

MR. DEPUTY CHAIRMAN: He is saying something about his Motion. (*Interruptions.*) Order, order.

SHRI BHUPESH GUPTA: I have got it here. I know that.

MR. DEPUTY CHAIRMAN: Please sit down. Shri Lai Bahadur wants to say something.

SHRI LAL BAHADUR: Government does not want to avoid a discussion on this subject. The point is that of time. It depends on you, Sir, to allocate time for this and then we have also to keep in mind that the Prime Minister is going abroad day after tomorrow. So, if it is possible to allocate some time for this purpose, I do not think that the Prime Minister will have any objection.

SHRI BHUPESH GUPTA: I can understand that approach. Therefore, I suggest . . .

MR. DEPUTY CHAIRMAN: We will see about it.

SHRI BHUPESH GUPTA: We can discuss . . .

ALLOTMENT OF TIME FOR CONSIDERATION OF THE GOVERNMENT MOTION REGARDING THIRD FIVE YEAR PLAN

MR. DEPUTY CHAIRMAN: I have to inform Members that, under rule 153 of the Rules of Procedure and Conduct of Business in the Rajya Sabha. I have allotted three days for the consideration of the Government Motion regarding the Third Five Year Plan.

SHRI BHUPESH GUPTA (West Bengal): Sir, I hope you will not drive us into a course of action, by not allowing a discussion, which we would like to avoid.

MOTION RE THIRD FIVE YEAR PLAN

THE MINISTER OF LABOUR AND EMPLOYMENT AND PLANNING (SHRI GULZARILAL NANDA): Sir, I beg to move:

"That the Third Five Year Plan, laid on the Table of the Rajya Sabha on the 14th August, 1961, be taken into consideration."

Sir, may I immediately explain that this motion has been entered in the name of the Prime Minister? He has been unavoidably . . .

MR. DEPUTY CHAIRMAN: The Prime Minister is here. If he wants, he can speak.

THE PRIME MINISTER (SHRI JAWAHARLAL NEHRU): You have already moved the motion?

SHRI GULZARILAL NANDA: Yes.

SHRI JAWAHARLAL NEHRU: Then continue.

SHRI BHUPESH GUPTA (West Bengal): I think it stands in the Prime Minister's name. He can start.

SHRI GULZARILAL NANDA: I will make a few observations. Sir, this Plan came here earlier as the Draft Outline. It was discussed^e at great length and the Plan as it has now emerged has profited greatly by the suggestions, opinions and views expressed in this House and in the Lok Sabha. Later, there were further discussions; there were Joint Committees of Parliament who examined the contents of the Draft Outline very minutely, and there was a volume of suggestions as a result of those discussions of those Committees. We had also, Sir, consultations with the States and in the National Development Council, and the Plan that is now before the House, I should explain, differs not very materially—not in any fundamental aspect—but

ISHRI Gulzanlal Nanda.J in some details, in some features from the Draft Outline, and I might just place before the House a few of those features in respect of which the Plan has departed somewhat from the contents of the Draft Outline.

The major change, I might inform the House, is in respect of the size of the financial outlay in the public sector. In the Draft Outline it was Rs. 7,250 crores; in the Third Five Year Plan as now before the House, it is Rs. 7,500 crores. In respect of the private sector, the figure remains the same. Now, the question will be where this additional Rs. 250 crores is going and also, of course, where it is going to come from. Here, Sir, in the break-up, in the distribution of the public sector outlay, I find that the major change is in agriculture, power and social services; increases have been made under these heads. The amounts allocated for agriculture and Community Development was Rs. 1,025 crores; it becomes Rs. 1,068 crores. For power it was Rs. 925 crores; now it is Rs. 1,012 crores. In the case of industry and minerals, there is an addition of Rs. 20 crores. In the case of social services there is an addition of Rs. 50 crores—Rs. 1,250 crores now stands at the figure of Rs. 1,300 crores. Corresponding to that, there are certain other changes in the targets of production, etc. The national income which is anticipated out of these investments, well, is put nearer 30 than 25 per cent, and the percentage increase in the *per capita* income is 17 per cent, as against 15 per cent. And then among the targets of production, special attention has been given to oilseeds where the production has been increased to 38 per cent, as compared to 28 to 32 in the Draft Outline, and in the case of cotton, there has been some increase. In jute, particularly in view of its crucial importance, a very substantially larger target has been fixed. And in order to bring about these results, the allotments have also been correspondingly increased. I do not

want to take up the time of the House in going into these details but I want to draw your attention specially about one figure and that is our earnings from exports. The figure of Rs. 3,400 crores for the overall five-year period, now considering all the aspects of the question, has been raised to the figure of Rs. 3,700 crores.

These are some of the features of the Third Five Year Plan as compared to the Draft Outline. There have been certain other changes also in the social services, in the various targets under these heads. But I do not want to take up the time of the House in giving those details.

The question was proposed.

SHRI K. K. SHAH (Maharashtra): Sir, I move:

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

'and having considered the same, this House places on record its general approval and acceptance of the objectives, priorities and programmes embodied in the Plan and calls upon the States, Union Territories and the people of India to adopt it as the Nation's Plan and to carry it out with determination and achieve its targets.' "

SHRI T. S. AVINASHILINGAM CHETTIAR (Madras): Sir, I move:—

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

'and having considered the same, this House is of opinion, while generally approving the Plan, that—

(a) all attempts should be made to keep the price line;

(b) the distinction made between the physical and financial targets should not affect the implementation of the targets

laid down in the Plan for education and other social services; and

(c) all steps should be taken to maintain a high standard of integrity and performance in the services, so necessary for establishing a socialist pattern of society.' "

SHRI BHUPESH GUPTA: Sir, I beg to move:

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

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

(1) the Plan fails to draw the correct lessons from the experience of the earlier two Five Year Plans and continues to suffer from certain fundamental defects in its approach, objectives and methods;

(2) the size and the scope of the Plan do not measure up to the imperative needs of rapid economic development and there is no dependable guarantee that the rate of growth, which is far from adequate, will be achieved;

(3) having regard to the growth of population, unless the rate of economic growth is accelerated, it will be difficult to maintain even the existing level of living of our people and the promise of 'the opportunity to lead a good life' to the masses would all but remain on paper;

(4) far from containing any effective proposals for an equitable and fair distribution of national income among various classes, the Plan continues the same old policies of its two predecessors which have resulted in enormous concentration of wealth in the hands of a few and growth of income disparities;

(5) the Plan does not at all offer in concrete terms any rise in the living standards of the working people and material incentive which is essential for rousing labour enthusiasm and for releasing the creative energy of our people;

(6) despite its proclaimed stress on agriculture, the Plan does not still come to grips with the crux of the problem of our agrarian economy, namely, radical agrarian reforms to distribute land to the tiller of the soil;

(7) the Plan does not objectively assess the existing ceilings on landholdings nor make any proposals to enforce the ceiling in a manner that would break the concentration of land with a relatively small number of landlords and make larger quantities of surplus lands available to the State for distribution among agricultural labour and poor peasants;

(8) the Plan does not have adequate proposals to relieve pressure on land by creating an expanding alternative avenues of employment in our village* through rapid and widespread promotion of cottage and village industries;

(9) the Plan does not realistically review the experience of the rural co-operatives nor does it propose any radical orientation so as to eliminate the grip of the village exploiters over them and mobilise the people on truly voluntary co-operative effort;

(10) the Plan forgets the Nation's solemn pledge to eliminate the exploitation of the economy by foreign monopolies and reconcile to the continuance of such exploitation and even offers fresh penetration of foreign capital into the economy;

[Shri Bhupesh Gupta.]

(11) the concept of the Plan that investment of foreign private capital is necessary for building a self-reliant economy is wrong in principle, and runs counter to the objective of attaining complete economic independence;

(12) the Plan does not take due note of the fact that the hold of foreign monopolies over certain branches of our economy impedes and distorts economic development and restricts the formation of national capital;

(13) the Plan reconciles to the modification of the industrial policy resolution in order to offer concessions to foreign private capital by allowing it to enter among others, the field exclusively meant for the State Sector;

(14) the Plan does not see any need for restricting remittances abroad by foreign exploiters or for adequately tapping the huge accumulations and reserves that are lying with them;

(15) the Plan does not contain any effective proposal for the reorganisation of India's external trade in order to reduce deficits in trade balance as well as payment difficulties;

(16) the Plan does not pay adequate attention to the unfavourable trade terms which the Western countries impose upon the under-developed countries like India nor does it contain proposals of counter-measures to meet the situation;

(17) the Plan does not correctly assess the consequences of Britain's decision to enter the European Common Market for our economy nor does it take proper note of the recent trends in the West to

build up economic alignments like the European Economic Community for more effectively exploiting the resources of the under-developed countries like India, taking advantage of the latter's dependence on the world capitalist market;

(18) notwithstanding great foreign exchange difficulties and the urgency for augmenting foreign earnings, the Plan does not propose nationalisation of India's external trade under the State Trading Corporation even in respect of major items of export and import;

(19) the Plan shows a definite bias in favour of the world capitalist market even though capitalism has entered a new stage in the development of its general crisis, the repercussions of which cannot but be adverse on our economy in its present state of relations with the U.K. and U.S.A.;

(20) the Plan does not follow strict principles in the matter of priorities in regard to foreign exchange allocations;

(21) the proposals of the Plan for industrialisation are neither adequate nor balanced nor do they place adequate emphasis on the small and medium industries which have an important part to play in the present stage of our development;

(22) the Plan limits the growth of public sector to setting up new state undertakings but does not have any proposal to expand it through nationalisation of a number of vital industries and industrial concerns under the control of monopolists both foreign and Indian;

(23) the growth of the public industries remain still restricted

largely due to failure to nationalise certain industries and there is no promise, at the present rate of relative development of the public and private sectors, that the latter is going to attain decisively the commanding heights in our economy, in the course of the next five years or even longer;

(24) the Plan exaggerates the role of the organised private sector and plays down its negative and retarding features under monopoly controls;

(25) the industries in the private sector are not sufficiently brought within the purview of planning and much of its field is left open to operations in disregard of national priorities, and for sheer profit motive;

(26) the Plan does not propose effective measures through cost accounting under the aegis of the State and otherwise against manipulations by monopolists in respect of production costs, prices and so on;

(27) the Plan does not have any concrete proposal to eliminate interlocking take-overs, system of subsidiaries, but reconciles to the continuance of the managing agency system ■which has proven to be an instrument of concentration of economic power and unequal competition against medium and small industries;

(28) the Plan does not properly take into account the gaping regional disparities in economic and industrial development and fails to present a comprehensive programme in regard to allocation of industries for reducing such disparities;

(29) in the matter of allocation of industries, the Plan appears to be biased in favour

of the big business and attaches undue importance to its claims and lopsided approach;

(30) the Plan does not lay adequate stress on the need for rapid development of national shipping and loses sight of the fact that India was to have, according to the official decision, 2 million tonnage under Indian colours by 1954;

(31) the approach of the Plan with regard to resources is conservative and conventional and in a great measure undemocratic and anti-people;

(32) the Plan does not recognise even in principle that in the conditions of our country an expanding and revenue-yielding State Sector has to provide the main source of the wherewithal for planning while the taxes on the common man have to be reduced;

(33) the Plan relies more on taxes the incidence of which falls more and more on the working people while the upper strata of the rich are not adequately taxed;

(34) the Plan has no correct approach for mobilising to the fullest possible extent for planned investment the savings in the corporate sector and in partnership concerns under the control of the big business;

(35) the Plan refuses to propose nationalisation of banking when about 2000 crores of the community's savings lie with the banks;

(36) the Plan does not pay attention to the fact that huge resources in gold and securities and foreign currency are held by the former Indian princes in foreign countries which can be tapped as compulsory loans by the State;

[Shri Bhupesh Gupta.]

(37) the Plan seeks to unjustly cut the consumption of the masses whose standard of living needs to be immediately raised, while conniving at luxury and wasteful expenditures on the part of the wealthy sections of the community;

(38) the Plan has no scheme to bring down the prices of necessities of life and hold the price line and virtually reconciles to rising prices and inflationary pressure;

(39) while, thus failing to protect the consumer against high prices, the Plan at the same time fails to assure fair price for their produce to the peasants, and artisans, thus make them helpless victims of speculators and middlemen;

(40) the Plan fails to see that in order to promote proper industrial relations, the present labour policy which is clearly biased in favour of the employer and is essentially anti-working class has to be changed;

(41) while stressing the productivity of labour, the Plan fails to assure the working class of a corresponding rise in their real earnings and a fair deal;

(42) the Plan does not express concern at the derecognition of trade unions nor does it assert the absolute importance of respect for trade union rights in the context of planning and industrial relations;

(43) the Plan does not determinedly and realistically face the problem of growing mass unemployment and underemployment including educated unemployment nor does it offer adequate employment opportunities even to absorb the new I

job-seekers who enter the labour market every year;

(44) it is a glaring failure of the planning that the backlog of the unemployed should have risen at the end of the Second Plan to 9 million and that the Third Plan should have brought no real solution of the problem, but only a prospect of its further aggravation;

(45) even in view of this phenomenal growth of unemployment the Plan does not provide for full utilisation of the rate capacity of our industries almost half of which are working at below 60 per cent of their capacity;

(46) the Plan does not take a serious view of the arbitrary closure of mills and factories or their shifts which cause suffering to the workers and disturb industrial relations;

(47) the approach to the problem of education including education of women lacks the sense of urgency, while the allocation for the purpose is insufficient;

(48) the Plan offers practically no solution to the problem of rural and urban housing;

(49) the programme of social welfare and uplift of the backward classes is inadequate and below the minimum requirements;

(50) the Plan does not sufficiently go into the question of non-developmental expenditure with a view to reducing it;

(51) the Plan proposals underline that all-sided rapid national development cannot be ensured without certain basic social and institutional changes or without removing the main economic and social fetters, namely, the remnants of feudalism and the exploitation, of foreign monopolies;

(52) the failure of the Plan to enthuse the people is not accidental but arises from its basic shortcomings some of which are a companion of capitalist planning, but are further aggravated as a result of the Plan's attitude towards foreign exploitation of our economy and semifeudal survivals;

(53) the claim of the Plan that it is building socialism is incorrect and misleading in view of the fact that what is being really built is a capitalist economy; and

(54) the Plan should be re-considered and revised so as to remove its shortcomings and improve its approach, objectives and methods in order to ensure all-sided rapid national advance and in particular, continuous improvement of the living standards of the people.' "

The questions were proposed.

SHRI JAWAHARLAL NEHRU: Mr. Deputy Chairman, Sir, I must apologise for the slight delay in being in my place in this House but I was not much perturbed about it because I knew that if I did not com* in time, the House would listen to a better narrative of the Five Year Plan from my colleague. Even now, what I am going to say is rather of a general nature. The subjects in this Report are such that they had been before this House and before the country repeatedly with minor variations in emphasis or sometimes slight ideas thrown in. Essentially, we must remember that this business of planning started about twelve years ago or more, almost soon after independence. Now, during all these last twelve years, we had, of course, these two Five Year Plans, and now we have begun the Third Five Year Plan. Now, it is interesting to remember, to look back and see what has happened in these twelve years apart

from planning, apart from the implementation of the Plan. Many things have happened in India and the world. Many grave crises have faced us and we have dealt with them with such wisdom and courage as we possessed. In the world, there have been alarms of war repeatedly, even as I stand here. Just before I came, I understand that my colleague, the Home Minister, was good enough to read out a statement on my behalf here in regard to the situation in the Punjab. It is naturally one which deserves our careful attention because not only in the present but for the future it raises problems of deep import. Outside there is the world also in a very curious state of instability in a sense with apprehensions of the worst things to come.

Now, what I am venturing to point out is this that here in the last twelve years we have faced all these problems, some of them very serious, some of them even on the verge of danger, and yet, in spite of all that, this process, that we started twelve years ago, of planning has continued. In spite of criticism, sometimes justified, it has continued. In spite of setbacks it has continued and in spite even of our own failures in implementing all that we wanted to implement. Nevertheless, it has continued for the last twelve years and there have been two Five Year Plans and now we are on the third. It is a heartening thought, I think, to realise this continuity of a great nation on the march, in spite of all these difficulties, in spite of, I may add, all the deficiencies even of our Governments. It is something we have undertaken, something thus which is no doubt affected by the texture of a Government, by individuals who deal with these matters, but which is somewhat above that, which is not just something of the moment which a Government may deal with. There is a certain rhythm about it. It has developed a rhythm and no doubt that rhythm will grow. That is an important and a heartening feature of India pursuing this path which it chose soon

[Shri Jawaharlal Nehru.] after independence, trying to improve on its thinking and on its action but consistently pursuing it, and now, as in this very Report, hon. Members will see a reference to perspective, to perspective planning, to drawing up a plan for the next fifteen years, apart from the Five Year Plans, because planning essentially is looking at things in perspective, looking ahead, forming a picture of the future and attempting to reach that future, to realise that future in the present. I think it is a matter for some congratulation and commendation that we have persevered through this process of planning in spite of all the difficulties that we have had to face. That is not a special virtue of the Government or even of the Planning Commission. I am laying stress on it because, in the nature of things, it fitted in with the conditions in the country, the demands of the country, conscious or sub-conscious. It is only things which supply a real demand somewhere in the conscious thinking of the people or in the sub-conscious selves that fit in in this way. It did supply that demand. It filled, if you like, a vacuum, and therefore it has continued, and as month after month passes or year after year passes, this idea sinks deeper into the thinking Of the Indian people, even of those who may not be called intellectuals but who are naturally anxious for the progress of India on the economic and other fronts. We are dealing, therefore, with not something of today only but something of importance, something of great significance in the historic sense; we are dealing, in fact, with history, and we are dealing with the making of history, and as we deal with these matters, it assumes a larger importance, and even those who venture to function in this way get some reflected glory from that larger importance of the subject in which they are engrossed—I am not talking of the Government; I am talking of the people of India engaged in this mighty task. I am perfectly aware, as this House no doubt knows, of the

difficulty of our problems, of our failures, human failures of the individuals concerned, from the farmer in the field to the persons who work as, let us say officers in big plants—who do not come up sometimes to expectations. They fail and loss is caused and criticism comes, rightful criticism and all that. And in spite of all this the chariot of India marches on—that is the main thing—and the people of India march on, and there are many evidences of that. But I have repeated often—because it seems to me the simplest evidence—that looking all over India one sees and one can find almost everything good and almost everything evil in this country. With all my love for India I am conscious enough of the evil in our life, in our social life, the way we think, the way we function in our poverty, in our superstition, and all that. And yet if you look at India today, there are so many things which dishearten one create a sense of frustration. Just to give an odd example, whenever I see a slum, I have no answer in my mind why there should be a slum anywhere in India after twelve years or fourteen years of freedom. So these things are frustrating experiences, and so many others. It is always possible in a huge broad field as India is today, to find the good and to find the bad, and it is not an easy matter to balance them and to pick out the result of them. Some people may lay stress on the good. It is always good to lay stress on that because it heartens one. Other people may pick out the bad and write what once Gandhiji described the drain inspector's report, which may be true; they are true of the drains, not of everything and everybody. Now, looking at this broad picture I do submit on the evidence not so much of statistics, although statistics come into the picture, but from the evidence of one's eyes and ears, that all this is progress of the Indian people, in spite of all the poverty which exists, in spite of all the unemployment that exists. I go to gatherings, to large gatherings in the villages, and I have no doubt that

those people who come there in tens of thousands are far better today than they were ten years ago or twenty years ago or thirty years ago—there is no doubt about it. They are better clothed, they are better fed, and even they are better housed, although of course much remains to be done. But one single factor which I have repeated often in the last few weeks is this rise in the figure of expectancy of life. It is a statistical figure, no doubt, but I think it is significant, very significant when you see—with all these bad things, poverty and all that happening—that in the last ten years the expectancy of life has risen, from 32 first, in the late thirties, to 40, and now to 47½ years. It is really an astonishing figure, I say. I belong of course to an old generation and I remember in my youthful days reading a book by an Englishman. It was entitled, "Prosperous British India". Some of the people who approach my age may remember it; others will not.

DIWAN CHAMAN LALL (Punjab): By William Digby.

SHRI JAWAHARLAL NEHRU: Yes, by William Digby. And my recollection is that he gave the figure of 24 in that book as the expectancy of life in India; may be I forget the exact figure forty years after I had read it. But this advance from 32 in the late thirties—I think—to 47 now is an astonishing advance for any country—which has been so much advancing. And what is that due to? Obviously due to better health. Better health is an important matter, but ultimately it is due to the basic factors of health, to better feeding and other concomitants. I am quite sure, if I may say so with all respect to our Food and Agriculture Department, that most of their statistics are in the wrong way. I am quite sure that our people are eating much more than our statistics say, and that is the reason why, to some extent, we get into difficulties about our food supplies because they are eating much more and they are eating much more because they can afford

419 RS—5.

it. Generally speaking, the conditions are favourable to their doing so. All these are signs of health or, if you like, returning health of a country and I should like to stress this.

Naturally, we have to examine the Plan in its details and criticise it, improve it and all that. But I want the House to appreciate this broad fact of a general improvement in the conditions of living. In spite of unemployment and in spite of the existing poverty, I should like the House also to get that sensation of the rhythm of progress that has been produced in India by this planning method, and what has followed it. That, I think, is important because once you get that rhythm established, to some extent it carries itself forward.

We talk of the so-called take-off stage. It is a new word coined recently by some economists. And we say that once you take off, you get a certain impetus which carries you forward. Once you develop a mature technological society, it goes on. Naturally, it can break up too. We see very mature technological societies today in great difficulties, even in Europe some are very prosperous, others are in difficulties. The mere fact of a developing technology does not necessarily mean that you will go on automatically progressing, but it is an essential pre-condition of progress. And once you do that, then a certain element of automatic progress comes in and your industries function, your agriculture and everything, not in that same sense but to some extent there comes in an element of rhythm and progress by this planning and going ahead step by step.

You will notice another thing, if you look at the statistics, that we progress not by sudden spurts due to some odd causes. Odd causes come, of course. Something may happen. There was war in Korea. It affected some industries, we progressed, we made money, although war was not good.

[Diwan Chaman Lall.]

Quite apart from this, the statistics show a sustained growth, not fast. I regret it was not faster. But it is important to see that it is a sustained growth and growth is becoming faster year after year. In the most recent estimate for 1960-61 of the Central Statistical Organisation, they have not issued their final figures but what they call quick estimates show an overall increase of 6.5 per cent, over the previous year, the increase in the organised sector of India being about 12 per cent, and that in agriculture about 7 per cent. This is gradually a more rapid rate than previously and I have no doubt that it will go on.

