our agrarian economy.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is.

44. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of opinion that at the present rate, even the target of 100 million tons under the Third Five Year Plan is not likely to be attained' "

The motion was negatived.

THE DEPUTY CHAIRMAN The question is:

45. "That at the end of the Motion, the following be added, namely —

'and having considered the same, this House regrets that the Government does not take adequate note of the growth of rural unemployment and all its harmful impact on the entire economy of the country.' "

The motion was negatived

THE DEPUTY CHAIRMAN: The question is:

46. "That at the end of the Motion, the following be added, namely —

'and having considered the same, this House regrets that the co-operatives are still not organised on a wide scale and on a democratic basis, eliminating from them the exploiting interests and making them truly popular agencies in the services of the masses in the countryside' "

The motion was negatived.

THE DEPUTY CHAIRMAN. The question is:

47 "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of opinion that

it is time the Government and the Planning Commission gave up their subjective approaches towards the community development projects and realised once and for all that, despite heavy expenditure, they have failed to produce the promised results' "

The motion was negatived.

THE DEPUTY CHAIRMAN The question is:

48 "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of opinion that the experience of the community projects emphasises all the more the need for radical agrarian reforms in order that such arrangements as community projects may really become successful in the promotion of the good social and economic objectives.' "

The motion was negatived

THE DEPUTY CHAIRMAN: The question is:

49 "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with concern that the taxation policy of the Government is highly regressive and these taxation measures have generally been weighted in favour of the richer sections of the people, have imposed heavy and unbearable burdens on the poorer sections and have led to widespread discontent and fierce popular resistance to the oppressive burdens foisted on the common masses.' "

The motion was negatived

THE DEPUTY CHAIRMAN: The question is:

50. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House notes with concern the successive tax concessions granted in budget after budget to foreign private capital.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

51. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House disapproves the progressive lowering of taxes on Corporations in the name of incentives to capital formation and the recent further tax and other fiscal measures in favour of industrialists in the name of export promotion.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

52. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House disapproves the persistent pressure put by the Planning Commission and Central Government on the State Governments to increase the tax burdens on the people.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

53. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House views with serious concern the enormous growth of all-pervading corrup-

tion, inefficiency and maladministration and the failure of the Government to arrest the steep decline in administrative morals and standards of efficiency.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

54. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House views with serious concern that even at the end of the Third Five Year Plan, the constitutional obligation of implementing the provision regarding universal, compulsory elementary education up to the age of 14 years for all children will not have been carried out.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

55. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that the failure of the Government to guarantee tolerably decent salaries, security of service and other working and living conditions to teachers in both Government and private schools has contributed to the steep fall in educational standards.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

56. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of the opinion that public education system should be so reorganised as to equip the children with a modern scientifically orientated education

so that they can contribute their mite for the creation of a technologically mature economy.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

57. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House is of opinion that despite some improvement in the tackling of such scourages as malaria, small-pox, cholera, etc. the general standard of health of the masses, especially of the working people has not registered any appreciable rise and they are still prey to very many dangerous ailments, especially such wasting diseases as tuberculosis etc.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

58. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House regrets that the problem of providing clean, fresh drinking water for towns and rural areas has not been seriously tackled.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

59. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House is of opinion that the Government has failed to tackle energetically the problem of medical facilities in the rural areas.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

60. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same this House notes with regret that the problem of urban housing and slum clearance has assumed alarming proportions and the measures taken by the Government have not only not solved the problem, but have not been enough even to arrest further deterioration of the situation.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

61. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House views with serious concern that the Central and State Governments have failed to provide sufficient housing even to their own employees.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

62. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House views with concern that the problem of rural housing has not been even properly sized up.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

63. “That at the end of the Motion, the following be added, namely:—

‘and having considered the same, this House is of opinion that the Industrial House Scheme has been a failure due to the reluctance of the Government to force the employees to carry out their obligations under the scheme.’”

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

64. "That at the end of the Motion, the following be added, namely:—

and having considered the same, this House is firmly of the opinion that adequate resources for the Plan can be raised without placing new economic burdens on the masses and by taking the following steps:

(i) Nationalisation of the large number of high-profit-yielding foreign owned industries and business concerns.

(ii) Pending such nationalisation, as an immediate step, curbs on the remittances of interest, dividends, royalties, payment for patents, and other remittances abroad by foreign firms.

(iii) Curbing of the high salaries, allowances and other perquisites of the foreign technical and managerial personnel of foreign firms.

(iv) Nationalisation of foreign trade and rapid expansion of State trading in internal market.

(v) Nationalisation of banking, general insurance, iron and steel, coal and other mining, oil, sugar, jute, tea plantations under foreign control.

(vi) Tapping of the reserves and accumulations with the companies, business houses and financiers to the maximum possible extent by necessary fiscal and other measures.

(vii) Mobilisation of the gold hoards in the hands of the wealthy sections of the community, especially, the gold held in bullion.

(viii) Cancellation of the privy purses of the former princes or at least freezing of

future payments of the same to them.

(ix) The tapping of foreign assets held by former princes, industrialists and others in foreign countries by compelling them on pain of imprisonment to declare all their foreign assets in whatever forms.

(x) Increase in the wealth tax and estate duty on the higher income brackets and the re-introduction of the expenditure tax.