Now, sometimes a year has been a little favourable, harvest, etc. Broadly speaking, we have not had a very favourable year. In spite of unfavourable conditions and floods and other natural disasters we continue to make that progress and that progress becomes a little faster every year. I wish it was much faster. We should like to make it faster. I accept it. But the fact is that it is solid, substantial progress which is not knocked down even by floods, even if the gods are angry and send natural disasters upon us. That is a basic fact and not some odd thing helping us forward or some odd thing pulling us back.

We have to face fresh difficulties. Just now my colleague, the Planning Minister who sat down, made a brief reference to exports. Of course, exports are most important. Now, our exports are probably going to be affected, or may be affected, by what happens by the United Kingdom joining the European Common Market. I do not know, of course, but it is a possibility and an important thing for us to consider. It will be a blow to us because just in a tender spot of our exports which we want to push ahead, we are struck a body blow and suddenly laid low for a moment. Well, we will get up, of course, and go ahead faster. So, I want this House—

I should like to repeat—to begin with before going into details, to take this particular view of the rhythm of progress which our planning has established in this country and this is based on solid foundations. It is not based on some trickery. It is based on solid foundations in many ways. First of all, the whole strategy of the Plan has been the development of agriculture which is basic to us and development of heavy industry even at the cost of slowing down the processes of small industry growing into medium industry.

The other day in the other House an hon. Member pointed out how India's *per capita* income and rate of progress compared very unfavourably with countries such as Thailand—I forget—two or three countries like that, he mentioned . . .

SHRI

GULZARILAL NANDA: Iraq, Israel.

SHRI JAWAHARLAL NEHRU: Iraq and Israel. There is no doubt that that is so. But what lies behind it? Many things, of course. You can examine each case separately. Take Thailand. These figures of increase of production relate to production of consumer goods which it is relatively easy to produce. I have no doubt that if we had concentrated on consumer goods, it would have shown a higher rate of production but that would have stopped after a while. It would not have grown. But it can grow *an* when it is backed by heavy industries which will produce machines, which will produce plants and factories, which will produce light industries and all that. Therefore, one has to make a choice. Of course, all these cases are quite different. For instance, I have no doubt that in Thailand among the goods produced, which may give a push to the statistics, one of the things produced there in large quantities is, I believe, Coca Cola. Now, Coca Cola will affect the figures, the statistics given, but I do

not think it is conducive to the economic health of the nation or the physical health perhaps, certainly the economic health. And it is not the basis of building a future. You cannot build the future on Coca Cola or anything like that obviously. Yet, of course, in Iraq and somewhere else too there is petroleum, so that there we get a strategy to consider. The basic industry, something that is more basic than everything else, is agriculture; it is more basic than everything else because it involves a change in the mentality of the farmer and the peasant. Quite apart from the other things that you do, quite apart from the fertiliser or the new techniques, plough, etc., which we all know and which we go on pressing on him, we have to change the mentality of the farmer, of the peasant. In fact, putting it in a bigger way, we have somewhat to change the mentality of the Indian people whoever they may be, individuals apart, broadly speaking. And because the farmer and the peasant represents roughly 80 per cent., it is more important that his mentality should change somewhat even though gradually than any external thing that we may do to increase production, because the moment that mentality changes, results come with a rush. If it does not, *then* you struggle at every step. This is the strategy. Heavy industry is essential. Without heavy industries, you can never go far with Jicitt industries and in going so, always you have a burden of depending upon outside countries. You cannot progress when you are dependent on outside countries all the time. We may depend for 5 years or 10 years or if you like, 15 years, but ultimately we must become self-dependent. I submit that there can be no other strategy of the Plan. There may, of course, be some variation about the emphasis here and there. That is always a question of balancing and arguing and nobody can lay down any hard and fast rules that this is the law and nothing else. It is always a question of arguing and balancing these things,

agriculture against industry, heavy industry against light industry and small industries and more particularly all these problems seen not in some theoretical context applicable to foreign countries, to America or England or Russia or any other but applied to the peculiar conditions in India or to any other country, because, the first lesson that one should learn, I submit, is that economics, which is a very important science, depends greatly on the conditions in the country which you are studying. Our failure in the past has been that we depended too much on some kind of application of the conditions in America or Western Europe, from which the text books came to us, to Indian conditions. Now, of course, in the last few years, we have got out of that rut. So we have to apply this to Indian conditions and to Indian problems and try to find an answer. That answer may not be a full answer, may not even be a correct answer. We go through trials and errors, gradually approaching a more precise and correct answer. I do not want to read out or to say what the book contains. I can give some summary of it but I do not think it is necessary. I presume that hoh. Members have got some broad idea of what the major tasks of the Third Plan are. The major approach I have mentioned— and the tasks are, if I may say something, apart from agriculture, which I want to repeat—is of basic importance and which I think is, on the whole, doing well in India, is just beginning to do well, beginning to do well in the sense not of producing more— that of course it is producing more every year—but in the sense that the producer is getting better which is the basic thing, getting better through our organisations, through even our rather much-criticised community development schemes, through pan-chayat samities, through cooperatives and the like—these are the basic things that improve agriculture. You use, of course, fertilizers and all that but that is relatively a superficial thing. If the man is improving, everything else will follow and the

[Shri Jawaharlal Nhr.] community development schemes and the several years' effort have undoubtedly done good, perhaps not so much good as we hoped. Then there is the panchayati raj business which is of the highest importance from every point of view, from the point of view of production but essentially from the point of view of raising or opening out the minds of the people to new prospects and teaching them how to shoulder the burden themselves. There is the cooperative movement which is also spreading fairly satisfactorily. That is for agriculture.

I come to heavy industries. In the ultimate analysis steel and power are the most important things. There can never be enough of steel in India. There can never be enough of power in India. It does not matter what you do. I say so with emphasis because there are some people who are so ignorant of the basic facts of life that they have even said last year some people who ought to know better, that there has been over production of steel. If I may say so with extreme deference, I have never heard such utter nonsense in my life. There can never be over-production of steel or power or some such thing. I suggest that everything is dependent on how much power and steel we have. In fact, one of our grouses, if I may say so, is against ourselves, that we came to this realisation slightly later. We might have done so earlier and it would have even made a lot of difference if we had started, in the First Plan, thinking on those lines. That is basic of course.

Of course, with that one thing is connected—and the whole idea of planning is to connect one thing with another—is the question of coal. Coal becomes another basic thing for other things to function. Then transport comes in. Today one of our difficulties is, sometimes coal is not produced adequately. Sometimes it is produced and we cannot easily transport it, at least not enough, and then there are |

some delays. All these things, which are naturally parts of our planning, are " there and difficulties occur. They have occurred in the best organised countries like—from the planning point of view, a country which has done more planning than any other—the Soviet Union. Often difficulties have occurred in regard to these matters and it is not surprising that they occur here. Of course, we should try to see that they do not occur. These are basic things and now we lay stress on heavy industries. Of course, we do but one remarkable feature in the past few years has been that there has been a spectacular rise in small industries in India, specially in Punjab, northern U.P., in Madras, in Bengal, in Maharashtra and elsewhere. It is particularly spectacular, the way it has risen and it will rise and will go ahead much faster even, if we do not check it. Why check it, you will ask. We should check it really because of lack of foreign exchange because every one of the items although they produce here requires something in the shape of foreign exchange. In fact, it was because we were rather lax in this matter that some of our foreign exchange difficulties arose in the last 2 or 3 years but we must remember that it did result in those industries growing up here. You go to many places in Punjab. They simply hum with small and medium industries. That is the broad strategy, as I said.

Behind it, if we speak about human beings improving, lies education and therefore more and more we feel that we should spend as much as we possibly can, on education, general education and specifically technical education, scientific and technical. You v/ill see in this Report certain proposals about scholarships. Scholarships are of course always given, have been given, but this is not merely a question of quantitatively giving more scholarships but the approach is qualitatively different, if I may say so. Quantitatively, of course it is there, that is to say, on the one side, naturally, we are aiming at free compulsory primary education. That does not

take us very far. What we now want to aim at is that no boy or girl of any merit has to go without proper education for lack of resources. This is a very big thing, I say. No boy or girl in this huge and vast country of India should be deprived of higher education for lack of resources—of merit of course—and so we say that he should be provided with that resource, financial and other, not only the bare fees—that is not enough for a person who is poor—but something much more, so that he may go to the technical colleges, medical colleges and the like, which are very costly, so that all this business that we have of special scholarships for special groups and castes—which I do not like at all, that approach I mean—would be changed into these special scholarships at all those grades—the school grades, college grades and university grades—for any person who has merit, who has promise and who cannot afford himself. Everywhere it should be given. That is, economic reasons should apply and merit, of course, rather than caste reasons. It may be that even so it may be necessary, in order to encourage certain groups of people who have been sat upon by society in the past and therefore, not allowed to grow, to encourage them still more and some privileges or opportunities for them may also be provided.

1 P.M.

There is an important part of this Report which deals with scientific and technological research. We have done rather well in this on the whole in our country, in our national laboratories, in our defence science laboratories and in our atomic energy laboratories. The advance we have made is quite impressive. It does not produce quick results, of course. But we are proceeding on an organised basis which means team work in a big way. Scientific advance takes place not so much by the brilliance of an individual scientist, but by a group of able scientists teaming together for a particular job. Whether they produce an atomic bomb at the end of it or anything else, it

is team work on a big scale that is necessary. When the atom bombs were produced, thousands of scientists were at work for years, almost imprisoned, detained in camps in America and elsewhere too. Now, we are functioning in a big way and if we have made good progress in our atomic energy work, it is because some of our brightest and ablest scientists are engaged in team work in Trombay and there are others elsewhere in India. Some 2,000 of them are there in Trombay engaged in this team work attempting to produce results. They are a set of very fine young men and women engaged in this work and if this has produced results, it is because they are functioning in a big way in team work. So also in our other laboratories. If I may say so, this is all good, but university education has not caught up with this idea yet. May be resources are lacking. They appoint a man as professor of, say, physics. He does not have enough time. He has to lecture, do this and that, a little research also, and the result is that the outcome is not much. I believe, I don't know, but the University Grants Commission has come to the conclusion that if universities are to function properly, they must have groups of able scientists for one subject. If physics is the special subject of that university, then it must have not one professor of physics, but half a dozen professors of physics, with able men as special scholars, lecturers, readers and so on, so that you create a group for one subject only. Another group in another university may take up another subject. The whole system and quality of the work is changing. This has to be encouraged in every way, apart from numbers. As for numbers, perhaps the House knows I believe that the present figure of boys and girls going to schools and colleges in India is about 46 million. That is a substantial figure. Although from the point of view of the Indian population it may not sound very big, compared to almost any other country it is a very

[Shri Jawaharlal Nehru.]

substantial figure. There are many questions connected with this, but the main thing which I want to stress is that we have laid, I believe, a strong base for sustained development. That is the main thing, and from this the increase in national income will automatically come. And remember that when you compare India to any country, Ceylon, Malaya and all these countries we find that we have started from a much lower level than almost any other country in the world. It is extraordinary how low the Indian per capita income has been in the past. We started from scratch, almost from the ground up. Of course, whatever you produce, when computing per capita income, it has to be divided by 450 millions and so the actual figure becomes very small. I do not want to take much time, but I shall just mention about population policy for it is important. We are laying stress on it and India is one of the few countries that are laying stress on family planning. The question is whether spending more and more money will bring results. We must spend money and we are spending money. But that alone will not produce results. Anyhow the results that are produced will probably come in about fifteen or twenty years time to show themselves. But this idea is important, to remember the future and prepare for it from now onwards. From that point of view too, it is important to have this fifteen years perspective plan that we are undertaking and which I hope will be ready, maybe in a couple of years. That is, during the Third Plan, we shall get the fifteen years' perspective which will deal with our estimates of population and how to absorb them in industries, agriculture and generally with the nation's growth in the various sectors.

So far as agriculture is concerned, I should like to repeat that we attach the greatest importance to co-operatives. I believe that co-operative

fling will obviously suit India's needs. When I say India's needs, I am not putting it as some kind of theoretical proposition, because I believe that the needs of each country should be looked into and we cannot apply some set formula. In India where a holding is so small, an acre or two acres or maybe a little more, but usually less than one acre, it is impossible to expect any real progressive farming from a person who has one acre or two acres. He will be a very bright person if he achieves it, but that is a different matter. Therefore, it becomes inevitable for the small farmers to come together in a co-operative way and thus get the benefits, to some extent, of large-scale farming and larger resources. The other day I was reading some thing. As the House knows, this is Tagore Centenary year and I was reading a speech delivered by Rabindranath Tagore at the first and the only political conference that he addressed, I think in 1907 or 1908, in Bengal. It was a Bengal Political Conference and I was pleased and astonished to find an earnest plea in that speech for co-operative farming for Bengal and the rest of India. And he said that it was logical and inevitable for us to do it, basing his argument on the smallness of the holdings in India. Now, I do believe that. But the way we are progressing now is to lay stress immediately on these what are called . . .

AN HON. MEMBER: Service co-operatives.

SHRI JAWAHARLAL NEHRU: Yes, these service co-operatives, because it is not merely a question of deciding to do something. People must learn how to do it. That is the most important thing. Co-operatives have failed where there has been no training behind them and service co-operatives themselves require a lot of learning and training. That is the first step, and if you do that successfully, the next step comes easily. Often people lay stress on regional development. It is our desire that India

should progress evenly all over the regions but it must be remembered that some regions are peculiarly fitted for some kind of thing like the coal-bearing area or iron-ore deposits and others are not. You cannot have steel plants spread out all over India. You just cannot do it. Now, looking at it purely from an economic point of view, the able economists who sometimes come from abroad advise, and advise very strongly, not to fall into this pit of regionalism but to start industries and plants wherever it is most profitable to do so. If we like, out of the profits that may be made, the region which is backward may be helped but they are against plants being spread out even at the cost of the plant not being a successful one or not producing any results at all. That, of course, in theory is the obvious thing to do but in practice one just cannot ignore human factors and one has to spread them out to some extent. I think this fact should be remembered that we cannot afford to put up big plants. Small plants, of course, can be put up anywhere but big plants cannot be established at any place where they do not yield the greatest profits. Every big plant that we establish must be a profit-making concern. Sometimes people imagine that because it is a plant in the public sector it is meant for the good of the public and, therefore, it should make no profit. That is a completely wrong and absurd notion. The plants in the public sector have to go to make profit and huge profits, huge within reason because this profit is the stuff out of which more stuff will come to us, more investments and more profits. Every major public sector plant, I think, should duplicate itself within a period of years just as the Hindustan Machine Tool plant has duplicated itself out of its own profits without any further assistance. I think ultimately the steel plants should duplicate themselves out of their own profits and so with the other plants. You cannot do that if you were to establish plants somewhere where it is not profitable and where it is a burden. There are, of

course, many things that can be spread out.

The problem of planning has been, I think, faced by us and dealt with by us with a measure of success. The real problem that comes and which sometimes lacks in success is the implementation of the Plan. This is always more difficult and therefore, in this Third Plan, the greatest stress has to be laid on implementation and on appraisals, on checking what is done from the point of view of the work done. Previously, our Planning Commission used to put out figures showing as to how much money had been spent by this or that State. I do not think that is at all a good way of finding out what has been done. Money may be wasted and money may not be properly spent but that is not the point. The test should be the actual work done. This is obvious and enough attempts are to be made to have this process of appraisal functioning. Indeed, our work entirely should be the task orientated, the task to be performed, and we should function as to how this is going to be completed. That should be the test.

This Third Five Year Plan book is built heavy and looks formidable and sometimes I do admit is dull reading but parts of it are not dull reading, especially when you look at as giving you a glimpse of the future to come, it is not dull at all. There are so many subjects and so many points in this book which deserve study, argument, discussion and criticism. There is the major question of preventing concentration of economic power and the growth of monopolies which is a very important question and which constantly pursues us because there are many tendencies which do create concentration and you cannot help it without affecting growth itself. How to maintain growth and yet prevent it is a difficult question. I do not propose to go into these matters because I have no doubt that many hon. Members will deal with some of these matters, and at the end my colleague, the

[Shri Jawaharlal Nehru.] Planning Minister, will reply to the debate.

There is just one thing. The hon. Member opposite, Shri Bhupesh Gupta, has produced a so-called amendment or amendments. I do not know which containing 54 paragraphs. I am really surprised at the hon. Member's, what shall I say, paucity of something which I thought he possessed in a considerable measure, that is, intelligence. A person who puts forward 54 points like this has no sense of perspective, no sense of importance or unimportance. He has just huddled up everything and calls this an amendment. I do not know how many Members have read these 54 points. I regret to say I have not. The mere fact of such an approach itself shows the utter lack of understanding of the planning system, the planning structure and the strategy of planning. He has just put down whatever came to his mind, a collection of his likes and dislikes. Well, his likes and dislikes are important but I think they have no relevance in planning.

Before I conclude, Sir, there are one or two matters, not directly connected with planning, which I should like to refer to. We plan and we bring such big books but, as I said in the beginning of my remarks, everything is governed ultimately by what is happening in our country, the state of affairs in our country and in the world. If our people quarrel with each other and break each other's heads, that is an impediment to planning, obviously. If war breaks out in the world, that is a very serious impediment to our planning apart from whatever other loss might happen. I referred previously here in this House to the situation that has arisen in the world at large, to the Berlin issue and the rest. I am not going to speak about them but I want to clarify one or two matters in that connection which have led apparently to some misunderstanding chiefly abroad, not so much here. In discussing the German or the

Berlin issue which is exciting people's minds so much, I have repeatedly laid stress on an approach being made to these matters through peaceful negotiation by the big countries especially concerned. It is exceedingly difficult '—nor I think very proper—for all of us or for me to put forward suggestions as to what other countries should do. Sometimes of course we have to put forward our broad ideas but the essential thing that I have pleaded for is this that these big countries should get together—their Heads—and try ^a find ^{way} out ^{of} this present tangle. The greater the delay in doing so the greater the perils that we have to face because the technique of the cold war has to become—it may be an odd way of describing it by me—more and more heated but there it is. One sees daily statements, speeches thrown at each other, threats thrown at each other and powerful resolves made to dig in and not budge from a particular position. This kind of thing is all right sometimes but if it is persisted in, it leads to dangerous consequences. So I venture to say the sooner the people got together the better because I do not think—I firmly do not think—that any country is thinking in terms of a war but conditions may be produced when national honour just pushes each country in a particular direction.

Now, I was discussing this. On the last occasion I spoke here I spoke about the question of Berlin and I said that so far as West Berlin was concerned one thing should be accepted without reservation and that is, the access to West Berlin from West Germany should be full and should continue as heretofore, because here is a city although half a city, still it is a city of 2½ million people—West Berlin. They have these contacts and one can hardly conceive of those contacts and access being interfered with without the gravest consequences. Therefore, it is essential that it should be agreed and guaranteed that those contacts with West Berlin and East and West Germany should continue and even if other changes occur, that

thing will remain. I have laid stress on that repeatedly and I have pointed out that even Mr. Khrushchev has admitted that. Therefore, this is a solid ground to talk about and to make it quite clear so that no subsequent change may be able to affect this. If that was done very clearly and definitely, sonii of this heat in the cold war would go.

Then there was a question—the hon. Dr. Kunzru put it to me—about the contacts between East and West Berlin, and what was the legal aspect about that.

PANDIT HRIDAY NATH KUNZRU (Uttar Pradesh): If I may say so, I did not refer to the legal aspect. I referred to an agreement that was concluded between the powers concerned and I was wanting to know whether it was still valid or not.

SHRI JAWAHARLAL NEHRU: That is legal, is it not? Or constitutional, call it what you like; it does not matter. These things may be looked upon as the law governing it or whatever it is. I went into this matter—or tried to—with the help of our Historical Section and they produced all manner of agreements, protocols, covenants and the like from 1944 onwards. It was highly confusing; but the confusing part was not those protocols and all that but that things were happening in between. For instance, originally defeated Germany was divided up into three parts and later into four under the four big powers—the Soviet sector, the American sector, the British sector and the French sector—and the city of Berlin was treated separately under the ultimate control of the four powers. We began with this and the agreements about this. Then what happens is, the three Western sectors combine together and become the Republic of West Germany. It is a big step. Then the Republic of West Germany becomes a member of the NATO group of powers. This is another big step. So there is difference between what it was in 1945 and what it became a

few years later. Similarly, the Soviet sector becomes the Democratic Republic of Eastern Germany and the second step is it becomes a member of the Warsaw Pact. All these changes are taking place all the time which inevitably limit the force of some of the older pacts and covenants. It is therefore very difficult to justify fully anything purely legal. That is why I said on the last occasion something about there being no strong legal basis at present in regard to East and West Berlin. I am not talking about East and West Germany; that I have disposed of. But because of these changes that have occurred, each party accuses the other of having taken some step which it should not have done, and therefore of having broken the previous agreement or covenant or protocol. The net result of the deliberations of the Foreign Ministers in 1949 in respect of East and West Berlin which called upon the occupation authorities to consult together on a quadripartite basis was the continuance of freedom of movement between East and West Berlin in spite of the administrative division. Since then even till recently about 50,000 East Berlin workers used to go daily to West Berlin—I am not talking about emigration; that is a separate thing and come back. I do not know, the exact figure but the figures have here vary from 5,000 to 15,000 (workers who went from West Berlin to East Berlin daily and went back. All that was natural. Here is a huge city; it is not very easy, not very advantageous to divide it into two entirely separate units and cut up the city's life. But gradually this process of separation went on because of the cold war till now, ten days ago—whatever the period was—when for the moment at least a terrific barrier has been put up between East and West Berlin preventing people from going in and out. I hope it is temporary barrier because it is quite absurd to have a great city like this with a kind of a Great Wall of China dividing it into two. I repeat that whatever the legal implications may be—because there are two views a

[Shri Jawaharlal Nehru.]

it may be that under strict law it may be justified, this barrier being put up—from every other point of view it is a harmful thing for a city's life to be cut up in this way and from the human point of view particularly it causes tremendous misery. Also of course Berlin continued to be a kind of symbol of the future unity of Germany whenever it might come about but this kind of thing goes against that trend. I mentioned about worker.; going across but apart from workers there is so much else which is common. The underground railway which was run, I think, by the East German authorities went all over West Berlin.

Looking at this picture, the German picture, now it seems to me that in spite of basic differences in their outlook, in their approach—the Soviet group on the one side and the Western countries ^{on} the other—there are so many points in common between them. At any rate they agree that it should be easy, at any rate at least it is not very difficult to find some common basis for agreement at the present moment if they set about it. The agreement must, in their approach, take into account human considerations, and not stick too much to legal niceties or whatever some -covenant contained in the 40s. The whole background has changed factually and it does seem very odd that these barriers should be put in the way of movement and cause infinite misery to large numbers of people. That is all I wish to say about that matter.

I trust that in this debate on the Five Year Plan there will be a certain approach from the point of view of larger perspectives—of course, the other things too—because the larger perspectives are after all the important things to remember.

Thank you.

MR. DEPUTY CHAIRMAN: There are 39 speakers from the Congress Party and the House will sit through the lunch hour all these three days and also till 5.30, if necessary. Each Congress Member will take about 15 minutes

SHRI BHUPESH GUPTA: Mr. Deputy Chairman, we have listened to the speech of the Prime Minister on the Third Five Year Plan, but somehow or other he has not taken kindly to the amendments that I have given. I thought I had indicated in the amendments as to what should be the approach with regard to the various things and items in planning. For nearly 750 pages you can at least expect 4 pages of amendments. After all the Plan is no poetry and you cannot handle the subject in mere rhetorics, not that it is unimportant. I think in some parts of the Plan you find less realism and more eloquence. Eloquence of the Plan, as I understand it, lies not in the literary style, nor in the fine language in which you try to explain it. It lies in its proposals, in its approach, in its achievements and the rest of it.

Now, Sir, I wish to deal with different aspects of the Plan. Obviously, it is not possible even in a long speech by anybody to deal with the subject as a whole. Even so, I think we should concentrate on some major aspects relating to aims and objects, approach and methods. We need not go into the details and the various things that are there. I welcome right at the beginning the greater emphasis which the Plan lays on industrialisation and heavy industry and the public sector. My only disappointment is this. The emphasis is not big enough and the size is not big enough. Also, this Plan attaches some formal importance to the question of agriculture, as it should be, but as I shall presently show, when it comes to planning, this emphasis is not matched by either its approach or its proposals.

Now, Sir, let me start with one major aspect of the Plan, namely, the rate of growth. In the Second Plan we had a rate of growth of a little over 31 per cent, as against the target of 5 per cent. Now, in the Third Plan the target is set at slightly a little more than 5 per cent., as you will see. But then the population also is increasing at the rate of 2 per cent. annum and if the trend is maintained, probably the rate of population increase would be slightly greater. The last census had shown how our calculation with regard to the rise in population was an under-estimate. Now, the question arises as to how we assess this rate of growth in our economy. That is a very vital question. In my opinion, it is a slow rate of economic growth and this slow rate of growth cannot be easily explained away and one has to find a proper explanation for it. We have to assess it as to why the rate of growth should have been so slow, in order that we can accelerate the rate of development. Here, in a summary circulated by the Press Information Bureau of the Government of India, before the Plan was presented to the other House for the benefit of Members, something was stated about the targets. "But they are large only in comparison with the past, not in relation to needs or to the nation's capacity to achieve". This frank admission, I find, is missing in the summary that has been circulated to us. The relevant paragraph comes in, but somehow or other that little confession and truth is left out. That is the technique of our planners. I have been associated with all the three Plans, of course in the discussions and so on, and I find that some of the rather frank statements are sometimes deleted from certain publications.

Now, here we have to consider the rate of growth from that angle, from the angle of the resources of our country in men and material. We have got a vast man-power and today it is about 172 million and compared to 1951 it is up by 28 million according to the Government's computation.

We have got tremendous natural resources, minerals and so on. The question is how to harness them for production with a view to developing our economy. That is the crux of planning today. How to mobilise tremendous man-power in our country into production and produce labour in order to exploit the abundant natural resources that we have. Are we doing it properly? Are we doing it adequately? Have we worked out a Plan in such a way that bring about the maximum results at a given point of time? I submit it not so.

Now, why is it not so? It is because we have not come to grips with the problem of our agriculture. Our agriculture which accounts for nearly per cent. of our national income continues to be in a state of stagnation and unless we turn corner in the agrarian sector of the economy, well, national planning will suffer greatly and it will not at all qualitatively its basic character as is today. Here again, you find that as a result of this stagnation in agriculture, we have to import over the past few years Rs. 1500 crore worth of foodgrains and today believe that at the end of the Third Five Year Plan there will be 1 million tons of foodgrains products. There will be a rise of 30 per cent. or so. Do I take it that we are going to achieve stability in this matter increased yield in production or create a situation whereby imports will no longer be necessary? I think that as far as the Plan goes and the Government goes, it is quite clear that they are thinking in terms of continuing, as they must unless they change their present policy, food in from abroad. Again, here we have spent about Rs. 240 crores or more on community development project which once used to be described by the Prime Minister as a silent, non-violent revolution in the countryside. Today it is a fiasco in many parts of the country and it is stated by many people, who have gone into this question, that the results achieved after

[Shri Bhupesh Gupta.]

With heavy spending are not commensurate with the outlay or expenditure, which is the position. Now, nobody talks about the silent revolution in the countryside because that is a story of misconception in planning, of waste of our resources and of not facing the real problem in our rural economy. Now, Sir, the Prime Minister had in the A.I.C.C. Seminar in May-June, 1959 said:—

"The whole success or failure of our Plan hangs by the single thread of agricultural production, especially food production."

That is what he said. Now, today how are we faring in this matter? Something that I would ask the Government to explain. It is not that they are not improving it, but the improvement is very slow. The process is something which does not help the people. That is the position.

We come to the position of ceiling, low, ceiling as you know, is not even introduced in many places—in Bihar, Gujarat, Madras, Maharashtra, Mysore and Punjab. I am speaking on the basis of the reply given by the Minister in the other House in February of this year. In nine States they have introduced it. But, as you know, the impact of it on our agriculture has not been what it was intended to be. That is to say, despite the ceiling, land concentration continues even where the ceiling has been introduced. According to the Agricultural Labour Commission's Report, we find that 2.43 per cent, of the total households owning above 30 acres or more each own 28.5 per cent, of the total area in land, whereas 82.58 per cent, of the landless and the poor peasantry own 27.43 per cent, of the total area. That is to say, this huge number owns much less than what 2.43 per cent, own. Such is the position. Therefore, you find that polarisation continues in the countryside of India. On the one hand, land is concentrated in the hands of a relatively small number of landlords; on the other, vast masses of the peasantry go land-

hungry without land or with very little land. Unless that picture is changed, we cannot step up the economic growth. That is the crux of the matter and that picture cannot be materially altered unless and until we have agrarian reforms which would give land to the tillers of the soil. This is what we have been insisting upon in this House, and we shall continue to insist till a situation arises when the land goes to the tiller, when the man who holds the plough shall own the land. (Prof. Mahalanobis, taking the situation into account, pointed out, I think, some two years ago that in order to develop this economy, we must increase the economic activity. I shall come to it later. Now, where the ceiling has not been introduced, or where it has been introduced, it has not made much material difference from the point of view of the reorganisation of our agriculture.

Then, Sir, I come to the industrial sector. I will come to industry separately but here again, we find that 40 per cent, of our industries are working at 60 per cent, or less of their rated capacity. That is to say, there is not even full utilisation. The existing installed, rated capacity in our industry is not used. It is stated in the Plan and at various places and I find that there is hardly any assurance in the Plan that full utilisation of the rated industrial capacity of the country will be undertaken unless we take drastic measures in this matter.

Then, Sir, comes the question of the small and village industries. Now, as you see, if we have to develop our rate of economic growth, we have to develop certain other avenues of employment and production in the countryside and in the towns of our country. For these, what we need naturally is not always big industries. We cannot have them in all these places. But we can certainly have a larger number of small and cottage industries spread all over the country with a view to diverting a section of the population which presses on the

land to this kind of industrial production and generally raising the industrial output of the country, taking into account all types of industry. Prof. Mahalanobis in the Plan frame suggested that there should be about Rs. four hundred crores of allocation in the Second Plan for the cottage and small industries. That was contested by some people. Ultimately, the target was lowered; I think it was brought down first to two hundred crores and actually Rs. 175 crores have been spent. Therefore, it is no use the Prime Minister telling us that the small and medium industries are going ahead. The question is how far they are going ahead. How many are closing down? What is the net result? Are we having a picture in the countryside and in the towns of India where these little enterprises come up with a view to exploiting the resources of our country reducing unemployment and increasing the national output? We are not doing that even under the Third Five Year Plan. It is Rs. 175 crores or so. This is the position. "Therefore, Sir, here again, we find -that it has failed.

Then I come to the question of the new entrants into the labour market. Every year, according to the calculations of Prof. Mahalanobis, who is a member of the Planning Commission, 3.5 million people enter the labour market annually. According to our reckoning, it is much higher; it should not be less than four million or so. Today our rate of development or creation of employment opportunities is not even good enough to absorb the new entrants into the labour market every year. That is to say, the job seekers are ahead of the employment of the unemployed or the underemployed. This does not present an exhilarating picture of planning however much you say. You are on the frontier of a new India. That frontier can never be crossed by the unemployed people, by the under-employed people, by our people in the midst of terrible sorrow and

unemployment in the country. That is not the way to cross the frontier from poverty to prosperity, from the frontier of backwardness to a modern economy.

Now, we find that twenty million people have hardly one hour's work day; 53 million have less than fifteen days' work in a month and in order to meet this situation, the only way required is, again according to Prof. Mahalanobis—I am quoting that because you will not accept my figure—40 per cent, rise in the economic activity of the country. This statement of Prof. Mahalanobis appeared "The Times of India" of 2nd January 1959, Bombay edition. This is the position.

Now, this Plan does not at all indicate that the economic activity will be increased by 40 per cent, or 50 per cent. Not at all. Therefore, the rate of growth will continue to be slow. There again, I can tell you that even without planning, in certain countries great progress is made; even Thailand, it is much higher. I have got a list of the countries where without planning they have got a bigger rate of growth. In our country with planning, we should certainly do better. But what is being done?

Now, let me come to the point where it is so, and we must break through. First of all, the planners must realise that if they want to increase the rate of growth, what is essential is bring about a certain social transformation and institutional changes in our country. It is not to use tinkering with the problem. It is not to use juggling in more money into the country. That must be done, but it is essential, in order to see that if money is put to the best use, the results are achieved, that we may achieve proper social and institutional changes. In this connection, the reorganisation of our agriculture assumes very great urgency. I must tell the House again and again that the time has come today after years of planning to recognise <

[Shri Bhupesh Gupta.]

ice the bold fact that until and unless we reorganise our agriculture by making the peasants the masters of the land, we are not going to make a qualitative break. Quantitative changes may be made but they are not able; the country cannot catch up with the modern civilization or build modern economy. Then again they rise the question that the industrial capacity should be utilised. What is more important is assistance to the small and medium industries and village and cottage industries. Utilisation of manpower is also very very important. This is all that I wish to say with regard to that aspect.

Then, Sir, I say that with the rate of growth is closely connected the selection of investments. Now, you find in the Second Plan that domestic savings come to about 8.5 per cent, of the national income, and another 3 per cent. was made up through external assistance, altogether 11.5 per cent.

so although it should have been much higher. That was the position in the Second Plan. Now, the Third Plan envisages that at the end of the third Plan period domestic savings would rise to 11.5 per cent., and the total savings including foreign assistance to 14 per cent, or so. Now, Sir, is it a big rise? Is it enough? If at the rate the investment takes place, the national growth of our economy will be small, and I wonder if we will be in a position even to maintain the growing population—taking the annual increase at 2 per cent, into account—on at the existing level of standard

living. This is the crux of the matter. Unless we have a larger investment and a greater rate of growth, it is highly problematic whether the claim of the Plan about raising the level of living will materialise, whether the level of living will go up or not. Sir, in this connection I cannot but recall to the House what Mr. Chintaman Deshmukh said in member, 1952, in the other House. He said that instead of 27 years he would be doubling the national income in 20 years. According to him,

at the end of the Fourth Five Year Plan, we should have been doubling our per capita income. It should have been so according to his own statement. It has not been possible. On the other hand we find even from what has appeared in the A.I.C.C. journal of the Congress—the "Economic Review" that if at the present rate things go, then it will take fifty-five years, not even 27 years—starting from 1950—not even 27 years but 55 years or so to double our national income. Therefore, Sir, when you have perspective planning, it is a good thing. But what is the perspective today? The perspective is such which does not hearten the people. How can one feel assured when he is told that even after the Third Plan, even after the Fourth Plan or the Fifth Plan the income level would remain very low? Now, Sir, that is another aspect of the matter.

Now, in the perspective part of the Third Plan, we find that in the Fifth Plan we shall be having domestic savings coming to only 19—20 per cent. of the national income. But I may recall here again that at the A.I.C.C. Seminar at Ooty two years ago they were thinking of this percentage being achieved—in fact 20 per cent, being achieved—at the end of the Fourth Plan. There, the Congress leaders including the Prime Minister, were thinking of a 20 per cent, rise in national investments, in domestic savings. Now, we are told in this Plan that at the end of the Fifth Plan it will be barely 18—19 per cent. Thus you see that the expectations are not being matched by planning, and so on. This is another aspect of the matter. Now, Sir, I must point out that it is therefore not indicated what the rapid development of our economy is. And secondly, the perspective takes things for granted, apart from the question of peace and war. If there is war, of course everything will be stopped and retarded, but even assuming that there is no war and there is peace, what is the guarantee that this perspective planning that has been unfolded before us in broad outlines up to

the year 1976 would be realised. There is no indication at all, no assurance at all. On the contrary, if you have to go by the test of the two Plans, then you may say that it is highly doubtful whether the physical targets will be achieved and if the physical targets are not realised, then even the little 5 per cent, growth in the national income will not be achieved, and that will mean a retreat on all fronts. Again, I am using the expression that was used at the Ooty Seminar. Therefore, the problem of domestic savings is not tackled here properly. And why they do come up against this problem of domestic savings is again very clear to us, because they would not bring about the institutional changes. They would not pay attention to the social and economic conditions which will generate the accumulations, for example in the countryside today, and in other sectors of economy also. Therefore this factor has to be borne in mind. There-the Plan, instead of giving incentives, gives disincentives to the people. There should be material incentives for increasing the productivity of labour. That is very important. All planning in the world today lays very great emphasis on material incentives. Merely by preaching that the country must go forward, you cannot take the country forward. Even when the working class is in power, even in the Soviet Union where full-scale communism is being built, Prime Minister Khrushchev and the other Soviet leaders lay very great emphasis on the living conditions of the people. In other words, they lay stress on the question of the material stimuli to planning. And today we find in our planning that that incentive is not being given, that that stimuli is missing. After all, there is the plan to cut the consumption of the people here, and there is no indication that the living standard is going to rise at all. That is the position. Therefore, Sir, we will not be able to create labour enthusiasm in this manner. Therefore, I suggest here that the social and economic

police, of the Government in this respect must be changed. Now, I can tell you that if we change our agrarian pattern, reorganise our agricultural pattern, savings will come from that, sector of our economy, which would account for *one* half of our national income, and if the present agrarian reforms remain as they are, the savings there will only go to the benefit of a small number of people there, to their pockets. Professor Raj of the Delhi University—a well-known person in this line—well, he pointed out in an article in an economic weekly that in the last decade, the additional income which agriculture had generated amounted to Rs. 1700 crores and that the bulk of it was appropriated by 3 per cent, of the rural exploiting classes. That is the position. What, does it mean? It means that the income generated additionally, as a result of very many factors including your investment, is being grabbed' by people who are exploiters and parasites who spend the money on luxuries and wasteful purposes; in other words, they are not available for investment and developmental' purposes. Therefore, Sir, this aspect is a very very important matter and' I find the Planning Commission does not pay due attention to it. The policy of raising resources by putting economic burdens on the people is a retrograde step. But this is what the Plan does. Today, when the time has come to rouse the people, to generate enthusiasm in them, to give stimulus to more productive labour, we find proposals for heavy indirect taxation, high prices, and so on, which will mean more economic burdens on the common man and the working people. Certainly this is not a right approach in planning in an underdeveloped economy, or that matter, in any economy. Contribution from the peasants, workers and other sections of the working people, in the right type of planning that we must have, must come in the form of productive labour, not so much in the form of taxes, in the form of high prices and other means of economic exploitation of these sections of our community.

[Shri Bhupesh Gupta.]

Now, Sir, there is another aspect in this field of savings. For 20—23 per cent, we are still dependent on external resources. I do not deny that such resources would be necessary, but here again we should aim at a very rapid reduction of this dependence. It is said that at the end of the Fifth Five Year Plan the country would not be requiring any imports of machinery, and so on. First of all, I do not think it is going to happen. Secondly,

I do not accept it because science and technology in the Western world and other countries—socialist countries—may so develop—especially in the socialist countries—that we may have to import more and more things to develop a modern economy. Therefore, I am not afraid of importing more machinery draw-

ing upon their advanced science and technology. What I am concerned with here is that we must so organise our foreign trade, so husband our resources internally that it would bring only such things which are essential and important, and restrict things which are non-essential for the upper class people. Today you find gold watches, big Mercedes cars and so many things. The rich people are rolling in wealth. They are importing so many things. What is more, the private sector, the monopolist element are allowed to bring in machineries and other things, not because they are very essential from the point of view of priority but because they require them for modernisation, to push their profits, to strengthen their economic grip.

Again, there is a proposal to make a provision of Rs. 150 crores to Rs. 200 crores for the purpose of modernisation and so on in order to placate the exploiting monopolist classes.

[THE VICE-CHAIRMAN (SHRI NAFISUL HASAN) in the Chair]

Is this planning or is placating and appeasing the money-grabbers and so on? Therefore, the priorities in this latter are all hollow.

There is another side. Here, again the Government shows a lack of understanding because of their class policy. The Plan is biased in favour of the capitalist class. In fact, it is meant for building up capitalist economy. Therefore, it gives all kinds of concessions to it. Of course, the capitalist wants the State sector to be built at public cost because then their profits are easily earned. They would not like to invest a hundred crores of rupees in order to have a steel mill when the State can do it and supply them steel with a view to building up their industries to carry on exploitation in the country. Such is the position.

Now, Sir, come to the question of industrialisation of the country. Rapid industrialisation was the set objective in the Second Five Year Plan. But are we progressing towards rapid industrialisation or have we launched on the path of rapid industrialisation? It is no good saying that in a matter of five years or ten years for that matter, if the country likes we can industrialise as we would like to. But the question is? Have we embarked upon the road to rapid industrialisation? Are our policies such as would ensure rapid industrialisation, as would accelerate the process of industrialisation? I submit, Sir, despite all the gains that have been made, despite all the increases in the industrial production, especially in the State sector in certain branches of industry, our industrialisation so far has been very slow and it maintains that slow progress. It does not lay the path for the country to industrialise on a much bigger scale much more vigorously. This point, I hope, will be noted by those who are concerned with planning.

Now, Sir, it is said that industrial production has gone up. There are certain sectors where it has gone up tremendously. It may be 150 per cent or 170 per cent, and so on but the point is this. Taking the industrial sector as a whole, the production is

slow, the rate of growth in the industrial sector is slow. Today we are not satisfied. Here it is said that over the last decade, ten years, the industrial production has gone up by about a hundred per cent. That is to say, it has been doubled. That is to say, it has been 10 per cent, per year. It is not a good performance at all. What was there even in the Second Plan or what is proposed to be achieved in the Third Plan is again slow. We have to accelerate the industrial development of our country.

Now, I pose the question: Why it is not so? It is not enough to set up State sector industries and demand more of such State sector industries to be set up. It is not enough merely to give assistance to these industries. It depends on to whom you are giving this assistance. Does the assistance that you give to the private sector fit in with the general scheme of industrialisation and planning? That is very, very important.

So far, the Planning Commission's approach has been of starting certain industries in the State sector, giving assistance to monopolists and looking forward that there will be industrialisation. This is not so easy. Therefore, Sir, while I entirely agree that all assistance should be given in deserving cases to the private sector, most certainly to the medium and small-scale industries, and while I agree that there should be a vast State sector in the country, what I demand also at the same time is that village and cottage industries, small and medium industries, must be taken in hand in a bigger way because if we have to industrialise India we must see that industries are not concentrated only in certain areas.

There are vast areas which are industrially backward. Regional disparities is a problem for us today. In order to industrialise the country we must uplift those areas which are lagging behind in the field of industrial development. And this we can do not merely by starting a few industrial 419 RSD—6.

estates but by developing many industrial estates and by giving assistance to the small and medium industries according to the Plan priorities and start industries in areas that are backward. That is to say, the capitalist policy, especially in the case of medium industry, would have to undergo certain radical changes. On the other hand start also small and medium industries in the public sector.

I do not agree with the point of view of the Planning Commission and the Government that the State sector industry should be confined only to certain big things. I think the time has come—if we are serious about industrialisation of the country and about attacking the concentration of monopoly—for us to rethink over this matter and launch a policy of State sector small and medium industries, spread all over the country, with special emphasis on under-developed regions in order to overcome the disparity which has developed in this field.

There is another aspect. Today we are importing so many things, capital goods and consumer goods. Certainly, unless we have certain capital-goods industries, the industrial picture will not be clear. But then in order to have capital-goods industry and to develop it, you must have also growth in the consumer-goods industry. Unless it is there who will buy capital goods? Today, of course, we need not be worried about it because we have to import many things and we can reduce the imports by producing capital goods here. But then the time will come, not in a very distant future, when it will be a problem for capital goods industries, or the country or the Planning Commission to see that the consumer goods industries also prosper in the country. How can we have the consumer-goods industries prospering in the country unless you strengthen and expand the domestic market?

Consumer-goods industry expands when there is demand and demand means expansion of the domestic market. Where planning is defective in

[Shri Bhupesh Gupta.]

this matter, there will be a contraction in certain respects of the domestic market and no expansion. Therefore, here again the Plan fails. The potential danger has to be noted before it is too late. Therefore, today in the Third Plan, in the Fourth Plan, in the Fifth PJan, the Planning Commission and the Government must take adequate steps in order to see that domestic consumption continues to expand in order to help the process of industrialisation. It is an established economic concept and theory that without expansion of the domestic market rapid industrialisation of the country is not possible. Without a radical and dynamic reform in an economy like ours a_n expansion of the domestic market is inconceivable.

Therefore, Sir, we come to the question of agrarian reforms again which alone will make our agrarian economy look up, will put more money in the pockets of our peasants and will thus increase the demands on the part of the peasantry. Unless these 80 per cent, of the consumers are there in a solid growing market, you cannot have an expanding domestic market, and if you do not have an expanding domestic market, your planning after a period will come up against the crisis of overproduction or other crises. I need not go into that thing. Here again the Plan fails. The Planning Commission has not told us what is their scheme, what is their perspective about the expansion of the domestic market. They cannot say anything. All that they say is that unemployment will grow. All that they indicate in the Plans that come is that the conditions in our agrarian economy so far as social conditions are concerned, the conditions of the poor peasants and the agricultural labourers, who constitute the overwhelming bulk of the agrarian population, would remain depressed and frozen at what they are if not it deteriorate further.