(xi) Stringent measures against evasion and avoidance of taxes especially by the higher income groups, including measures to prevent such evasion and avoidance through fictitious arrangements by the assesses.

(xii) Publication of the names of all those whose assessed income is more than Rs. 50,000 annually thus giving the people an opportunity to spot out cases of under-assessment, evasion and avoidance.

(xiii) Punitive measures to recover arrears of income and other taxes from the higher income brackets.

(xiv) Cancellation of all important concessions, rebates and refunds given lately to the industrialists and businessmen.

(xv) The rapid development of Indian shipping with a view to saving resources on account of freight charges.

(xvi) Reduction of non-developmental expenditure to the maximum possible extent.

(xvii) Cutting down of conspicuous consumption by the rich.

(xviii) Drastic measures, both legislative as well as socio-economic, against corruption, inefficiency and maladministration.

(xix) Review of the present system of contracts through which Government's development works are done with a view to effecting economy and preventing waste, corruption and delay.

(xx) Setting up of increasing numbers of profit-yielding undertakings by the States and the grant of initial financial assistance by the Centre to them."

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

65. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is further of the opinion that the immediate and pressing problem of price rise can be tackled effectively, if the Government implement the following programme:

(i) Supply by the Government of rice, millets and wheat through a wide network of fair price shops at the rate of one shop for every 500 families. Similar arrangement to be made in rural areas also wherever necessary at rates within the reach of the poor and middle class people. Government to procure foodgrains from landlords and hoarders.

(ii) Prices of all essential articles of consumption to be fixed by Government and these articles to be supplied from the cheap price shops to the people.

(iii) Minimum price for the agricultural produce to be fixed and ensured to the peasants by government undertaking to purchase them at the price whenever offered by the peasants at convenient places.

(iv) With a view to encourage the peasants to grow more food, Government should assist them by supply of agricultural

implements and fertilisers at even subsidised rates and by provision of cheap credit for agricultural families. All big landlord families to be denied such government assistance.

(v) Abolition of taxes on foodgrains and other essential articles of consumption by common people."

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

66. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of opinion that Government has failed to achieve balanced regional development to enable the country to reap long-term economic benefits.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

67. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets that Government has failed to restrict the growth of concentration of wealth, in a few hands.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

68. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House is of opinion that in spite of the objectives, state in the 'Third Five Year Plan', the practical implementation of Planning is guided by the outmoded economic theory and practice.'

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

69. "That at the end of the Motion, the following be added, namely:—

'and having considered the same, this House regrets, that Government has failed to create national

[The Deputy Chairman.]
consciousness in favour of the objectives of the Third Five Year Plan for the purpose of enlisting the co-operation of the people at large."

The motion was negatived.

THE APPROPRIATION (No. 4)
BILL, 1962—continued

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): Madam, the other day when the discussion was adjourned, I was dealing with the points raised on the Demands relating to the new Department of Special Economic Co-ordination. To resume the threads of my reply, I was saying that this new Department had been created to fulfil the needs of co-ordinating the various economic activities and some of the hon. Members who chose to speak on this Demand did accept the need for co-ordination and they supported it. What they objected to was the manner and method of co-ordination proposed . . .

SHRI M. RUTHNASWAMY (Madras): And the timing.

SHRI B. R. BHAGAT: . . . except one hon. Member who said that the need for co-ordination did not arise. He also said that the Parliament had not been taken into confidence in regard to this matter.

SHRI BHUPESH GUPTA (West Bengal): Since the Prime Minister is here, we want to know from the Prime Minister exactly what would be the functions of this Ministry of Co-ordination. That is the question we asked.

THE DEPUTY CHAIRMAN: Let Mr. Bhagat finish his speech.

SHRI BHUPESH GUPTA: I would like the Prime Minister to kindly tell us.

SHRI B. R. BHAGAT: I was saying that because of the rapid economic growth and the functions particularly relating to economic activities having

multiplied which in turn give rise to various problems, both functional as well as structural frictions would arise in the running of Government. Therefore, the Prime Minister thought it necessary to have a Department of Special Economic Co-ordination. Therefore, it is not correct to say that this Department was created to provide a berth for Shri T. T. Krishnamachari. The need for the Department is there and it is not as if for the particular . . .

SHRI M. RUTHNASWAMY: But why was that need felt at that particular moment and not all these ten or fifteen years?

SHRI B. R. BHAGAT: The dynamism of the economy is increasing every day and economic functions and economic activities are increasing. The dynamism is created as a result of the economic development and because of the imbalance inherent in any rapid economic growth functional and structural frictions occur every day and therefore, it is necessary to have a special Department for co-ordinating the activities and this need is being felt more and more now. It was not felt so much some 10 years back because the economic growth was not of such a nature. It is being felt more and more today. In those days it may be that other Departments, the Department of Economic Affairs and the Ministry of Finance were doing some sort of co-ordination. But today the nature of the work is such and the problems that arise are such that they have to be attended to by a special Department and that is why this Department has been created. A particular Minister may be there or he may go and somebody else may take over charge. But the position is that the need for such a Department would be there and for these special reasons that Department is now there.

About the functions of this Ministry, I may say that the Prime Minister has charged the Minister with work of co-ordination, co-ordinating two or three special subjects. It may be that the functions may be enlarged or the