Now, Sir, I come to the question of the public and the private sector,

another point of controversy. In the 19th and the 20th centuries capitalism of the West grew by two methods. Such a rapid growth was possible for two reasons. Firstly, they were in a position at that time to exploit other countries like ours, and also it was possible for them to carry on an intensive exploitation of their ow_n people, working people and the peasants. Today, in the middle of 20th century, this is not possible. As far as exploitation of other countries is concerned, well, we are opposed to it on principle. We_e are not going to it but anyhow it is not possible for anybody today. Today the resistance has been there and today you cannot start new colonies.

With regard to intensive exploitation of the working people, again there is a strong working class movement, a democratic movement, which did not exist in the 19th century and which today would be resisting if you try to exploit the working class and with these Plans, they would be putting forward a demand for increased wages, better conditions of living, etc. and they would be acquiring an organised strength in order to compel the Government to make them special concessions. Therefore, these two avenues are ^{not} open.

It is important, therefore, to fall back on what is left, namely, the State sector. Therefore, State capitalism in an economy like ours, has a progressive and constructive role to play. So we enter the State capitalism here in the State sector. Here I must add one thing. Even this State sector can become a negative feature, a retrograde force, if political power is in the hands of extreme reaction or if the State sector is controlled by monopolist elements. So politics is also very important. The State sector, in an economy like ours, would be fulfilling its progressive role so long as the monopolists are kept out of it, in the economic sense and extreme reaction is kept out from State power in the political sense. I mention this, because it is well to re-

member that the State sector 's not even to be taken for granted in a country like ours. Under the First and Second Plans, take the investment generally in 10 years. The total investments in the private and public sector rose from Rs. 500 crores per annum at the beginning of the First Plan to Rs. 1600 crores at the end of the Second Plan. The investment in the public sector in this period rose from Rs. 200 crores to Rs. 600 crores. So out of Rs. 1600 crores' investment, Rs. 600 crores were accounted for by the State sector and Rs. 1,000 crores by the private sector. Therefore, the private sector has a clear lead. In the organised industries under the Second Plan, the investment was Rs. 350 crores in the private sector as against a targeted figure of Rs. 685 crores. It was up by Rs. 165 crores. Naturally, Mr. K. K. Shah, is very happy and the Chairman of Federation of Indian Chamber of Commerce, Mr. Chettiar, wrote a very eloquent letter to the Prime Minister pointing out how he had fulfilled his role. But what happened to the public sector, which was to have been given a lead under the Second Plan? The target was Rs. 770 crores but actual investment achievement was Rs. 560 crores, down by Rs. 210 crores. So, capitalists have reason to be happy. They have also reason to give more funds to the Congress Party when the third election comes. They should not give but they have their own reasons. Mr. Shah knows that he will succeed in getting it. He must have got plenty by now. Why should that happen? Planning does not give any answer. The Third Plan provides for Rs. 1100 crores of investment in the private sector and in the public sector it is somewhat more. Minerals will have Rs. 15 or 20 crores but the same percentage in the total allocation they made as in the Second Plan, perhaps it may be a little more but there again there is an attempt to create a wrong impression because whereas everything you invest in the public sector industry is accounted for, everything in the private sector is not

so accounted for. Therefore, the actual investment in the private sector-organised industry—is much higher always than the figures given to us would suggest, because we do not keep account of much of the investment taking place even in the organised private sector. For example, the investment in buildings and so on and various other things we do not know. So the private sector is enjoying a lead. So they are very happy. They do not make much fuss about the Third Plan as they did when the Plan-frame was published some 5 years back. Why? The reason is that they *know* how to make much money. They know how to condition the economic life of the country by pulling the wires, political and economic, to serve their narrow class interests. This is why they are not shouting today. Relatively speaking, the public sector is not growing, is not playing, I submit, the decisive position in the industrial economy. The reason is, the Government is boosting the monopolists. Comment is there entirely in their hands and fertiliser which should have been entirely in the public sector, now a part of it, a big chunk of it, has gone to the private sector. The development of coal, for example, in the non-contiguous area should have been, under the Industrial Policy Resolution, exclusively under the public sector but again there the private sector has been brought in and concessions after concessions are being given to the monopolists. Whereas in the Second Plan it was proposed that the foreign exchange allocation for the monopolists would come to about Rs. 100 crores, actually they were given Rs. 300 crores and another Rs. 300 crores are targeted under the Third Plan and if this rate of increase goes on, then we could imagine that they will be given not Rs. 300 but three times Rs. 300, namely Rs. 900 crores. Is there any guarantee that they will not succeed in wangling Rs. 900 crores of foreign exchange allocation when they had succeeded in raising Rs. 100 crores to Rs. 300 crore;;

[Shri Bhupesh Gupta.] in the Second Plan? There is no guarantee whatsoever. Mr. Shah is smiling because he knows that he will succeed.

In the corporate sector, under the Company Law Administration, its. 1500 crores are the paid-up capital investment. A little over Rs. 400 crores is accounted for by the public sector, that is, the State sector. In private sector, an interesting phenomenon is taking place—the concentration of wealth. So, what I wish to submit before this House is that you cannot have industrialisation only by setting up a few industries in the State sector. That must be done and more must be set up but what we demand today is, when we have this Third Plan, if you have perspective planning, then nationalisation should be a part of our planning. It should be the soul of our planning today. Unless we begin to nationalise banking, the coal mines and certain other industries, we cannot possibly ensure that the public sector would be growing at a faster rate than the private sector and would, in the near future overtake it. Let us not have moonshine talk in the matter of planning. Pandit Jawaharlal Nehru said¹ that he would like to reach the commanding heights in our economy. May I ask, who is reaching the commanding heights today? Mr. Birla sits in the commanding heights in certain aspects of our economy and today if we wish to reach this height, it follows that we must dislodge those people, the houses of the Tatas, Birlas, Dalmias and other monopolists, who are occupying the commanding heights and that we can do only by nationalising the industries, the important industries, in their control.

SHRI SHEEL BHADRA YAJEE (Bihar): They are not in the Planning Commission.

SHRI BHUPESH GUPTA: You agree with me, I know. What we find is that whereas the State sector is growing, monopoly concentration is also growing in our economy. That is

the paradox of Indian Planning. The State sector is supposed to reduce the growth of monopolistic trends in our economy. After 5 years, we have appointed at least a commission to go into the question of the distribution of national income on the assumption that the monopolists have become stronger. Such things are taking place. How to eliminate and overcome this paradox? You cannot do it by only starting new industries, for the capitalists and the monopolists will exploit them to boost up their profits. Therefore, it is important to nationalise some of them and to break the economic power of these capitalists and monopolists and strike at the concentration of wealth and power, by taking away some of the things which are in their possession and which they are using sometimes against the interests of the nation and for personal and economic aggrandisement. I submit this is a very important matter. This question of encouraging the public sector is not a matter only for talking about. It has to be built up and it cannot be built up unless we make a departure from the present policy of non-nationalisation of the existing undertakings. Some of them have to be nationalised. That is what is needed. That would be necessary also in order to step up industrial production.

Next, I come to the question of foreign monopolies. The Prime Minister spoke of the Independence Resolution of the Congress in 1930 and I read it again. There was an assurance and a pledge to the country that economic exploitation of the foreign monopolists would be ended. What has been the performance after fourteen years of Congress rule? Rs. 250 crores were invested as private investment in our economy in 1948. Today it is Rs. 600 crores or a little more. A part of it is re-invested profits, I do agree. But part of it is also imported from outside. The point is not that. The point is that foreigners are sitting on our resources, plundering our country, shipping away part of the resources abroad, by way of profits, interests and

dividends. Shri Morarji Desai stated that between the years 1954 and 1957, as much as Rs. 30 crores had been transferred by the foreigners abroad as profits and dividends. It has been stated by all Finance Ministers that every year they remit about Rs. 30 crores by way of profits, interests and dividends, salaries and so on. That, Sir, does not give the full picture, because certain other charges also are paid and money is lost to the country. For example, every year, we pay as freight charges to foreign shippings, about Rs. 75 to 80 crores. According to our calculations, the total amount will not be less than 100 crores of rupees. That is the sum paid from the national exchequer of the country and the nation loses this much to the foreigners, because of their hold on our economy and because of our trade relations with the West, especially the United Kingdom and the U.S.A. Here again we have to face the problem.

I do not go into the question of the imports and so on. I may say straight-way that we are not opposed to foreign assistance from any country, provided it comes for the industrial development of the country and on favourable terms. But we are opposed to private investments coming here, that is to say, capitalists and monopolists abroad making investments in the private sector in order to earn more profits, in order to exploit our economy. We are opposed to that, because that is exploitation and plunder. If we allow the relations with the West to continue as they obtain today, we cannot achieve our full economic independence in the near future.

It may be argued that if we do not allow such things we cannot manage, for we have to import the machineries that we need and we do not have foreign exchange. But I can say that today the world, fortunately is not in such a bad state. If some foreigners do not send us things and want to blackmail us in this manner, it is possible to draw upon the assistance of socialist countries. As has been stated clearly in the programme of

the Soviet Union, there is an upsurge of their industries and their technological and scientific advance, and that they would be in a better position to help underdeveloped countries, as indeed we see them doing today. The other day I was in Indonesia and there I found the Soviet Union industrialising the country and helping its industrialisation by starting steel mills and what not. They are not getting anything from the U.S.A. Therefore, today the capitalists and monopolists abroad are not in a position to blackmail us. On the contrary, if they do it, then we too would be in a position to force them to have equal economic relations with us, because there is an alternative to fall back upon which did not exist, say, 30 years or even 20 years ago as they exist—today. Fortunately, for the underdeveloped countries other sources are there growing sources, rising sources. The rate of production in those countries is rising. While American economy is stagnant at less than 3 per cent, the Soviet Union's economy, as has been clearly stated in their programme, has been rising. Therefore, we do not accept this argument.

We ask the Planning Commission and the Government. Do you recognise that here is exploitation by foreign capitalist monopolists which should be eliminated, eliminated first by restriction and then by expulsion? If that is so, then what is your plan? If this is not there, then I say the Planning Commission and the Government will have to reconcile themselves to this position that our country will continue perennially to be exploited by the foreign monopolists. That is not good and that is not planning and it is not in keeping with our self-respect and national honour, if I may say so.

Next, I come to the question of concentration of economic power. The Prime Minister has referred to it. But how long must we wait to find out that concentration is taking place? Must we send a Parliamentary con-

[Shri Bhupesh Gupta.] mission to the north to discover 'whether the Himalayas exist or not? Are we not in a position to state here that in the north of India there is a thing called the Himalayas? Today it is admitted frankly that there is this concentration of economic power and we must strike at this concentration. Here again. I must give you some little facts, because I think sometimes these facts are interesting. We find that the Tatas have assets worth Rs. 290 crores and the Birlas assets worth Rs. 291 crores. And then there are the Mafatlals, the Jains, Martin & Burns and others and the total assets of all these seven big business houses come to Rs. 776 crores. Sir, the total for the private and public limited companies comes to about Rs. 2,800 crores and so out of this, these seven business houses alone hold Rs. 776 crores. I have got the figures of their profits, of the enormous profits that they distribute. I have got it from the company balance sheets. I think this must be noted. In some cases it is as much as 30 per cent, or 40 per cent, or even 70 per cent. Such things go on. Today the Tatas and the Birlas, especially the latter, control so many industries and there is concentration taking place. The managing agency system which should have gone has not gone today. It exists in the country taking the form of subsidiaries and other forms. Why is this concentration of economic power permitted by the Government? The Government [and the Planning Commission are silent. Why are they silent? Is it not part of our Indian planning to see that we strike at this concentration of economic power, that we dislodge these monopolists from their economic power and prevent them from sitting on our economy and controlling the economy of this country? Planning is not only fine talking. If that is all, then all plans utterly fail. On the contrary, the fiscal policies, the monetary policies, the price policies, the taxation policies as they are indicated in the Plan will continue this process of concentration of economic power, widening

the gap of the income disparity in the country, clearly in violation of the declared objectives of the Second Five Year Plan and also the declared objective of the Third Five Year Plan. Are we not to ask the Planning Commission and the Government why it should be so? And that, Sir, is in a country where according to the national survey, 20 million people live on less than two annas per day. Of course, the Prime Minister talked about Berlin but did not have time to think about such things. Here, according to the National Sample Survey, 60 millions of our people live on only 3 annas or less per day, 4.0 millions live on only 4 annas per day and 20 millions on 2 annas per day. So the picture is clear. The Agriculture Commission in their report has pointed out, and the Governor of the Reserve Bank admitted it and in one good moment even Mr. Nanda admitted that the condition of the majority of the people, or rather of large sections of our people—they will not admit that it is the majority—has declined. But they are the majority and the Prime Minister discovered that people were wearing more cloth—I don't know where—and eating more food than longevity has gone up. All these big big things he said. While I was in England somebody asked me "What do you say? We read and come across such things as that some Indians live much longer though average is 24 years or so." So it is not a question of lumping everything together—the donkey and the cow. If I have two rupees and Mr. Birla has a crore of rupees, then both of us would have rupees fifty lakhs and one each. That sort of average does not work. As I said earlier, if you go to a restaurant and have a roast chicken and a cup of tea and I have a cup of tea and if I say that we will have one cup of tea each and a half a cost chicken on an average, will you be satisfied? You will not be satisfied with that kind of conclusion. No intelligent man will be satisfied. The question is that you must go into the social class, the agrarian worker, the

agrarian labour and the working class. Mr. Nanda said in the other House that real wages of the workers have not gone up. Since you deny these figures, I have got these statistics with me. Since 1939 real wages have remained more or less at the level that they are today despite increase in productivity, despite increase in productivity by labour. The Second Agricultural Commission belied the claim of the Government that the conditions of the people have improved in the countryside. Now, the Prime Minister talked of all sorts of things but we have it here, Sir, that the *per capita* consumption of cloth in the earlier Plans was 16 yards which now becomes 15. Perhaps we are wearing shorter garments; Perhaps we are wearing trousers. The Prime Minister said, probably we are wearing trousers and we are wearing waistcoats instead of the long shawls and so on. That is the reason why the yardage has come down. You can argue that way but you must go into the whole thing and in regard to cloth consumption, the picture is not so bright, is not so encouraging as the hon. Prime Minister in his wisdom tried to make out in this House. Perhaps he had in mind the farmers who come here from the countryside to go abroad and for Bharat Darshan or for Prime Minister's darshan, whatever it is. They are rich people and by looking at them we cannot describe the countryside. Let us not go into this kind of facile expressions because we know that people are suffering today. We know that there is discontent. We know there is lack of enthusiasm for the Plan which Government knows is not because our people are opposed to planning but because planning has not made any difference to their life. It has come only in the shape of the tax collector, more taxes, more betterment levies and more of other levies, high prices of commodities, low prices for the agricultural crops, jute crops and so on. It has not come in the form of blessings by way of more cloth, more food, more education, more health facilities »nd s« on. It is a stark

reality of our country that after ten years of planning our planners wear blinkers. I should ask them to take off their blinkers and look at things in their face, face things with courage and reality before they venture to draw any plan. This is what I would ask of them.

I now come to prices. Here again, it is a very interesting story. The Plan says nothing about it. We were told in the beginning of the year that when the National Development Council met, the gentlemen Chief Ministers did not have the time and that they would meet shortly to evolve a price policy. Where are they? What is their policy? They have been meeting off and on but this mountain of labour in that direction did not produce even a small mouse of price policy. What are we seeing today? Here in this Plan, there are only platitudes. Who is going to produce the price policy? Here we talk of fiscal measures, commercial policy, budgetary things, monetary policy and so on but when they come to the price policy, they stick to the old policy that has resulted in rise in prices. Prices have risen since 1939 more than four-fold and in the course of the Second Plan by 20 per cent, to 30 per cent. I am talking about wholesale prices; retail prices probably will be higher than this. Surprisingly enough, they make a theory out of it and they say that it is necessary today that there should be some rise in prices, that prices cannot but rise in this condition. When you do not face reality, when you do not face economic facts of life squarely, you indulge in metaphysics. Therefore, we are listening here to lectures on discipline. What is the discipline? Who is going to control the expansion of credit that is taking place in the private sector by your banks? There is the sum of Rs. 900 crores or so which goes mostly to the monopolists, and a large part of it, according to the admission of the Finance Minister, is used for speculative purposes. Who is going to stop it? Who is going to stop speculation in our country? Who is going to stop manipulation in the*

[Shri Bhupesh Gupta.] matter of costing the base in industrial production when we do not have State-employed cost accountants to go into this question thus enabling these monopolists to dictate prices and to manipulate prices in such a manner which would, On the one hand, cheat the national exchequer and, on the other hand, fleece the consumer? Who is going to do that? Who is going to check rise in profits, profiteering and so on? This is very important. Who is going to apply the Essential Commodities Act and the Industries (Regulation and Development) Act to which some reference is made in the Plan but which are not at all applied when the testing time comes? Such a testing time came three years ago when food scarcity arose in West Bengal. The Essential Commodities Act was there but it was not applied and the scandal became such a big one that one Minister had to resign and the whole story - was related on the floor of the Assembly and in public life as to how the Essential Commodities Act was not applied, how Mr. P. C. Sen, the Food Minister, and the West Bengal Government were allowing food to be stolen away by the profiteers and hoarders. What is the guarantee in this Plan that this measure will lie applied?

We have seen mills being closed by the monopolists, jute millowners, textile millowners, at will in order to pressurise the Government and pressurise the working class but Government did not act with the authority of the Industries (Regulation and Development) Act. Is there any assurance in the Plan that such things will be done when similar methods will be resorted to by the monopolists? There is nothing of that kind. There is, of course, deficit financing. It is less than before, about Rs. 500 odd crores, Rs. 550 crores, but the pressure is maintained the inflationary pressure is maintained on our economy and it will continue. You see from the Plan that a sum of Rs. 1710 or so crores is to be raised by way of additional

taxation, over and above the taxation that has been raised during the Second Plan period which was of the order of Rs. 900 crores. Now, the United Nations Economic Survey pointed out that this would have a bad effect on the prices. They said, that this regressive way of taxing in an indirect manner and heavier doses at that would tend to boost up prices. The swallowing of such a policy hook, line and sinker, led to rise in prices in the Second Plan and we are told fine things about the future. We are told hoy/ in future we shall be crossing the frontier of poverty into the frontier of life and prosperity. Well, Sir, I think that frontier will never be crossed. A pie in the sky is no planning. It requires idealists and illusionists to say big things and then call it planning. It is not planning. Where is our price policy? Are we not entitled to ask the Planning Commission as to why it was not possible for the Government and the Planning Commission and the authorities who are interested in this matter to formulate a powerful and effective price policy when we know what havoc this question is causing in the economic life of the country and even on the structure of costing?

I now come to the question of unemployment. What has been the performance? Now I understand why the Prime Minister spoke about foreign policy. That is the best way of escaping from the realities.

DIWAN CHAMAN LALL: He spoke-on the Plan originally and merely added a sentence or two towards the end regarding foreign policy.

SHRI BHUPESH GUPTA: I know-that Diwan Chaman Lall agrees with me, even though he would not agree with me on the Punjabi Suba question. I know because I have a feeling. I may be wrong but I know I am right.

The Second Plan started with a backlog of unemployment of 53 million. We thought that this would go down but in the Third Plan I am

told that it would become 9 million. When the draft came, it was 7 million but since then the number has gone up. I hope, Sir, that something more has not been hidden. Why is it so? Why is middle class unemployment growing? Let us examine the Plan. Its failure on the score of unemployment is the condemnation of the way of planning. Today even in the Third Plan we are not planning in such a way that the new entrants to the labour market every year will be absorbed, let alone, liquidating the backlog of unemployed.

DIWAN CHAMAN LALL: What is your cure for unemployment?

SHRI BHUPESH GUPTA: I am coming to that. First of all, let us see what their suggestion is. Their suggestion is that employment opportunities will be found for 17 million persons. But last time as you know they gave certain figure and how did they calculate those figures? They said coal production would go up by 25 per cent, and that much employment opportunities would also be created. They forgot the intensity of labour; they forgot the technical advance; they forgot all about rationalisation. We humbly pointed out that it was a wrong way of calculating and today we have been proved right. Their calculation has gone wrong. The 17 million target will not be achieved if things go as they are. Now, we see that in this Plan period there will be 20 million unemployed new entrants to the labour market plus those who are already there. It is quite right to ask, what is the solution:

It is a big problem and I do not say that in five years we can solve it but we should not certainly create a situation when it goes snowballing year after year. From every Plan to another we get a bigger figure of unemployed. That is not the heritage to be passed over to posterity. We will have to reduce it. How do

we reduce it? Therefore, I say that we must take up the question of agrarian reform early. That will tackle the problem of unemployment. We should also take up the question of village and cottage industries. It is very important that we give encouragement to medium and small industries in the private sector as well as in the public sector and such things should be started there. Therefore, it is a question of mobilising the national capital and the le-sources for industrial activity on a much wider scale under the aegis of the Government with greater initiative all over the country reducing disparities that way and on the other hand bringing about structural changes in our agriculture. That alone will reduce unemployment but that is not the policy of the Government.

Coming to the question of foreign exchange resources, here again we find that the gap would be Rs. 2,000 crores or a little more. As I understand from the Plan figures, they think that our total imports will be of the order of Rs. 5,750 crores in the Third Plan and our exports will be of the order of Rs. 3,700 crores leaving a big gap. Such is the position and they propose to meet the gap by borrowings and so on. Our requirements of machinery alone will be Rs. 1,900 crores. I wish to point out one simple thing in this connection. Firstly, I would point out that our share in the world trade in the last decade has declined from 2.1 per cent, as the Plan says to 1.1 per cent but what is more, unfair terms are being more and more imposed on the underdeveloped countries by the Western countries. And the Plan itself admits that there is stagnation in our exports.

Thirdly, as a result of Britain's entry into the European Common Market our exports will suffer still further; especially our major exports like jute, tea, textiles and so on would terribly suffer and we shall be facing competition from other coun-

[Shri Bhupesh Gupta.]

tries which will be sending their goods to the markets where we have been selling. This has not been assessed by the Planning Commission and I do not blame them because it has not been possible to do that by now. But I think their calculations should take into account the possible repercussions of the entry of Britain into the European Common Market. This only shows how Britain treats us. The Prime Minister said it was a body blow. All the time we have been receiving body blows.. We should also give one or two body blows occasionally, nonviolent blows if you like. Why must India agree to be treated in this manner? Mr. Macmillan decided to join the European Common Market irrespective of what will happen to our country, to other countries whose trade he has grabbed and he is not inclined to listen to our suggestions. And whatever he may do, West Germany and the other Rome Treaty powers will not allow him. Our exports are just enough to service our current imports and if we add to it Rs. 2,000 crores of additional imports, we have to go on borrowing and that too at a time when the repayment liability is of the order of Rs. 500 crores. How are we to meet this situation? Perhaps by more borrowing? Here again as I said, the Government's policy has to be recast. It is important today more than ever before, in view of what is happening in our country and what is happening by their alignment with the Western powers in the economic field like the European Common Market and so on, that we diversify and reorganise our trade. That is very very important. And it has been pointed out by the United Nations economic authorities that as far as the underdeveloped countries are concerned, the possibilities of expansion of their trade in the Western world are getting restricted. Today our export market would be the newly liberated countries and the socialist world. Therefore, not in any partisan way but in self-interest, if you like, in

enlightened self-interest of India, I submit that the time has come for the Government of India to reorganise the trade of our country, refashion it, redirect it and diversify it and this can be done only when you have the State sector taking more and more items of export and import trade like jute and so on. We do not like the State sector to wait on the sideline of our export trade when the capitalists and monopolists control the entire export trade. And what is more about one-third of the trade is under the control of foreign export traders in the country. Such a position has got to be altered. Now, look at the Plan; there is nothing in it. We reconcile to the old position; conservatism is the hall mark of this Plan. What are you afraid of? If Mr. Macmillan can brush aside all your interests to jump into the European Common Market, you have every right to jump out of the stranglehold of their capitalist market and develop your trade with the neutral countries and the socialist countries in a much bigger way than we have been doing so far. What is wrong there? It is not communism. Mr. Birla has started going now to the Soviet Union; I welcome that. Mr. Shah, I hope, will also go. I hope the whole bunch of them will go because if they are in favour of the industrialisation of the country they should look at the House of Commons debate and the manner in which Mr. Macmillan and his friends are behaving with regard to India. As far as resources are concerned, today we have to rely more and more on their providing abundant resources through economic assistance and technological and scientific assistance for the development of our economy.

Now, Sir, coming to the question of resources . . .

THE VICE-CHAIRMAN	(SHRI
NAPISUL HASAN): Will you	be the
only, speaker from your party	or will
there be any other also?	

SHRI BHUPESH GUPTA: One more.

THE VICE-CHAIRMAN (SHRI NAFISUL HASAN) : Then you must take note of the time. You have already taken an hour and twenty minutes. There are only 25 minutes left. So leave as much time as you like for the other speaker.

SHRI BHUPESH GUPTA: One can speak the whole day on this, Sir.

Regarding the resources position in the Plan, it is in the same tradition. There is no qualitative break. Mr. Morarji Desai and others took Rs. 900 crores by way of additional taxation. Now, the gentlemen of the Planning Commission and the same Government with certain alterations here and there in the Treasury Benches have come forward to take Rs. 1710 crores by way of additional taxation. Of course, they say that Rs. 450 crores will be available from the surpluses in the State sector. I have my doubts about it. How long must this go on? Today the Planning Commission must realise that for a developing economy like ours with economic conditions so low as they are, this kind of taxation on the people is no solution. Certainly direct taxes on the upper classes should be increased; I agree. Yesterday in reply to a question of mine the hon. Minister said that there were only 102 people whom they could tax under "Wealth-tax for having wealth of over Rs. 50 lakhs. That they do not know. They can find out in which college there is a communist professor or there are communist professors in which office there is a trade unionist who occasionally meets Bhupesh Gupta. They do not find out that in the country there are today many more than 102 people who possess their assets, liquid, fixed and other assets, of the order of Rs. 50 lakhs and more. Well, I would have raided the house of Birla and would have discovered one dozen of them from there alone. Would Mr. Morarji Desai give up his portfolio for a while, only for this job, and place Mr. Lai Bahadur Shastri's forces at our disposal and we

shall present to them not 102 people who have got Rs. 50 lakhs and above as their wealth, but many, many more. I think Mr. Nanda will be thankful to me because he can touch their pockets and find the resources. Now, Sir, that is not so. Therefore, here again, the entire thing is wrong. Now, this indirect taxation will not solve the problem. On the contrary it will be an invitation to the people to go against the Plan, because the Plan would mean for them more taxation. Already they are over-burdened and more taxation raised by tax-collectors is not an exciting way of getting people to work for the Plan. It is quite clear, but their approach is this. And on reading the entire Plan I find the same solicitude for the rich, full of love and affection all through, overflowing like the Niagara Falls, for the richer classes. Is that the way to plan? I ask the hon. Government. Why cannot you hit against the rich people and get the money from them? In a note circulated by the Finance Ministry some time back, it was shown that there were gold reserves in our country of the order of Rs. 1750 crores in international prices and Rs. 3,000 crores in Indian prices, out of which a big part is held in bullion. Where is the bullion kept? Is it not possible for Mr. Lai Bahadur Shastri to give up tapping our telephones and go after the bullion, because I think our bullion is more precious than the conversation we make on the telephone? Now, they will not do such a thing.

Then, I come to landlords. Compensation is being paid to the big landlords. That should be stopped. Then, the corporate sector is earning a lot of money. Huge accumulations, reserves and so on are lying with foreign monopolists, other monopolists and so on. But you do not tap them. They find ways and means. You give them a tax holiday, tax rebate, tax concessions and what not. All these things are for the rich, all for Birla! and so on. But for the poor there is a threat of additional taxation. The theory of broadening the tax base in order to please the — '44*« clan, th<

[Shri Bhupesh Gupta.]

working class and peasants and so on is no good.

Banking should be nationalised. Two thousand crores of rupees or so are with the banks. Over 50 per cent, or 60 per cent, go to the private sector and the private sector means here the big, organised private sector under the control of the monopolists who are linked with banking. The United Commercial Bank is linked with a set of industrial houses. The Punjab National Bank is linked with another industrial house. The Baroda Bank is linked with another house. Now, you know where the money goes. If some people were to start an industry, they would not get an advance from the banks, but they give abundant resources and credit to their own houses, because they are in control of the banks. The same person who is perhaps hauled up on a charge of smuggling is the chairman of a bank and money goes. Everybody knows it, how it flows. Therefore, banking should be nationalised. And then, the public sector has to be fed. The Prime Minister said, we want industries which would yield more revenue. Very good. They should be doubled. I agree that our public sector should yield more revenue. But you cannot just get whatever you like from a steel mill. It has a saturation point. Why cannot you create sources of revenue by nationalising some of the concerns? Why cannot you take over, for example, the coal-mines? Why cannot you take over the British-owned jute industries who are playing havoc with this industry? Why cannot you take up certain other industries in the various fields in order to have a ready-made State sector which will be disgorging crores and crores of rupees every year? No heroics are needed here. It is decision which is needed and decision to nationalise some private sector undertakings must be taken, to nationalise certain industries must be taken.

Now, Sir, the former Indian princes have got money abroad in securities,

in gold and in various other ways. Again, we are not asking them collectively, "Gentlemen, how much have you got?" Well, they say that they have got, but how much? Cannot we ask them? All right. We are democratic, non-violent and we are also friendly to the princes. Therefore, we suggest to you give us some money, some part of it as compulsory loans, which shall be paid to you by instalments over a period of years. Cannot we compel them? You can tap those resources there lying abroad in order to reduce your foreign exchange gap. It is possible. That is not done. Therefore, there are ways of raising resources. Resources must come from the propertied classes. Resources must come from the monopolist classes. Resources must come from those who have got in their possession the savings of the community and the accumulations out of our nation's labour. They have no such policy whatsoever.

Therefore, the Plan's approach with regard to the resources is reactionary, retrograde, undemocratic, and anti-people. Having taken that approach, it is futile to expect that people would feel enthused over it. They might look at the Prime Minister and like him. Everybody would look at him and like him because he is our Prime Minister Shri Jawaharlal Nehru. But then he does not like his Plan. It does not follow that you must like his Plan. Or for that matter, it does not follow that if I like the Prime Minister, I like the Finance Minister or for that *matter* the Planning Commission. It does not follow. Therefore, such is the problem. I have said that expenditure on education has been cut, social welfare has been cut. I need not go into these things. We need more money for education, especially for the education of women. I hope that some lady Member will speak for their cause. That is neglected. Now, the constitutional assurance is not carried out that within ten years from 1950 there will be free and compulsory primary education for all. Even that has not been fulfilled. It is easy to

fulfil. Under the Third Plan it will not be fulfilled again,

I have given some criticisms on the Plan and the Prime Minister may not like my intelligence. But I hope he would like my brutal way of making him face . . .

DIWAN CHAMAN LALL: He appreciates your intelligence.

SHRI BHUPESH GUPTA: Anyway, I hope he would like the brutal way of putting my facts, because we must face facts. Today it is not enough to talk about socialism. That we know. We do not expect you to build up socialism. We do not expect the capitalist class in power to build up socialism. But we do expect you to overcome the legacies of the British rule, to carry out the pledge of 1930, to eliminate the exploitation of foreign capital, eliminate the feudal survivals and the moneyed class that exploits the villages, to reduce concentration of economic wealth and development of the Indian economy on a much broader and democratic basis, making the life of the people happier. That is the crux of the matter. The human part is the most important part, as the Prime Minister has said. But humanity stands at the queue of unemployment. Humanity stands on the line of the hungry people. Humanity stands deprived and as persecuted workers in the factories. Humanity is dying in sorrow, misery and destitution in the villages of our country. Humanity lies in the schools in the form of teachers and students, students suffering from high cost of education and teachers from low salary. Humanity is there in the Government services, which is not given a fair deal. Thus, the overwhelming majority of the humanity is living in sorrow and suffering, destitution and privation, denials and injustice. Is this the way to rouse the humanity in the country? I submit this is not the way. And if that is not the way, it is because the Plan is fundamentally defective, biased exceedingly in favour of the upper classes, and tries to pro-

ceed with industrial development and economic development of our country at the cost of the people, while giving concessions to the exploiting class, including foreign exploiters. Such a policy spells no good for the country. There is no bright future for our people. Secondly, it does not permit of an accelerated growth of economy all round in our national advance. In order to have such an all-round rapid national advance, to ensure the well-being of the people to give a joyous life to our people, it is essential to make certain departures from the wrong fundamentals of the Plan and do the planning with a bias towards the people. The orientation of the Plan must be the orientation in favour of the people, for building a free and prosperous India. The frontier will be crossed but before that frontier is crossed, it will be essential, as I see it, to defeat some of the policies of the Government and remove the wrong concepts of planning and give up the wrong ways of looking at things. I think that this is the task which, if today we do not fulfil, others will step into our places and fulfil it and the frontier shall be crossed not under this Plan but in some other way. This our people will do.

Thank you.

SHRI K. K. SHAH: Mr. Vice-Chairman, Sir, my friend, Shri Bhupesh Gupta, pleaded on behalf of humanity and found humanity slaughtered everywhere. The only thing he did not say was that humanity is slaughtered because he has forced himself upon humanity as their unreasonable spokesman. Therefore, that was the last thing that he should have said, because for one and a half hours I have been listening to him . . .

AN. HON. MEMBER: He is a monopolist.

SHRI K. K. SHAH: ... and I have been trying to find out what is his constructive approach. It is rightly

[Shri K. K. Shah.]

said that when prejudice and hatred dethrone reason, intelligence wreaks destruction and destroys constructive attitude. If you scan through the speech of Shri Bhupesh Gupta—every word that he has said—I have been trying to find out what his alternative is, what his approach is and how he wishes to tackle this problem. And even after hearing him, if I can bring him round to that frame of mind, I think I will have done my duty, and that is why I feel now more encouraged to move the amendment notice of which I have given.

May I, Sir, remind Shri Bhupesh Gupta and along with Shri Bhupesh Gupta those who think in his way, that at the dawn of independence in this country we were faced with the ever-rising spiral of increasing population? We were facing exodus of an unparalleled scale and our administrative machinery was partly destroyed. If you examine the progress of the fifty years prior to independence, you will find that the national income had gone up only by one per cent, and there was scarcity of materials. Under these circumstances, this Government undertook planning, and if you are only good enough to examine the results of that planning, you will realise what has been done during the last ten years.

Sir, the production of foodgrains stood at 52 million tons in 1950-51; in 1960-61, it is 76 million tons. In the same way, fertilizers stood at 55,000 tons; today they are 230 thousand tons. I have been particularly taking these figures because I want my friend to point out to me, so far as these sectors are concerned, where the so-called private sector has benefited and added to the concentration of wealth. In the same way, in the co-operative movement, advances to farmers were Rs 22.9 crores in 1950-51; in 1960-61, they are Rs. 200 crores. The index of industrial pro-

tools which were 34 per cent, are now 55 per cent. The percentage in-

crease is 1,518. That is not also in the private sector. Then, Sir, in regard to khadi, handloom and power-loom, from 897 million yards, we now have reached 2,340 million. Then, the installed capacity of power has risen from 2.3 million kw. to 5.7 million kw. Freight carried has increased from 91.5 million tons to 154 million tons. Even the number of students in schools has increased from 23.5 million to 43.5 million. And if you like, you can go on compiling figures in this way. I know that it is not palatable to him but that does not matter. Now what I am trying to point out is this: Could all this have happened without planning? That is most important. And if it could not have happened without planning, what would have been the figure of unemployed, what would have been the per capita income, what would have happened to the prices? Would it have been even possible for us to bear the burden of looking after the defence of our borders? He forgets that along with the progress made during the two Five Year Plans, this country has faced a number of catastrophes, both natural and unnatural, and in spite of all these catastrophes, this progress has been achieved.

Sir, it is true that there is a backlog of the unemployed. It is true that at the end of the Third Five Year Plan, it will not be possible to provide complete employment. It is also true that our per capita income has not gone to the extent that it should have gone up. But the question is this. Is there any other way of doing something better or under the circumstances, are you able to convince others that something else could have been done? If so, will you please point out how something better could have been done? In the Second Five Year Plan, Sir, they have been able to provide employment to eight million people of whom 6.5 million were outside agriculture. He does not "CZITC AOI" figures, Mr Zong & Co. It suits his purpose, he looks to the figures and when it does not suit his purpose,

he completely disregards the figures. He was saying that the Third Five Year Plan has provided for employment of 17 million people. He must have read seventeen somewhere and took it for granted that the Draft Outline said that they were going to provide employment for 17 million people. What the Third Five Year Plan says is that we are going to provide employment for 14 million people and in fact, it admits that it will add to the back-log by three million people. And instead of pointing out how it would be possible to provide employment for more people, he went on harping on the fact that there was going to be unemployment. Now, Sir, on the contrary, he should have congratulated the Government that during the Second Plan, they were able to provide employment for eight million people. During the Third Five Year Plan, it will be possible to provide employment for fourteen million people. In the same way, Sir, he was talking about the cost of living. It is true that prices have gone up, but I want to give certain figures to show that whereas in this country prices have gone up by 12 per cent., in the U.S.A. they have gone up by 16 per cent., in West Germany by 25 per cent., in the U.K. by 33 per cent, and in Japan by 43 per cent., and when I say that the *per capita* income has gone up from 283 to 330, I am calculating it on current prices—I am not calculating on the 1949 or 1950 prices. Therefore, in spite of the increase in prices and in spite of the increase in population much more than what was expected, the *per capita* income has gone up, and that cannot be denied. It is true that the growth in the national income has not kept pace with the growth in the per capita income—for which the Government of India have already appointed a committee and they are trying to find out the position, but there also he forgets that the public sector also adds to its income, and part of the growth of the income must have remained with the public sector. But that is not con-

venient for him and he would not care to look at it. In the same way, before I go to the Third Five Year Plan and what is expected to be achieved in the Third Five Year Plan, I wish also to point out what the objectives of the Plan are, what the priorities of the Plan are and what is the programme of the Plan. We are concerned more with the objectives of the Plan and how the objectives of the Plan are tried to be adhered to. For example, we want to give equal opportunities to all. He was talking that the private sector has been making money, that its profits have not been mopped up, but he did not point out the details. The only thing that he said was that Mr. Shah was an industrialist. I do not know where he got that information, but it is good that he has wrong information, because anyhow he has to make out a case; his premises are based on wrong information and I would not mind so long as he does not interfere with planning but, Sir, if he tries to mislead the people, then he has got to be corrected. Otherwise I have no objection, because ultimately it will be a burden upon himself if he goes on arguing in this way and collecting this type of information.

Now, Sir, during the last ten years, first of all, let us see whether the national income has gone up? And I am sure he will admit that—from the statistics collected—the national income has gone up by 4-2 per cent. Therefore, the growth has been at the rate of, say, 4 per cent. And about the Third Five Year Plan he has been fighting on the question: "How are you going to achieve the growth of 5 per cent, in the Third Five Year Plan?" If it was possible to achieve the growth of 4-2 per cent, in national income during the first two Plans, then, with the additional resources at our disposal, is it too much to expect that the growth in national income during the Third Five Year Plan will be 5 per cent.? And if the growth in national income during the Third Five Year Plan is 5 per cent., I want to give him certain figures. He has

[Shri K. K. Shah.] been arguing that even at the end of the Third Plan it will not be possible for us to remove unemployment and the *per capita* income also will not be sufficient to meet the requirements of the common man. Now, Sir, I want to point out to him that if he does admit that at present the national income is in the neighbourhood of Rs. 14,500 crores, then on the basis of a 5 per cent, increase the national income must become Rs. 19,000 crores at the end of the Third Five Year Plan period. Then, at the end of the Fourth Five Year Plan period it will be Rs. 25,000 crores, and at the end of the Fifth Five Year Plan period it will be Rs. 33,000 crores or Rs. 34,000 crores. Now, when you say 5 per cent., it is 5 Per cent, on the national income in 1960-61 not 5 per cent, on the national income in 1949 or 1950 or 1951. Therefore, if you compare the national income as it was in 1951 to what it will be in 1975, you will find that the national income has gone up by four times, and therefore, to that extent, the *per capita* income must go "up by four times.

SHRI ROHIT M. DAVE (Gujarat): Has the national income gone up by four times?

SHRI K. K. SHAH: I am talking of it as it would be at the end of the Fifth Five Year Plan?

SHRI ROHIT M. DAVE: We are happy to hear that.

SHRI K. K. SHAH: Please read page 13.

SHRI ROHIT M. DAVE: All right, Bo on.

SHRI BHUPESH GUPTA: I think the hon. Member should be in the All India Radio to broadcast.

SHRI K. K. SHAH: I am always prepared to follow you. That you

need not worry. I wish you were here when I made those observations. I do not like personal references and therefore I would not like to refer to what you have said so far as my first question is concerned. In the same way if my friend Mr. Dave also thinks that even at the end of the Fifth Five Year Plan . . .

PROF. M. B. LAL (Uttar Pradesh): We thought you were saying that in reference to 1960-61.

SHRI K. K. SHAH: If you had heard me correctly . . .

SHRI ROHIT M. DAVE: I heard you correctly and I am quite sure that your figures are wrong.

(Interruptions.)

SHRI K. K. SHAH: Therefore, what I was arguing was correct and I still maintain it. If you still want to be convinced, I have no time to spare for it, because the time given to me is very short, but I can convince you that if the national income in 1950-51 was Rs. 9,000 crores or Rs. 10,000 crores and if you admit that the national income at present is round about Rs. 14,500 crores at the rate of a 4'2 per cent, increase, and if you add a 5 per cent, increase, It will be in the neighbourhood of Rs. 18,500 crores or Rs. 19,000 crores. Then, if you go on adding 5 per cent., it will be Rs. 25,000 crores at the end of the Fourth Five Year Plan, and going on adding like that, it is bound to be Rs. 33,000 crores, even at the same rate at which you have been calculating. Now if you say 5 per cent., it is 5 per cent, of the national income, say, at the end of the First Five Year Plan period. Therefore, I do not know on what basis Mr. Dave feels that the national income at the end of the Fifth Year Plan will not be Rs. 33,000 crores. I want to know on what basis or on what calculation he thinks that way. Now, Sir, at this stage, before I come to the point made I out by Mr. Bhupesh Gupta on the

question of rising prices, I want to point out what will happen at the end of the Third Five Year Plan so far & these targets are concerned.

Now, Sir, so far as foodgrains are concerned, I say we will be self-sufficient at the end of the Third Five Year Plan, and even today, although there is a deficit of about forty-seven lakh tons of foodgrains—about 4·7 million tons of foodgrains—you must take into consideration the fact that the *per capita* consumption has gone up from 14·5 ounces to 16 ounces per day, and even on the basis of the *per capita* consumption going up from 16 ounces to 17·5 ounces per day we expect to be self-sufficient in food-grains at the end of the Third Five Year Plan period. That is how we say that at the end of the Third Five Year Plan period our production of foodgrains is going to be 100 million tons. Even after taking into consideration the increase in population at the rate of 2 per cent, or 2·2 per cent., and even after taking into consideration the increase consumption on the basis of 17·5 ounces per day, we will be self sufficient in foodgrains. Sir, today we have been advancing to the farmers Rs. 200 crores, and at the end of the Third Five Year Plan we will be advancing Rs. 530 crores. The fertilisers, which are consumed today are 2,30,000 tons. They will be about a million tons. In the same way the machine tools which have been and which are produced worth Rs. 5·5 crores today will be worth about Rs. 30 crores. Petroleum products will go up from Rs. 5·7 crores to Rs. 9·9 crores. Khadi and handloom will go up from 2,300 million yards to 3,500 million yards. The total production of cloth will go up from 7,476 million yards to 9,300 million yards. Power installation will go up from 5·7 million kilowatts to 12·7 million kilowatts and commercial vehicles on roads will be 3,65,000 from 2,10,000. All these figures ought to convince my friend that had it not been for this Plan, had it not been for the approach and priorities that have been given in this Plan, it would have been

419 B.SD—7.

impossible to achieve the success that we have achieved.

Sir, yesterday there was an article in the "Times of India". Though that article was on National Integration it dealt with the Five Year Plan probably in the expectation of the item being discussed in this House. At the end of the concluding paragraph of the article, they have, under National Integration, taken up an economic approach and the argument that they have advanced is this. A man does not get a bicycle, the poor man's vehicle for a moderate price. He has to stand in queues for buses. For a long time he cannot make both ends meet. His children have difficulty in getting jobs and he is bewildered to find a new class of highly paid executive moving merrily. He has no roof over him but vast sums are lavished on palatial buildings and luxurious hotels are provided for tourists. Now, Sir, I propose to take the points one by one partly because it will also meet the arguments of my friend, Shri Bhupesh Gupta.

If you only look at the production of bicycles, you will find that it has gone up by three times or four times. Now, if you say that in five or ten years' time everybody should get a bicycle, then I would request my friend, Mr. Bhupesh Gupta, to compare what has happened in Russia. For how many years they had to wait?

SHRI SHEEL BHADRA YAJEE: Thirty years.

SHRI K. K. SHAH: And even now what are the prices? At least he should remember what is happening there because that is the basis of his education and that is the basis of his knowledge. And if there they could not achieve it, why do they blame us? Or else let them show us some better way.

SHRI BHUPESH GUPTA: I do not blame you for that. You are not supposed to speak for planning. You are not a supporter of this Plan.

SHRI K. K. SHAH: Sir, I take this opportunity of requesting my friend, since my time is over, just to take up 1 constructive attitude. If he thinks that he is helping himself by taking up a negative attitude, he is mistaken, [f the Plan does not succeed, if unemployment does not disappear, if per capita income does not go up, then rest assured you are not going to succeed. It may be that the Swatantra Party will be happy but you will not be happy. In your arguments you have told us that you cannot pass on the heritage of the unemployed to posterity and you have been trying to claim that you will be the posterity, and I know that by posterity you mean the Communist Party. But I can assure you that you are not going to be the posterity. Posterity will be somebody else. Do not think that you can prosper by slaughtering character, by slaughtering planning and by bringing about confusion in the society. My only prayer to you is that your friends are watching you outside. Let them not say that they had found a bad advocate in you. The only way you can solve the problem is by bringing about a socialistic pattern of society, to which every one of us is wedded, and I must assure you, if you like, I am one with you. You suggest better ways and means you will not find us wanting but do not play a role which will destroy the very basis which lays the foundation for a better life and which brings us prosperity. That is my only request to you.

With these words, Sir, I commend my amendment for acceptance of the House, namely:

"and having considered the same, this House places on record its general approval and acceptance of the objectives, priorities and programmes embodied in the Plan and calls upon the States, Union Territories and the people of India to adopt it as the Nation's Plan and to carry it out with determination and achieve its targets."

We are happy, Sir, that we are in an age where such a dynamic approach, to solve the problems of this country is accepted by the Government. It is a good fortune that we are living in this age, and we will be failing in our duty if we do not contribute our mite to the best of our ability to the success of our Plans. In the same way I expect the Communist Party of India, through Shri Bhupesh Gupta, to take up the same attitude and help us to achieve the targets laid down in the Plan.

[MB. DEPUTY CHAIRMAN in the Chair]

PROF. M. B. LAL: Sir, I heard very patiently the learned speech delivered by our distinguished Prime Minister, but I must confess that his speech failed to remove any of my misgivings with regard to the Five Year Plan. Nor was it able to convince me that there has been a sustained growth during the last ten years. We all know that there has been economic growth in India but even the Economic Survey, supplied to us by the Finance Minister along with his Budget Speeches, indicates that the growth has been uneven and changing in character. While this year the growth is more than 6 per cent, there were years in the Second Five Year Plan when the growth was purely-nominal. The change is not due merely to the vagaries of weather because there are vacillations even in the growth of industrial production and; therefore, the criticism that there is no constant growth, there are variations in our growth, there are ups and downs in our growth, need to be carefully considered and examined.

Sir, talking about the growth in Iraq, Israel and Thailand, the Prime Minister referred to the production of Coca Cola. This reference simply surprised me. I do not think that the Prime Minister wished to give us: the impression that there was an inflation in the rate of growth of these countries because they produced more;

Coca Cola than we did. We all know how people in Israel are building up their own economy. I think we owe to ourselves as well as to the world to recognise the work that others are doing. It is not our duty to pooh-pooh what others have done but to study humbly what they have done to make their progress more rapid than we have been able to do. The Prime Minister invited our attention to the increase in expectancy of life. We all can feel satisfied at this increase in expectancy. We owe a debt of gratitude to the World Health Organisation, which helped us munificently for the eradication of malaria in this country. We owe our debt of gratitude to the public health authorities of India also for making better provision for maternity welfare than what existed before independence. But it is very difficult to say that increase in expectancy has been due to the increased consumption of food by the people in general. There are certain types of food which are now known as protective food. There has been no increase in the production of those articles. If the Prime Minister does not agree with the statistics produced by his Agriculture Department, he had every reason to hold an enquiry in the matter, to hold a review of those statistics, to devise ways and means of preparing better and more accurate statistics. But I feel that no Government can be run properly if the Prime Minister is prepared to talk so disparagingly of the statistics prepared by his own department. No statistician will ever be able to produce accurate estimates »r • accurate statistics if such would be the attitude of the highest authority in the country. In that case, all statisticians will simply look to the whims of the Prime Minister and the Planning Minister and cook figures the way they wish the figures to be cooked. I do not think any administration can be properly run that way. The Prime Minister talked of the spectacular rise in small industries and regretted that their growth is checked due to foreign exchange difficulties. If I have carefully studied the Third

Plan, I can say that the foreign exchange component of small industries is much less than the foreign exchange component of large-scale industries. If we are faced with foreign exchange difficulties, it is not so because we are encouraging small industries but because we are attaching more importance to the development of large-scale industries than to the development of small industries. The Plan also indicates that small industries have greater labour employment potential than large-scale industries. If really we wish to protect ourselves from foreign exchange difficulties and to provide greater employment to the people, we should patronise small industries more than large-scale industries. The Prime Minister in the same speech says that he will sacrifice small industries at the altar of the building up of heavy Industries. That indicates his preference. May I beg to submit that he does not prefer only heavy industries to small-scale industries. He prefers even the people's car to small industries. He is prepared to have a non-Plan project regarding the people's car rather than provide for better and greater development of small-scale industries. To call a vehicle of Rs. 5,000 as a people's car is a huge, cruel, may I say brutal joke on the poverty-stricken people of India. You have hardly started the Third Plan and you have begun to introduce non-Plan projects in your system. What is the meaning of planning? The idea of people's car was in the air for long and if the Government was really keen to have a people's car—I am not keen on that because I cannot buy a people's car of Rs. 5,000 and I wish to know how many in the country are in a better financial position than myself and many Members of Parliament present here—if the Government wished to start the manufacturing of a people's car, that scheme should have formed part of the Plan; otherwise, it should wait for the Fourth Plan. We hear much of the spectacular production of small-scale industries and there is no doubt that there has been a growth of certain type of small-scale industries

[Prof. M. B. Lai.] with the help of electric power and machines in certain parts of the country. But if we study the national income figures, we will find that our national income from the various enterprises has not increased much during the last 10 years. It has not increased even to the extent of the increase in the prices, from which I gather that the volume of production from small enterprises has not gone up; There might have been a growth of some modern small industries. Our old handicrafts and our old village industries are languishing and while all possible lip-sympathies are given to them, proper steps are not taken to see that they are properly rehabilitated. Perhaps we are spending a lot of money on handloom cloth but the Economic Survey of 1960-61 says that that year while there has been an increase in the cotton cloth produced by the mills, there has been a decrease in the cotton cloth produced by hand-looms. That means that even the handloom industry is not making sufficient progress and, as I said last time, I do not call it economic progress when there is increase of cotton cloth production by textile mills and decrease of cotton cloth production by the handloom industry.

Our hon. friend, Mr. K. K. Shah, invited our attention to two important facts. Firstly, he said that we are making much more progress after independence than we were able to make when we were under foreign subjection. It may be true. I say it is true. If it were not true, it would be the most tragic thing in our life. Today we are free and a democratic country and the Government owes a responsibility to the people which the imperialist government did not. That government was essentially a police State and if a police State fails to make progress which we are able to make in a democracy, there is nothing surprising. The Members of the Opposition" never contended that we are worse off under our own rule than we were under the foreign rule.

Mr. K. K. Shah also asked us to realise what would have happened to us if there had been no planning. There he is perfectly correct. But Members of the Opposition are not opposed to planning. We do admit that a planned economy is essential for an under-developed country. We agree with the great Swedfsh economist Professor Myrdal, that comprehensive planning is necessary for an under-developed country or for a developing country. But Sir, when we stand for planned economy, when we stand for comprehensive planning, it does not mean that we should ditto every plan that is prepared in the name of comprehensive planning. Those who do not stand for planning, at least not for comprehensive planning, may oppose it even without reading the Third Plan. But those who stand for comprehensive planning owe it to themselves and to their convictions to scrutinise carefully to see whether the plan prepared by the Government will lead us to the desired goal. When I do so, I notice certain things. The Third Plan is, by and large, patterned on the Second Five Year Plan and I feel that it suffers from many of the ills of the Second Plan. The objectives are formulated in idealistic terms, with great evocative capacity. But most of them are not concretised in programmes. Many calculations continue to be conjectural. You go through the whole Plan and I must say that I have gone through this big book of 760 pages, you will find that almost in every chapter it is written that the calculations are just rough calculations. We have been working a planned economy for the last ten years. But even today in most essential matters our calculations are only conjectural in nature. In certain cases they are an indication of our wishful thinking.

In the Plan, importance has been attached to the involvement of the people in planning at the village level and at the district level. But what is the present arrangement with regard to the State Plans? What are

these State Plans which constitute an important part of our whole Plan? They are only Governmental schemes. The Members of the State Legislatures have not even the right of consultation in preparing these State Plans. I do feel that even at the State level, proper planning authorities will have to be constituted if we wish the State Plans to be properly planned and if we wish that these State Plans should be properly implemented.

Again there is a wide gap between physical progress and financial resources. The physical programme is for more than Rs. 8,000 crores, but the financial resources are said to be only Rs. 7,500 crores. Then again, the calculations of the costing of the physical programmes are inaccurate. The calculations are based on current prices and it is repeatedly stated in the Plan that the prices are bound to increase in a developing economy. If the prices increase, it "would not only affect the consumer but also our own schemes. It is also stated in the Plan that the foreign exchange requirements are calculated on the basis of the cheapest market. It is also admitted that due to our transactions with the foreign countries, it may not be possible for us to buy in the cheapest markets, obviously implying that the cost of imports may increase because we may not buy in the cheapest market, and we may have to buy in some other market. The'n we have also assumed that there would be increase of exports by 25 per cent, and various methods are suggested. I am not opposed to these suggestions. I can only say that along with these suggestions, the Government must also look to the rationalisation of management and the business methods of exporters. Much of the stagnation in our export trade is due to the unbusinesslike behaviour of exporters. They do not supply goods according to specifications and so on. They are not satisfied with competitive profits which alone are possible in a foreign market. They wish to have monopolistic prices

which they are having in our own country and put pressure for that on the Government. I beg to submit that even if all these suggestions of the Government are accepted and even if my suggestions are accepted, it will take time before our exports grow. I have no reason to doubt that during the next Five Year Plan period exports are not likely to increase by 25 per cent, and, therefore, our requirements of foreign exchange would be much greater than we have calculated in the Plan. It is said that our past experience leads us to hope that the gap between physical programmes and the financial resources would be filled. What are our past experiences? Our past experience was that in the midst of the Second Plan, our economy was going to collapse. Certain democratic countries of Europe and America did not want the economy of a democracy to collapse and hence they hurriedly came to our help and saved our economy. You say that your past experience wants you to plan for higher targets than our finances would permit us. What is our past experience? We said that we would be able to save so much from current revenue but instead of a saving there was deficit. We, were not able to collect small savings to the extent it was planned in the Second Plan and the only experience of ours was that this Government was able to impose higher taxation on the masses. Even today, what is our experience? All over the country, there are projects which are in unfulfilled condition because of the paucity of foreign exchange. A great British economist, Arthur W. Lewis, says that this is not planning. If you overplan, you dissipate your resources on unfinished projects. I do feel, Sir, that if Government feels that our financial position might be better than we have calculated, if, after a year or two, it might have been possible for us to be convinced of that, we could easily add to our Plan certain new items then. In the Plan itself it is said that certain industrial projects would remain unfinished in the Third Plan. These will go over to the Fourth Plan. What those projects

[Prof. M. B. Lai.]

would be is not known to the Planning authorities. Is this planning? If you feel that certain projects might go over to the next Plan, then you must say what those projects are. You must say what projects would be finished in this Plan and what would be started in this Plan but would go over to the next Plan. When you do not know all these things, you are not planning but you are only preparing certain schemes or, I might say, you are simply collecting together certain schemes handed over to you by the various State Governments or by the various Ministries.

Sir, in the Third Plan also, the socialist pattern of society is declared to be the main social objective of our planned economy, and under the pressure of Parliamentary Committee A set up on the Draft Outline of the Third Plan, one single paragraph of that Draft Outline is spelled out into a chapter of twenty pages indicating as to what we mean by the socialist pattern of society. Sir, I have spent my whole life studying politics and I have spent some twentyseven years in teaching socialism. I have read that chapter not once but twice but I have not been able to get any idea of what sort of socialism the Planning Commission or the Central Government wishes to establish in our own country. The entire chapter is confusing and I am tempted to say, it is confusion worse confounded. It continues to be confused and if it has any meaning, it is only that the Government and the Planning Commission stand for the advancement of prosperity and happiness to be achieved through economic growth. I feel, Sir, what the Economic Adviser of the Planning Commission, Mr. J. J. Anjaria, what Prof. V. K. R. V. Rao said and what the Parliamentary Committee A on the Draft Outline of the Third Plan said still stand.

In the Plan, emphasis is laid on certain important economic and social

objectives, but what do we really see? We find that stress is laid on certain objectives such as economic growth, expansion of employment, reduction of disparity in income and wealth and prevention of the concentration of economic power. If you go through the entire Plan, you will see that sufficient attention is paid to economic growth, very inadequate attention is paid to expansion of employment and hardly any attention is paid to reduction of disparities in income and wealth as well as to the prevention of the concentration of economic power in the hands of Indian capitalists. Sir, in a planned development, the mere enunciation of objectives is meaningless, often misleading, unless they are concretised in a programme and unless efforts are made to actualise them in execution in a planned manner. Let us take some of these things. Take, for example, unemployment. It is recognised in the Third Plan that unemployment at present accounts for nine million people. There is underemployment of about 15 to 18 million people. It is also said that there would be an increase of 17 million people by way of new recruits to the labour force in the Third Plan period, and it is admitted that the Plan may not provide employment to 3.5 million of these 17 million people. Now, an important economist, Dr. A. K. Das Gupta, is of the opinion that our calculations are optimistic and that it would not be possible under this Plan to provide new employment to the extent contemplated in the Plan. What have we done with regard to 3.5 million people, leave aside the others? We have prepared a scheme of partial employment of 2.5 million people at the cost of Rs. 150 4 P.M. crores. And that cost is not included in the Plan. What is the meaning of a scheme in a Plan which is not included in the Plan? A non-planned scheme in a Plan is confusing and misleading. It is intended to give the impression to the world, at least to the Indian people, that we are doing something for everybody while we have already over-budgeted our Plan and have not included the

scheme of Rs. 150 crores in the Plan itself. I would like to be corrected if my reading is wrong.

Disparities in income are increasing. The Central Pay Commission which we appointed some time ago pointed out in its Report that the difference between the wages of unskilled workers and the salaries of higher executives in the jute and cotton textile industries has increased rather than decreased. It has increased three-fold if I am not mistaken; I am speaking from memory. The Commission pointed out that when we determine the salaries of the higher executives in the industries we compare their salaries with the salaries of the higher executives in foreign countries and when we determine the wages of unskilled workers we take into consideration the poverty of India. So double standards are prevailing. We determine the salaries of the poor in the context of the poverty of India while we determine the salaries of the higher executives taking into consideration the salaries which are paid to similar higher executives in big countries, highly industrialised countries and rich countries. Thereby disparities are increasing. There is nothing in the Plan to prove that the Government wishes even to check this tendency of growing disparities in income. Our Government may ignore the reports of all the commissions already published and may appoint a new committee under the chairmanship of Prof. Mahalanobis to find out where the increased income in the country has gone. But the reports at our disposal clearly indicate that the real wages of the industrial workers have not increased. The condition of the agricultural workers is worse than it was before and big landlords—landholders I should say because there are no landlords—big industrialists and big businessmen are the chief beneficiaries. Nothing is done to check that. The suggestion of the Taxation Enquiry Committee is just incorporated. If you mathematically work out it will mean 300 times difference in income; the differ-

ence between the lowest pay and the net highest income would be 300 times. This ideal to be achieved gradually can hardly be regarded even as the ideal of a welfare economy; much less of a socialist economy. Even in the Plan there is no attempt to make any approach to meet the situation. Sir, need I point out to you that there has been growth of concentration of economic power? You have in India giant companies with capital outlay of a crore and more being registered as private companies. No doubt under the Companies Act of 1956 and the Companies (Amendment) Act of 1960 certain restrictions are imposed on public companies but private companies are exempted from most of those restrictions and then is a shift of capital from public companies to private companies. If really we wish to deal with the problem we will have to declare that all the companies with a capital outlay of Rs. 25 lakhs or Rs. 50 lakhs and above will be registered only as public companies and they will be subject to all the regulations and control imposed by the Companies Act of 1956 and the Companies (Amendment) Act of 1960.

Sir, much is talked of land reforms and nobody can doubt that the liquidation of landlordism was revolutionary in character. May I submit to you, Sir, that the impact of this revolutionary reform is considerably undermined by large-scale ejections and dispossessions of cultivators under one plea or the other? I am speaking to you on the basis of Reports of Land Reforms Committees submitted to all of us which show that 50 per cent, in Maharashtra, 50 per cent, in Gujarat, more than 50 per cent, in Marath-wada and so on were dispossessed of the holdings that they had before we started on these land reforms. Sir, ceiling on land holdings is just an eye wash. In the House Mr. Gulzari Lai Nanda or the Planning Commission may not agree but all Members of the Planning Commission have to admit that the ceiling legislation has not brought any significant relief to landless agricultural workers. The

[Prof. M. B. Lai.] ition of landless agricultural workers today is much worse. In the Draft Outline it was simply said that the legislation under contemplation was to be implemented. Under the pressure of the Panel on Land Reforms, that Chapter is revised and certain reforms are suggested in the final Plan. But if you go carefully through them, you will notice that they by themselves are not sufficient if we really wish to establish some sort of an egalitarian society in the rural community. I may also submit to you, Sir, that we will not be able to establish an egalitarian society in the rural area with the consent of the people concerned unless we are prepared to establish an egalitarian society in the industrial sector also.

Sir, with the little time at my disposal I wish to invite your attention to one important question and that is the question of human development. Much is talked about human development. All planning and all progress are only means to the end which is human development, human progress and happiness. But strangely enough human development is not regarded in any of the three Plans as one of the principal objectives of the Plan. Now, we were required by the Constitution to provide free and compulsory education to all children in the country by January 1960. This objective is now promised to be achieved by April 1976. That is the shortfall in our achievement. Social education is almost neglected. The small sum that was reserved for social education and health education in the First Plan is more or less there with only a difference of Rs. 2 crores or Rs. 3 crores. If we wish to run democracy, we will have to educate people in democratic citizenship. People do not behave democratically because we forget that by our own behaviour we are teaching undemocratic ways to the common man of India and that we have made no provision for giving to the common man education in democratic citizenship.

What should I say of the Scheduled Castes, Backward Classes and the Scheduled Tribes? There has been some notable progress in the field of education and social rehabilitation of members of the Scheduled Castes, but economically they are worse off than they were before. This is admitted by the Planning Commission itself. As far as the Backward Classes are concerned, more money is allotted in the Third Plan than it was allotted in the previous Plans, but may I submit that their needs, their problems are not at all discussed. They are simply passed over. Now, Sir, as far as the Scheduled Tribes are concerned, I can do no better than read to this House a few passages written by the Planning Commission itself. What does the Planning Commission say? The Planning Commission admits that the conditions of the Scheduled Tribes have not improved during the Plan period.

SHRI SHEEL BHADRA YAJEE: It does not mean that it has worsened.

PROF. M. B. LAL: I will just read out to you passages from the Planning Commission's Report and from that you can very well gather the situation and form your own judgment thereon. It is admitted in the Report that:

"In most States the special protective machinery for safeguarding the interests of the tribal people and protecting them from exploitation by outsiders has not worked satisfactorily."

Deterioration in their economic condition is also admitted. It is said:—

"There have been large scale transfers of tribal land consequent upon the undesirable activities of money-lenders, forest contractors and other exploiters. The reorganisation of forests and enunciation of new policies have resulted in the curtailment of their rights in forests, and in fishing and hunting. In Bihar, Madhya Pradesh and

Orissa industrial and other development schemes have led to large-scale displacement of the tribal people."

It is also admitted:—

"There has been a chronic shortage of trained workers in the scheduled area".

and that

"development activities more or less conceived on the lines of non-tribal areas have generally failed to make adequate headway and impact on the tribal areas".

It is also said in the Report:—

"Departments in the States set up for carrying out development programmes among the tribal people are on the whole insufficiently equipped with personnel and do not always enjoy the requisite support for undertaking the extraordinary difficult tasks falling to them."

This is what the Planning Commission says. From this you will gather that we have failed to discharge our duties to our fellow-citizens known as tribal people. I have no doubt in my mind that today the world will not judge whether India has made progress or not by the fact whether Mukut Behari Lal is better fed or not. The world will judge us by the fact whether we have been able to elevate and uplift the most downtrodden section of the community of India. I also beg to submit that we cannot suffer from complacency. There has been a resurgence of the tribal people. The tribal people may be poor, ignorant and uneducated, but they are not prepared to stand the miserable conditions any more. It is our duty to befriend them and to uplift them and thereby make them feel that they are citizens of India in the real sense of the term.

One word more and I will finish, that is, with regard to our fiscal policy. In the Report it is said that fiscal measures can help in promoting

the objectives of the Plan. I have during the recess of Parliament gone through the budget speeches of all Finance Ministers since 1947 and in not a single budget speech is there any reference to socialism. I can say that there is no co-ordination between the fiscal policy and the social objectives of the Plan, other than the economic objectives of the economic growth and of capital formation. If we really wish to establish a socialist society, there are only two ways, viz., socialisation or the use of fiscal measures. There are some who prefer socialisation to fiscal measures. There are some who prefer fiscal measures to socialisation. I am personally of opinion that for establishing a socialist society, we will have to take steps in the direction of socialisation and we will have also to use fiscal measures leading to socialisation. And yet our Government claims to stand for the socialistic pattern of society, but it is opposed to socialisation and no Finance Minister thinks it his duty to correlate his fiscal policy with the objective socialism. I am not talking to you only of socialism, that there should be reduction in inequality, reduction in the concentration of economic power. I challenge any Finance Minister to prove that he has taken any measures from 1947 to this day even to promote any of these objectives. In his last budget speech the Finance Minister said that the fiscal taxation policies were not merely confined to getting money. It is a correlation with the economic policy of the country, economic policy in terms of reduction in consumption, expansion of production and so on, all steps which he thought necessary for the economic development of the country. So, I wish in the end to say, let us be realists and truthful to ourselves and to our country. If we really wish to stand for socialism, for the establishment of a socialist society we should prepare a socialist Plan, a Plan which may through the democratic process lead us to socialism and if the ruling party does not wish to stand for socialism and does not wish to establish a socialist society, let it say so

[Prof. M. B. Lai.]

Why this outward dual between the Swatantra Party and the Congress Party, one fighting in the name of free enterprise and the other fighting in the name of socialism, though both stand for regulated capitalism based on mixed economy and nothing more? The public sector is complementary to the private sector. As pointed out by Pi of. Robson, by the way in which we are running our public enterprise, there cannot be democratic socialism. We are simply carrying on such projects in the public enterprise which cannot be organised by capitalists. We framed the Industrial Policy Resolution of 1956 and we have assigned in a greater way the participation of the private enterprise in the sector which we thought should be reserved for the public enterprise. Is this the way to move towards socialism? Let us not delude the people, let us not sail under false colours, and let us say what we mean and say what we do.

PROP. (MRS.) G. PARTHASARATHY (Madras): Mr. Deputy Chairman, Sir, the year 1961 will be remembered in the history of India's progress as a time when the people of this country looked back in retrospective assessment of ten years of planning which affected large sections of the country, and in the confidence of their experience, launched on a Third Five Year Plan which attempts to achieve almost as much as was achieved in the two earlier plans put together. The very fact that one mighty Plan has grown out of another, each seeking to heighten the goal, increase the targets, and above all, widen its limits of effectiveness, so that increasing numbers of India's population may live a full life, is itself proof of the vitality of our country and a promise of its abiding future.

Just as the Third Five Year Plan has grown out of the two earlier Plans, so it contains the seeds of development of later Plans which have been referred to in it, proving that those who have drawn it up have looked beyond their times. The goal of

the Third Five Year Plan is stated in the Introduction as the provision of the good life for the four hundred million people of India; but the ultimate goal of planning in our country is to provide a full life, not only for the four hundred million people of India today, but for the population of the future for whom, we, as their predecessors, are responsible. This consciousness of the country's future welfare not only in India but in other parts of the world, I think, characterises the thinking of the best 20th century minds to a greater degree than it did the thinking of the past; and in our country, it has expressed itself in the three Plans that have successively guided the destiny of our people since 1938 when the first National Planning Committee was constituted.

The* Third Five Year Plan is a work of tremendous magnitude, embracing as it does, every sphere of the country's life. To those who have drawn it up, we owe a great debt of gratitude for the manner in which a vision has been given concrete shape—a task more difficult than the artist's translation of his inspiration into word, line or colour. No one in our country, I think, can quarrel with it; the policy that it outlines and the objectives it aims at, as in the earlier plans, are highly progressive and are bound to evoke the appreciation and admiration of those who come within its purview, as well as of those outside our country interested in its welfare. What we now require is an efficient and speedy execution of the aim set out in the Plan, for on the speed with which it is implemented, will depend almost our entire existence as a democratic nation, and on the efficiency with which the results are achieved, will depend our existence as a modern nation.

This great document of the hopes and aspiration of a people does make stimulating reading. But to me, Sir, the section on Education seems to be the heart of the matter. If I may be permitted to adapt the remark of a great French thinker we said, "Show me a

country's women, and I shall tell you the degree of civilisation that that country has attained", I would change it and say, "Show me a country's educational system and I shall tell you the degree of civilisation, that that country has achieved." It is not surprising that the earliest strings of our national movement were marked by the great interest taken in education by Raja Ram Mohon Roy, Dadhabhai Naoroji, Ranade, and Tilak, and in our own time, Rabindranath Tagore and Mahatma Gandhi expressed, both in their writings and their activities, their profound belief that education is the key that opens the door to a new life. It is, therefore, very heartening for us to find that the Third Five Year Plan categorically states:

"It is one of the major aims of the Third Plan to expand and intensify the educational effort and to bring every home within its fold, so that from now on, in all branches of national life, education becomes the focal point of planned development."

There are also several tables that show us the growth of education. For example, the statistical table that gives the number of students at school reveals a substantial increase within the last ten years and is a worthy target for the next five years. There is also a corresponding increase in the number of schools and colleges, in the number of technical institutions and teacher-training institutions. And the figures of expenditure on education are also revealing. For example, Rs. 153 crores were spent on education in the First Plan; Rs. 256 crores were spent in the Second Plan and the Third Plan aims at spending Rs. 560 crores. There are several other tables of figures that can give us much gratification in as much as they show an increase of varying degrees in different fields of education. But, Sir, it saddens me to find that the most significant aspect of education—in fact the very crux of the matter—has not been included and that, I

think, is the teacher-pupil ratio at the various stages of our education, or stated quite simply, the number of pupils that a teacher has been handling, or the strength of the class or section of the class, that a teacher handles day in and day out. It would have been most heartening if a table of figures had shown that alongside the increases under all other heads, there had been a decrease in the number of pupils that each teacher had to teach, whether in the primary, middle, secondary or high school, as well as in the universities. Granted that the content of education is good, that textbooks are what they should be, that libraries are well-stocked and that laboratories well-equipped, education would still not be what it should be if a teacher handles 50 or 60 children in one class or a professor in a college has to lecture to a class of 100 or 120 students. Teaching, Sir, is, above all things, a matter of human relationship and its essence cannot be distilled into figures. I respectfully put forward the point that all the table of figures in the Plan showing steady and sustained increases are only measure of what I may call, the physical growth of education. The increase in the number of schools and colleges; in the number of text-books, libraries and laboratories and even in the number of the pupils and teachers, is not the true measurement of education in the same sense as statistics in another field, say, of trade or industry or agriculture. The only way in which we can truly assess educational progress is in the reactions, the behaviour, the codes of conduct and the sense-values of the pupils and students, which are, if I may say so, the end-product of our educational system, and these qualities can never be measured statistically. Yet, for all these intangible but vitally important qualities of our national life, it is the teacher who ultimately is responsible—and if you will forgive me—perhaps the teacher more than the parent, because the children of our day spend greater part of their waking hours in school and college rather than at home and at this stage of the development;

[Prof. (Mrs.) G. Parthasarathy.] of psychology—and educational psychology—I do not think I need to labour the point that most of us are what we are, because of what we have been between the ages of 4 and 20. The greater part of our lives during those significantly formative years are spent under the influence of those who teach us in school and college. It is therefore vitally important for us to give our children the best teachers that we can, just as we are anxious to give them the best clothes, the best food, the best medical attention and the best surroundings, and we can only get the best teachers by giving the teachers themselves the best conditions possible. In the sense in which I use the word conditions, it covers a variety of factors, from teachers' salaries to their hours of work and leisure, to the strength of their classes, the opportunities they have to improve themselves, specially the dignity accorded to them in the institutions in which they work and the liberty of thought and action given to them. I would first plead for their salaries, and I would have been most grateful again if in the table that showed the increase of expenditure on education some indication had been given to us of the proportion of that increase which had been spent on teachers' salaries, and also what proportion of the estimated¹ expenditure on education in the Third Five Year Plan is to be spent on teachers' salaries. I am aware, Sir, that there have been increases in schools brought about by State Governments, and in universities by the benefits of the University Grants Commission, but these increases are not commensurate with the increase in the cost of living, and are not commensurate also with the increase earnings in other walks of life brought about by our general economic progress, nor do the University Grants Commission benefits touch large numbers of university teachers in various parts of the country. The increase in the salaries of teachers, not in one grade only but of course in all grades, would, I am well aware, run into crores of rupees, but the expenditure on this item is

one that we would neglect at great peril, and one to which we should give the highest priority, for the teachers are the foundation on which we build the superstructure of progress in all other fields for the simple reason that they have to turn out the men and women who will implement and execute the Plan and those who teach and choose to teach may give even a greater priority, than their salaries, to circumstances that enable them to give of their best in the class-room, and this is why teacher-pupil ratio is so much more important than other figures in education. I said earlier that progress in education cannot be measured by statistics, but if there is one set of figures which would at least help to indicate that the physical growth of education as revealed in all other tables given in the Plan is leading to progress in education, it would be a table showing that the teacher is handling smaller groups of students at every stage. Wherever the strength of a class is brought down from 40 to 30, or from 30 to 20, wherever the strength of an institution is just at the limit, at which its headmaster, or principal, and staff members can know every single student whom one teaches, there is almost an immediate and magical change in the atmosphere of the educational institution, and with it a corresponding uplift in the quality of teaching. This fact was axiomatic in our own ancient institutions and also in the best institutions of the West, and even today, some of the finest colleges in Oxford and Cambridge strive hard to keep their total strength at 100. For a country of the size of ours that may never be possible, but we can at least keep each class or each section of a class in school at 30, and a lecture class in the university at 40 or 50.

There have been several discussions in this House on student indiscipline. I think the root cause of this unhappy aspect is the anonymity that shrouds a student when he is one of a crowd, when the teacher knows him only as a face or much worse still

only as a number, when- the teacher has not the time or the opportunity to establish that human relationship without which teaching becomes merely a mechanical process.

श्रीमती सीता यदुवीर (आंध्र प्रदेश) :

उपसभापति महोदय, आज बहुत ही खुशी की बात है कि हमारी सरकार ने बड़े फाइव ईयर प्लान का नक्शा हमारे सामने रखा है और इसके लिए मैं अपनी सरकार को हार्दिक बधाई देती हूँ।

श्रीमन्, आज हम इस काबिल हो गये हैं और हम में इतनी ताकत आ गई है कि हम एक खरब और सोलह अरब रुपया खर्चने जा रहे हैं, जब कि दस वर्ष पहले हमारी सरकार की आमदनी केवल चार अरब रुपया ही थी। आज यह बहुत खुशी की बात है। मैं समझती हूँ कि यह केवल नेताओं के लिए खुशी की बात नहीं है, बल्कि आम जनता के लिए खुशी की बात है कि आज हम इस योजना में कदम रखने की तैयारी कर रहे हैं। जब इस योजना का नक्शा हमारे सामने आता है तो दिल की खुशी बढ़ती है और ख़शाल आता है कि जो हमारी छोटी छोटी बुराइयाँ हैं वे अब दूर होती जायेंगी और धीरे धीरे हर क्षेत्र में हम प्रगति करते जायेंगे। जनता भी अब समझ रही है कि हमारी सरकार यह प्लान्स उनके सामने रख कर कोशिश कर रही है कि जनता की गरीबी दूर हो, उसमें जो अज्ञानता है वह दूर हो और हर क्षेत्र में उसकी मदद की जाये। मगर, श्रीमन्, आज जब कि मैं स्वप्न देखती हूँ कि लहलहाते खेत हों और दौलत बरसाते हों, और जब उसका एक नक्शा मेरे सामने आता है तब मैं महसूस करती हूँ कि जब यह प्लान की गाड़ी उस मंजिल पर पहुंचेगी जब कि हमारे देश में गरीबी नहीं रहेगी, जो हमारी खामियाँ हैं वह दूर हो जायेंगी, तो उस वक़्त यह देश एक देवता की तरह अनुभव करेगा कि जो काफी लम्बी

जड़ोजहद के बाद वह अपने स्वर्ग में पहुंच गया। यह जो एक बहुत ही खुशी की बात है।

मगर, श्रीमन्, मैं आज छोटी छोटी बातों में इसलिए जाना चाहती हूँ कि बड़ी बड़ी बातें तो इस प्लान में धरी हुई हैं और अगर हम यह सोचें कि इसके रास्ते में रुकावटें नहीं हैं, तो यह बात वैसी होगी जैसे कि एक बिल्ली के सामने बैठा हुआ कबूतर यह समझ ले आँख बन्द करके कि बिल्ली सामने नहीं है। निश्चय ही कुछ ऐसी बातें रुकावटें बन गई हैं और हमारे प्लान को वे खोखला करना चाहती हैं। सब से पहली रुकावट तो यह है कि आज हममें इतना स्वार्थ बढ़ गया है कि उस स्वार्थ को दूर करना है। हमारा प्लानिंग कमीशन जितनी मर्जी हो उतने प्लान्स बनाये और हमारी गवर्नमेंट जितनी मर्जी हो उतना कारोबार बढ़ाये और काम करे, मगर जब तक हमारे अन्दर जो यह स्वार्थ बढ़ा हुआ है वह दूर न हो जाये तब तक यह कार्य पूर्ण नहीं हो सकता। आज हममें यह भावना पैदा हो गई है कि हम देश के लिए न सोचते हुए अपने लिए सोचते हैं।

कुछ दिनों की बात है। मुझे यह कहते बड़ा दुःख होता है कि नजफगढ़ रोड के पास वाले नाले के पास रहने वाले कुछ लोग मेरे पास आये और कहने लगे कि गवर्नमेंट की तीन लाख रुपये की तीन बड़ी बड़ी मशीनें वहां पर पानी में डूबी पड़ी हैं और कोशिश करने के बावजूद भी वह मशीनें खराब हो रही हैं और आफिसर्स वहां पर ध्यान नहीं दे रहे हैं। यह दो चार दिन की बात है जो मैं आपके सामने रख रही हूँ। जब मैंने वहां की तस्वीरें देखी तो मुझे इस बात का यकीन हुआ और मेरे दिल को बड़ी तकलीफ हुई कि अगर गवर्नमेंट का रुपया मशीनों के द्वारा इस तरह से नाश हो तो न जाने कौन कौन सी जगह कितना कितना रुपया हमारा इस तरह से खराब हो रहा होगा। यह बड़े

[श्रीमती सीता युद्धवीर]

दुःख की बात है। मैं इस जगह पर यह खास बात इसलिये कह रही हूँ कि अगर यही मशीनें, यही रूपया उन अफसरों का पर्सनल लगा हुआ होता तो वह मशीनें कभी भी खराब न होती। मगर यह तो हमारी गवर्नमेंट का रूपया है, इसलिए यह लापरवाही बरती जा रही है। तो आज हमारी सरकार को, जो यह स्वार्थ की भावना हमारे अन्दर पैदा हो गई है, इसको जरूर दूर करना चाहिए।

श्रीमन् आज हम डर काल करते हैं। मुझे यह कहते हुये भी दुःख होता है कि जो टेंडर हम काल करते हैं, उसमें २५ परसेंट ऐसा सामान लगाया जाता है कि वह बिलकुल निकम्मा होता है। हमारी सड़कों का मामला ही लीजिये। अखिरकार जो पी० डब्ल्यू० डी० सड़कें बनाता है वह सड़कें कई वर्षों के बाद खराब होती हैं। मैं मानती हूँ कि जहाँ कुदरत अपनापन दिखाती है, वहाँ पर इंसान कुछ नहीं कर सकता। मगर हर जगह पर कुदरत के कारण ही सड़कें खराब नहीं होतीं। जो सड़कें हम टेंडर काल करके बनवाते हैं, उन सड़कों में ऐसा खराब कंक्रीट और इस तरह का माल इस्तेमाल किया जाता है कि वह सड़कें बहुत थोड़े वर्षों में खराब हो जाती हैं। इस लिये प्लानिंग मिनिस्ट्री से मेरी यह प्रार्थना है कि जहाँ पर भी हम टेंडर काल करें, वहाँ पर टेंडर देने वालों से यह शर्त ली जाय कि कोई सड़क या कोई कारोबार, जो हम उनको देते हैं, उसकी इतने वर्षों तक पूरी जिम्मेदारी उन लोगों के ऊपर होगी। इस तरह करने से जो हमारा रूपया जाया हो रहा है, वह जाया नहीं होगा, ऐसा मुझे विश्वास है।

श्रीमन्, हम प्रयत्न कर रहे हैं कि बेकारी दूर हों लेकिन मैं तो समझती हूँ कि बेकारों की बेकारी बढ़ती जा रही है। कई जगह ऐसी हैं जहाँ कि हमको अच्छे इंजीनियरों की जरूरत है, अच्छे काम करने वालों की जरूरत है मगर वहाँ उस डिपार्टमेंट में, वैसे इंजीनियर,

वैसे काम करने वाले नहीं मिल रहे हैं। इसकी वजह यह है कि उन विद्यार्थियों की जिनकी कि इच्छा होती है कि मैं इंजीनियर बन जाऊँ, मैं डाक्टर बन जाऊँ, उनको कालेजों में स्थान नहीं मिलता है और उनको स्थान न मिलने के कारण उनकी इच्छा पूरी नहीं होती है और समय आने पर हमारे डिपार्टमेंट्स में भी उनकी कमी महसूस होती है। तो यह जो बेकारों की बेकारी बढ़ती जा रही है उसके लिये हमें और भी प्रयत्न करना चाहिये कि किसी तरह से यह बेकारी दूर हो।

श्रीमन्, हम चाहते हैं कि थर्ड फाइव डायर प्लान में—जो कि अब शुरू होगा—उसमें उस हद तक भी पहुँच जाये कि जो चीजें हमारी जड़ों की खोखला कर रही है उस चीज को भी हम खत्म कर दें। मुझे कहते हुये अफसोस होता है कि इस बात के कारण हमारे जो प्लांस हैं वे भी ठप्प हो जाते हैं और हमारे सारे कारोबार स्थगित हो जाते हैं। आज हमारे में इतनी संकुचित भावना आ गई है कि हम भाषा-वाद और फिरकापरस्ती की तरफ जा रहे हैं। पंजाब में जो कुछ हो रहा है उसे हम थोड़े दिनों से देख रहे हैं। मास्टर तारासिंह और स्वामी रामेश्वरानन्द ने हमारे सामने भूख हड़ताल का मामला रखा है। मुझे पता नहीं कि इसका नतीजा क्या होगा। हमारे प्रधान मंत्री जी इस मामले में बहुत अच्छा कदम उठा रहे हैं, मगर हमारे इस प्लानिंग कमीशन को भी एक ऐसा नया तरीका अस्तित्वार करना पड़ेगा कि वह इन बातों को बन्द करे। मुझे यह कहते हुये दुःख होता है कि पंजाब में जब से यह भूख हड़ताल का मामला शुरू हुआ है तब से वहाँ का ८० प्रतिशत या सारा कारोबार ठप्प हो गया है। वहाँ के व्यापारी घबरा रहे हैं और वहाँ के काम करने वाले सोचते हैं कि देखें इस बात का क्या नतीजा होता है। इसका क्या नतीजा होगा, इसकी ओर ही सब का ध्यान है। सारा सरकारी काम भी ठप्प पड़ा हुआ है और उसकी वजह से हमारे

इस काम के अन्दर रुकावटें पैदा हो रही हैं। आज अगर हमारे लोगों में यह संकुचित भावना न हो, तो कभी भी हमारा कारोबार रुक नहीं सकता है। यह देख कर मुझे तो ऐसा महसूस होता है कि यह मंडकों की पंसेरी बन गई है कि जो भी मंडक चाहता है वह सड़क पर जा करके चिल्लाना शुरू कर देता है इस से यह महसूस नहीं होता है कि यह मुल्क एक है, सब अपना अपना रोना रो रहे हैं। अच्छा यह होता कि ये सब इकट्ठे हो कर के रोते और कहते कि हम इस प्लान को इस इस तरह से पूरा करें और इसमें इस तरह से मदद करें। इससे हमारे में एक भावना भी पैदा होती कि हम सब देश के लिये सोचते हैं। मगर अफ-सोस है कि आज हमारे नेताओं का इस बात के लिये इतना प्रयत्न होने पर भी हम अपने लिये सोचते हैं और देश के लिये बहुत कम सोचते हैं और जो लोग सोचते हैं उनके ऐसा सोचने में हम रुकावटें डालते हैं। तो इस तरह से हमारी जड़ों में ही खोखलापन आ रहा है और उस खोखलेपन को हमें दूर करना चाहिये।

श्रीमन्, हमारे जो सरकारी कर्मचारी हैं वे रिटायर होने के बाद यह महसूस करते हैं कि हमारे पास काम करने की ताकत होने के बावजूद भी हम रिटायर होने के बाद निकम्मे हो गये हैं। हर एक आफिसर या सरकारी कर्मचारी के पास रिटायर होने के बाद इतना रुपया तो नहीं होता है कि वह कुछ काम कर सके। तो आज मेरी खास करके इस बात के लिये प्रार्थना है कि जो लोग रिटायर हो जाते हैं और जो कि अच्छे, बुद्धिमान और कर्मशील लोग हैं, उनको हर डिपार्टमेंट के जरिये से ऐसा काम दिया जाये कि वे इस प्लान के काम में अपना कुछ हिस्सा दे सकें। रिटायर होने के बाद वे अपने आप को कोई काम के लायक न समझते हुए बेकार से बैठे रहते हैं। तो इस तरह से बेकारी और बढ़ती है। मैं समझती हूँ कि यह काम जरा मुश्किल है लेकिन हर एक डिपार्टमेंट के जरिये से इनको इस प्लान के

काम को दिया जाय और १० या १५ वर्ष जितना भी वे चाहें उतने वर्ष तक वे काम कर सकें; तो रिटायर्ड आफिसरों के लिये यह रास्ता खोलना चाहिये।

अंत में जो हम बाहर से एड लेते हैं उस बारे में मुझे कहना है। जब कि हम धीरे धीरे अधिक रुपया खर्च करने के लिये ताकत इकट्ठा कर रहे हैं तब हमें प्रयत्न करना चाहिये कि हम बाहर से कुछ कम एड लें और जो एड लेते भी हैं वह कंडीशनल एड नहीं होनी चाहिये। कुछ दिन हुए हमारे यहां पंडित जी ने वेस्ट जर्मनी और बर्लिन के रास्ते के बारे में कुछ कहा और उन्होंने जो कुछ कहा, उस बात को बाहर के देश वालों ने उल्टा समझा और वे चिल्ला उठे। मेरा ख्याल है कि वे शायद इसी लिये चिल्ला उठे कि उन्होंने यह सोचा कि जब हम इनको एड दे रहे हैं तो उन्होंने इस तरह से क्यों कहा। बाद में पंडित जी ने कह भी दिया कि उनका मतलब यह नहीं था, यह था, लेकिन मैं महसूस करती हूँ कि एड लेने की वजह से शायद वे समझते हैं कि हमारी फ्रीडम आफ ओपीनियन में फर्क आ जायेगा। तो फ्रीडम आफ ओपीनियन में फर्क नहीं आना चाहिये और जो एड हम लेते हैं वह कंडीशनल एड नहीं होनी चाहिये। हमें प्रयत्न करना चाहिये कि हम जो इस प्लान में एड ले रहे हैं उसको अब यहीं पर खत्म करे। सब देशों के मुकाबिले में हमारा देश प्लानों को मुकम्मल करते हुए देश की गाड़ी को एक बहुत अच्छे, एक आदर्श और खुशहाली के मार्ग पर ले जा रहा है। हम चौथे और पांचवें प्लान में प्रयत्न करें कि हम बाहर की एड को लेना खत्म कर दें ताकि हमें किसी की भी छाया न लेनी पड़े और जो बाहर के लोग हैं, वे हमारी मदद के लिये डिमांड करें और हम उनको मदद देने के काबिल हो जायें।

अन्त में, श्रीमन्, आज मैं अपनी सरकार को हादिक बधाई देती हूँ कि उन्होंने इस प्लान को हमारे सामने रखा है और मैं आशा करती

[श्रीमती सीत यदुवीर]

हूँ कि जिस तरह से सेकेंड फाइव ईयर प्लान को बड़े अच्छे ढंग से पूरा किया है, उसी तरह से पुरानी खामियों को दूर करते हुए इस थर्ड प्लान को पूरा करेंगे। हम इन खामियों को दूर करते हुए इतना अच्छा कदम उठाएँ कि आगे से हमारा देश और उन्नति कर सके।

SHRI N. SRI RAMA REDDY (Mysore): Mr. Deputy Chairman, Sir, it is a matter of great national pride that independent India has launched upon economic and social development of the country through the historic Five Year Plans. Never before in the history of this great country developmental work on such a huge and gigantic scale was undertaken.

Now, Sir, ever since independence we have planned two Plans. This approach of economic development is not anything new, at any rate, to the Congress Party of which I have the honour to be a member. Mahatma Ganihi, as is known to everybody, introduced spinning and made it the basic principle for achieving independence. He put the spinning wheel foremost in the struggle for independence. This is well known. So the mind of the Congress has been working always in the way of economic development. If Mr. Gupta today accuses the Congress Party and its leadership of lack of zeal and enthusiasm for the Plan, I should think that it does not lie in the mouth of the party to which Mr. Gupta belongs to say that. When he was studying sabotage or other black deeds, we were planning the development of the country through the spinning wheel, through basic education and other methods. The means for our achieving independence was through economic development. This was the philosophy that guided this party all through its struggle for independence. This history is well known and it does not require any repetition here. As a projection of our policy, soon after independence, as a ruling party, we took to planning as the most important activity of the Congress Government.

Shri Jawaharlal Nehru, the leader of the Congress Party, as the father of the planning movement in India, has done this onerous service to this country. It may be that all that he wanted to achieve is not achieved through these two Plans but all the same, the two Plans and their working show the extraordinary achievement and nobody can say that this is no mean achievement. The increase of 42 per cent, in the national income cannot be said to be a small advancement. Similarly, it has worked out to a per capita income of 16 per cent, increase. With all the difficulties, with all the inexperience that we had, with all the extraordinary difficulties we had to undergo during this period of 10 years, we have achieved this and, according to my reading, we have done wonderfully well.

With regard to agriculture, in these two Plans, an achievement of 46 per cent, increase has taken place in production and this is also a remarkable progress. From a mere 50 million tons of food production, according to today's announcement, we have reached almost the targeted production of 80 million tons today. The latest figures show a figure of 79.5 million tons, which by itself, is the highest record of production and I am sure that but for these Plans, this achievement would have been impossible. Similarly, our industrial production has gone up by 94 per cent, and our power production has gone up by 148 per cent. Forty-six million boys and girls are today in colleges and schools. Only this morning our Prime Minister said so. Who will not feel proud of these figures before us. I am sure that only an enemy of this country could say that these two Plans have done nothing and the Third Plan proposes to achieve much less than what is intended.

(Interruptions.)

Now, the Third Plan is a beautiful document which has been placed in our hands and it is under discussion. This Plan contains in itself the labours of vast number of

economists, agriculturists, scientists, politicians and everybody else under the great and illustrious leadership of Shri Jawaharlal Nehru. When this book was placed in my hands and when I studied it as well as I could, I got the impression that this book was Nehru's Veda or Nehru's Smriti. That was the feeling I got. This ancient country is known for its Vedas and Smritis which have stood through ages and our great people have been led always, whether it be in politics or economics or social thinking, by the great Vedas and Smritis and today we have this Third Plan placed in our hands. This is something like Economic Veda or Economic Smriti. I am sure posterity will accept it as such, irrespective of the decrying of it by the Communist Party or the Praja Socialist Party or anybody else. Posterity will accept it as Nehru's Economic Veda and Nehru's Economic Smriti and it will be acted upon and from time to time it will receive the greatest impetus that it needs.

It has been said in the Third Plan that our Plan is based on democracy and socialism. Shri Bhupesh Gupta, who referred to this Plan as the most undemocratic in his remarks, does not know what democracy is except to use it or utter it as a parrot to attract the innocent people in the country. He only uses it as a means of achieving his totalitarian method or political dictatorship. He does not understand it but today who cannot see that democracy has not been working in this country? What is panchayati raj? We are trying to build up small republics from where every economic development takes place and right from the bottom we have the tier system of democracy working. At the village level there is the panchayat, then there is the taluki samiti at the taluk level, at the district level there is the zila parishad, at the State level there is the State Development Council and at the national level we have the National Development Council

and all communications and social developments are handled by all the people at every stage. Who can deny that this is not a democracy. Can Mr. Gupta deny or call this Plan undemocratic? Similarly, our Plan is based on socialism. Our socialism is not a distribution of poverty. Our socialism is not destruction of factories, rich men and everybody. It is not a policy of annihilation. Our socialism is a policy of building up through whatever means we have. Our socialism is a policy of increased production through all available means, whether it be private sector or public sector or co-operative sector. Our ambition is to produce more and create a society of affluence, a society of abundance. That is the Plan. It has been placed before us. We do not want to decry the private sector merely for decrying. We have so many controls over the private sector in order that it may not concentrate all its economic power in its own hands. Unfortunately, Shri Gupta is not here. I would like to read something all the same. The Plan report says:

"In the light of the experience gained during the Second Plan, these and other financial institutions should review their existing administrative policies and practices so as to ensure that their support to new entrants into industry and to medium and small enterprises as well as to co-operative undertakings is both speedy and adequate."

I want you to note the words: that support shall be given to new entrants into the industry and to medium and small enterprises. It is not as if we are going to give support even in our industrialisation in the private sector only to Birlas, Dalmias and the Tatas. Certainly that is not our ambition. Our socialism is also guided by other few important factors.

[Shri N. Sri Rama Reddy.] Now, there are important policies with regard to socialism that have been laid down. Now, expansion of the public sector into fields requiring the establishment of large-scale units and re-investments has been planned. The public sector which was only 2-9 per cent, at the time of the First Plan has today expanded to more than 25 per cent, and probably with every Plan, our public sector will go on expanding. Similarly, in regard to minerals also, the public sector was handling only 10 per cent, of the industry and today it is handling more than 33 per cent, of the industry. In agriculture also much has been done. There have been the land reforms introduced. Zamindari has been abolished and ceilings are attempted, though not with much success. But attempts are being made. This work has to be done and will be done. Security of tenancy has been achieved. Rent regulations have been achieved. So, even in the agricultural sector a good deal of socialisation has been introduced. On the top of it, with our taxation policy also we have made big advances in the socialistic field. There is the two-fold approach called for. Firstly, through social policies increase arising from capital gains, speculations, etc. must be limited and the State should take its due share. Secondly, through the extension and improvement of the tax system, steps must be taken to ensure that such incomes as do accrue are fully taxed and evasion of taxation severely dealt with. Opportunities for tax evasion should be reduced to the minimum. This is to be done if socialism is to be firmly established. That is the method, not the method of utter destruction and devastation of the Communist Party of which my hon. friend Mr. Bhupesh Gupta is a Member.

I can make only a few more remarks. Sir, within the time left. I would like to refer to the agricultural sector in our country. It was very heartening to hear the Prime Minister say this morning that if there was something

more basic than anything, it was agriculture. He also mentioned the basic industries and said that something more basic than anything else was agriculture. That is to say, top priority should be given to agriculture. That is what he meant. I am sure the entire country also is in agreement with him in saying that agriculture must be given the top-most priority. Of course, agricultural production has increased and increased very remarkably. But I must say that with the approach of the Planning Commission to agriculture, I am afraid, I cannot fully agree. What are the factors that go to increase agricultural production? They are all very well known. Of course, agricultural production programmes are very well dealt with in this Report. But with the approach for the implementation of those programmes I am unable to be in agreement. Therefore, whatever remarks I have made I have made with humility in my heart and in the hope that these remarks will be taken note of and if found correct, they will be executed on the lines on which I would prefer them to be executed.

With regard to irrigation there is enormous irrigation potentiality and 25 million acres are going to be irrigated through medium and major irrigation works. I have absolutely no quarrel with that. The more irrigation we have the better, for the most important factors in agriculture are land and water and if there is water, you can grow anything. So this is a very welcome thing and I approve of it totally. Importance has also been given to soil conservation and to other methods of land reclamation. In the Second Plan only 2 million acres are said to have been reclaimed and now we want to raise this figure to 11 million acres. Here I want to ask one question. Apart from the big soil conservation methods undertaken by the Government on a national scale by means of forests and so on, something can be done with the individual holdings also. It is said that there is an area of 340 million acres of land under cultivation. If you bring in only 11 million acres, » lat about the

rest 330 million acres? If agriculture and agricultural productivity are basic not our duty to do more in this direction? In our village 80 per cent, of our population are there and their way of thinking has to be altered, their way of life has to be altered and it has to be a kind of eye-opener. How can you do that if 330 million acres are going to be left to themselves? Is any great change or improvement going to be effected? Similarly, there is the question of dry farming. Out of the 250 million acres that are under dry farming, only 20 million acres are attempted to be improved. That, I submit, is not the correct way. Similarly, there is the matter of seed multiplication. I will just read a small extract from the latest evaluation report on the multiplication and distribution programme for improved seeds. It says:

"The average yield of wheat for 7 important varieties grown on the seed farms in 4 States was as low as 8-9 maunds per acre in 1959-60. The average yield of paddy for 17 important varieties in 10 States was only 1243 lbs. per acre which just came up to the average per acre yield of paddy for the country as a whole. One would normally expect higher average yield on seed farms as the cultural practices followed there are expected to be better and more intensive than those on the holdings of the average cultivator. The average yield on seed farms is lower than on farms of registered growers."

Only one more observation, Sir, and I shall finish. If that is the position with regard to seed multiplication schemes, with regard to manures, let us see what has been the approach of the Planning Commission to that subject. They only propose to raise the artificial manure production to one million tons. They have not taken note of the potentialities of the organic manure available in the country. In the Third Plan it is proposed to produce one million tons of fertilizer at a cost of Rs. 300 crores. But according-

ing to my calculations there is potentiality in the country for organic manures to the extent of 25,000 million tons in terms of nitrogen. What is happening now to all this potential manure? It is being wasted, burnt, thrown away or wasted in other ways. It goes into tanks and water courses and so on. We are not mindful of this enormous waste. In the Report it is dealt with in a few small sentences. They say:

"Among the targets adopted by States for the Third Plan are about 5 million tons of urban compost, about 150 million tons of rural compost, and green manuring of about 41 million acres of land".

Sir, if the Planning Commission is satisfied with this programme, then surely I am not having much hope of their achieving the target of 100 million tons of food production. This target of 100 million tons must, according to me, be in the worst conditions for only there lies the safety and security of the country, not that you produce that much under abnormally good conditions of good monsoons and so on. Therefore, I submit that if the Planning Commission wants to produce this 100 million tons of food even in the worst conditions, they must divert more of their attention to this important subject of organic manures.

SHRI S. C. DEB (Assam): Mr. Deputy Chairman. Sir. We have been supplied with a beautiful Report on the Third Five Year Plan. Efforts have been made for some time past to prepare a Third Five Year Plan and seeing the difficulties that we had in the Second Five Year Plan, this is certainly a beautiful document. But everything depends on the implementation of the Plan and for that implementation one thing that is vital is efficiency. Whether that efficiency is there at the State level and at lower levels and even in higher levels also is a question that we have to consider. In the light of our past experience we know that we are lacking in efficiency, we are lacking in technology but we are trying our best to develop.

[Shri S. C. Deb.]

Another thing that is also very important is people's co-operation. As far as I know the people's mind, coming as I do from a backward area, people even now do not think that it is the people's Plan. We may say that we are developing panchayati raj, we are developing community development though enough criticism is there, but this panchayati raj is yet to take shape and the people who are to manage these panchayats are to be trained. They have to be made efficient; they have to acquire much technical knowledge to manage the panchayats. And if we depend upon people's co-operation, this institution of panchayati raj which we are aiming at will require time and till then we cannot say this is a people's Plan.

Sir, we are talking of co-operation and of service co-operatives. That also depends upon the people. There again they have to be trained in the art of running the co-operatives. They have to learn what they want; they have to understand what science could do for them and they have to learn how to utilise science for their individual purposes. Unless the people know these things, they cannot respond and unless they respond enthusiastically, it cannot be said that this is a people's Plan. In this regard we are dependent on the Community Development and Co-operation Departments. Though I like these Departments very much, still what we see is the people there are not sufficiently enthusiastic in organising the cooperatives properly. If we go to a village what do we see? Sir, we are crying hoarse that agriculture is the basis of all our development. But unless the people are sufficiently trained, unless they get sufficient scientific knowledge, it is not possible to have that improved system of agriculture. In our social structure. If we want to have co-operative farming, or farming as we are trying to have by taking small units together, that can be done only if the village people are sufficiently trained and sufficiently educated by propaganda. Otherwise, it is *not* possible to induce them to

give their lands for co-operative purposes.

Again, agricultural development cannot be brought about by importing stocks of foodgrains from America. We have to increase our own agricultural production. We are importing foodstuff from America. This is a liability. In whatever form you take it is a liability. Unless we can have stocks produced from our own country by our own agriculturists, it will be a liability. So, this question will have to be gone into. For the time being we may announce that there is no crisis on the food front. We may be able to manage the situation temporarily that way but for an ultimate solution we have to organise the agriculturists, educate them and make them co-operative-minded. Then we can expect to have that improved method of agriculture that we are aiming to have from the agriculturists.

SHRI GOPIKRISHNA VIJAI VARGIYA
(Madhya Pradesh): Politicians can help.

SHRI S. C. DEB: Politicians cannot do everything. Politicians cannot make that sacrifice, that kind of laborious work. It has to be done through official and non-official organisations coming together. Our Prime Minister was referring to team work. It should be there both at the official and non-official level; then only planning can be successful.

Then today our Prime Minister told us that two things were necessary for the development of the country, industry and power. What is our power potentiality? Can any region be developed where there is no power? We are trying not only to develop big industries but also for developing every region of India. Development of power is also an immense factor in the solution of the problem of unemployment. There is huge unemployment in this country. That has to be fought out and that can be fought out only by generating power. But what is our programme for rural electrification? It is nothing. What is the pro-

gramme for the development of small-scale industries? It entirely depends upon generation of power. What is the programme for the generation of power? What is the programme for every region to be covered by power? Is there any programme? It is very very insignificant. Unless it is done, the unemployment problem cannot be solved and rural and village industries and small-scale industries cannot be developed. So these things should be gone into.

Now, Sir, there are many articles which are foreign exchange earners. One is tea; another is jute. In some areas the tea gardens are very uneconomic. Foreign concerns are selling tea gardens to our Indians. Indian capitalists are first and foremost eager to get back the money they are spending. They are not for the development of the tea industry. Unless the tea industry develops in every area and unless where there is the tea industry it flourishes, it is going to be uneconomic. If that aspect of the matter is not taken into consideration and if research and development work of the tea industry is not taken up seriously, the economic situation will deteriorate. I warn the Government to see to it. Now, there is a crisis in the jute industry. Many jute mills are closing. These two big industries, namely, tea and jute, which are foreign-exchange earners are going to be neglected. We are thinking of big things in terms of industrial development, but what we are already having are found to be uneconomic. Many tea gardens are being closed. Why? Because proper attention is not given either by the State Government or the Central Government. So, I would request our Government to see that sufficient attention is given to the tea and jute industries.

There is also another thing. We are laying much stress on growing cotton. For some time past there has been a crisis. Your mills were going to be closed for want of cotton. So, the prices were rising. Afterwards attention was given. Still sufficient

attention has not been given for the growing of more cotton. This is an important commodity. Cloth is the most important thing. We say that We are self-sufficient, but we are importing cotton. We are importing good cotton. Why are you importing? (*Time bell rings*) Thank you.

SHRI M. M. SUR (West Bengal): Mr. Deputy Chairman, the Third Five Year Plan has been elaborately drawn up and I have no doubt that the contemplated progress towards the establishment of a socialistic pattern of society will be achieved. The subject is vast and the time at my disposal is short. So, I will restrict myself to one or two aspects only. First of all, I would deal with the development of village economy. Eighty per cent, of our people are living in villages and their mainstay is agriculture. Therefore, in order to improve the economic conditions of the large majority of our people, we have to improve agriculture. We have so far understood agriculture as the production of wheat, maize, paddy and some cereals and so on, and doing agriculture in the traditional way. That did not give employment to the vast number of our village people. They were employed only for a few days in the year. Many of them had to leave their villages and seek employment in cities and towns. That is the reason why there is pressure of population in the cities. Slums have been created and there is no end to problems in the cities. If agriculture is properly improved, it will improve our economy very considerably. Even advanced countries like Denmark depend mainly on agriculture and fisheries and by improving agriculture and exporting fish, they are having a very high standard of living. We notice that, a small country like Israel, where there is great scarcity of water and the land is not very fertile, has also improved its agriculture. I read a few days ago in one of their pamphlets that fifty per cent of their export is agricultural produce and that constitutes groundnut and citrus products. So, in our country which is mainly agricultural, there is no reason

[Shri M. M. Sur.]

why we should not improve agriculture, not only be self-sufficient in our foreign-exchange earner. In fact, two of our biggest foreign exchange-earners are our agriculture products, jute and tea. At present in the villages the land belongs to a few people. Though the big landlords have gone, still, there are a few people who have got the land. The rest have got very small holdings and there are landless labourers. We have to improve agriculture in a way that more people can be employed. That is to say, we have to make agriculture more labour-intensive. It has been found that if more attention is paid not only to tilling the soil, but after lilling and sowing, de-weeding and inter-culture is done—which means more manual labour—the produce from the field can be increased. Organic manure, sont-P^{ost} and so on is known still in theory only and has not been practised on a large scale in the villages. If we pay more attention to agriculture than we have done so far, instead of thinking of removing unemployment by developing industry, small-scale industry, we can improve agriculture in such a way that we can earn foreign exchange from the export of the produce. You will see that we are importing wheat from America. That is an agricultural produce. A short while ago I found out that it was Rs. 1,200 crores under PL 480 alone after four of five years it may run to Rs. 1,600 crores. We have just started importing soyabean, because for our hydrogenated oil industry we do not find enough groundnut in this country. Soyabean is a product which was introduced in America only in 1932. Before 1932 there was no soyabean in America. After the introduction of soyabeans, they are producing soyabean oil. They are using hydrogenated soyabean oil in their own country. They find the soyabean cake a very good food for their poultry and pigs. Previously they were feeding their pigs and poultry with skimmed milk. Now, they find that soyabean milk is as good as skimmed milk, with a little addition of some vitamins. We

are getting the dry, skimmed milk from that country. Not only we do, but many other underdeveloped countries are having the advantage of skimmed milk from that country. So in America which is very largely industrialised, they also find agricultural produce as one of their very important items of export and as a result of agriculture not having been improved to the extent it has been possible, we find great distress among the middle-class people. People in the villages who are little educated cannot find employment there. They have to run to the cities. They also have to hire houses and the rent of those houses has increased so enormously. Not only the father must work, but the mother also must work, while the children get neglected. The father goes to work, the mother goes to work and the children are left in the charge of the *ayah*. Therefore, the little child which needs all the care in those early years feels neglected. And how can you expect a child which feels neglected, to be obedient and give all respect to the parents when it grows up? Perhaps, that is one of the reasons for so much indiscipline among the children in these days, much more than what it was 20 years ago. Not only that. In the registered factories of India, we have only about four million workmen. A factory with more than twenty men is a registered factory. And only four million men are working in the registered factories. Even if it is possible to double our factories if the number of steel factories is doubled, if the number of textile mills is doubled, if the number of small factories is doubled, even then, we will not be able to give employment to more than eight million. Out of 430 million people that we have got two hundred million are able-bodied. They are prepared to work. They are asking for work and with all the doubling of our industries, we can hardly employ eight million people. So, this gap must be filled up. They must be employed wherever they live. They live in the villages and they must be employed where they live and we should not remove them from their homes and give

them employment in small, little factories near and there. That is an impossible task.

Next, I come to transport. We are in a big mess so far as transport is concerned. Our steel factories, though their equipments are complete and they are fully fitted up, are unable to go into full production because there is shortage of transport. We cannot supply enough coal, we cannot supply enough iron ore and we cannot supply enough limestone, and they cannot work. That is one side of the picture. But then they need transport after production as well. After the steel factories start full production, thousands of tons of steel have to be transported. In the working of the steel factories, iron ore, limestone and coal from the nearby areas have to be transported. So, if you are finding it difficult to provide them with this transport, how will it be possible to take these materials to factories in different parts of India, situated many hundreds of miles away from the steel factories?

Then, another aspect of it is this. The mills have to distribute their products among the different consuming centres and the processing factories, and the processing factories will need transport again to transport their products to the other interior parts of the country. And it is well known that if virgin steel weighing 20 tons can be carried in a wagon, after processing it becomes bulky and it requires three wagons to transport. I do not know if that aspect of the question has been thought of. But if we are short of one wagon for the production of steel,

we shall need another wagon for the distribution of steel and another three wagons for the distribution of the products made from steel among the different consuming centres. Therefore, I have grave doubts whether, even if we try our best to expand our railways, it will be possible to transport all the goods that we need to transport in the course of the next three four years. The next alternative is to develop road transport simultaneously. You cannot do it by Governmental efforts alone but it is the people who will have to have their own transport services; they will have to develop it on their own initiative and also revive the bullock-carts which have now become forgotten due to the advent of fractional lorries. Even in the villages or in small towns we find that the trucks are working for transporting goods even for a few miles, 20 or 30 miles, because they find it much cheaper to transport goods by trucks than by bullock-carts. The bullock-carts should not go out of the roads. Road transport is not adequate and the railways are finding it difficult even to carry raw materials for the steel and other factories that are engaged in production. And unless we are more careful about transport, transport will kill most of our efforts and we shall be in great trouble.

Thank you.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 11.00 A.M. tomorrow.

The House then adjourned at thirty-six minutes past five of the clock till eleven of the clock on Tuesday, the 29th August, 1961.