

**MOTION RE THIRD FIVE YEAR
PLAN—continued**

SHRI DAHYABHAI V. PATEL (Gujarat): Mr. Deputy Chairman, the final Report of the Third Plan is similar in essence to the Draft Outline that was published earlier. The percentage of allocation of resources between the different fields of production is more or less the same, although the level of total investment has been fixed a little higher. I feel not much attention has been paid to the criticism on the Draft Outline in this House. Otherwise perhaps there would have been some difference in the Plan as it is before us. The public and the private sectors are now expected to invest Rs. 6,100 crores and Rs. 4,300 crores, including Rs. 200 crores to be transferred from the public sector, respectively. According to the estimates of the Planning Commission, the first two Plans involved a total investment of Rs. 10,100 crores, of which Rs. 4,900 crores were invested in the private sector. These estimates revealed that actual investment in the private sector was higher than anticipated by 22 per cent. However, in the light of the savings survey made by the National Council of Applied Economic Research, it would appear that the actual investment in the private sector was higher than that anticipated by the Planning Commission by 45 per cent. In the Third Plan the private sector would be able to reach and even exceed the physical targets set to it. But I would say that the investment targets will depend upon the manner in which finances are raised for investment in the public sector. Exclusive of external assistance the Third Plan postulates to raise Rs. 5,300 crores from domestic sources, of which Rs. 2,260 crores will be found from the budgetary revenues, Rs. 1,400 crores from borrowings from the public and the balance from surpluses of public enterprises, capital receipts and internal financing. That is to say, of the total domestic finance, nearly 43 per cent, will be realised through budgetary measures, more

than 32 per cent, being from additional taxation. It is necessary to consider seriously the implications and consequences of this. The Planning Commission has agreed that deficit financing will be kept as low as Rs. 530 crores to avoid inflationary pressures. But at the same time we are given to understand that the Reserve Bank will pump into the rural areas Rs. 450 crores. Thus virtually deficit financing will be really Rs. 1,000 crores and not Rs. 550 crores. What will be the effect of this on prices? That such a diversion of savings from the people to the Government by compulsory means will dry out an important source of finance to the private sector is already becoming apparent. According to the Plan estimates, funds likely to be available to the private sector, medium and large industries and minerals, will fall short of its developmental requirements by nearly Rs. 100 crores. Apart from the overall shortage of financial resources to the private sector, the Planning Commission has itself observed that there would be a further difficulty in finding foreign exchange required for achieving the targets outlined. The Plan does not, in other words, provide for adequate funds to meet the financial requirements of the investment programme of the private sector. This has been so because the finances diverted to the public sector have been too large to leave funds enough for private investment.

The programme of investment for the private sector has been laid down in some detail, but firm estimates of the resources required have not been made and I think a special study needs to be made of the problem of supplying internal finance to industries in the private sector. The Finance Minister referred some time ago to the tendency of industries to resort more and more to external finance, especially borrowing, which needs to be checked. Permission for certain industries is being given only when foreign collaboration or capital is

forthcoming. Industries must be self-reliant in respect of their financial needs only if they provide more to depreciation, development rebate and reserves. But this depends on their profit margins, which in turn depend on prices.

If the private sector fails to reach the investment target set to it, the smooth working of the Plan may be interrupted. For, economic growth depends upon the balance between different flows of production and demand which is influenced by the relation between investment in different sectors of the economy. To achieve this balance it would be necessary (1) to distribute resources between sectors according to their respective needs and (2) to allocate foreign exchange rationally so that development in important industries may not be held up.

Two further important considerations are involved, viz., employment and exports. The Plan aims to or rather hopes to achieve a higher employment, but is not specifically designed for it. On the basis of the increase in population registered by the Census of Population 1961, additional labour force in the next five years would be 17 million which, with a back-log of 9 million unemployed at the beginning of the Plan, will bring the total labour force available for employment in the Third Plan to 26 million. The Plan envisages to create employment to 14 million and will thus leave a back-log of 12 million at the end of 1965-66. Planned investment has not kept pace with the growth of population because investment has not set the right pace of industrialisation, which, though high, is not adequate. The allocation of resources to industries and minerals, including small and village industries, in public and private sectors in the Third Plan is not materially higher than that in the Second Plan. In its practical fulfilment, therefore, the Third Plan will have to be more industry-biased so as to create greater opportunities for productive employment. I would

indicate a few modes of how 12 NOON employment would be possible

Railway transport has been planned at 245 million tons. On the basis of rise in industrial production for 1961-65 which postulates a 50 per cent increase over the Second Plan period, we will require railway transport of 275 million tons. So there is admittedly a shortage of 30 million tons. Will this shortage remain or will it be provided for? In any case this shortage will have to be made up to a certain extent, and making up that shortage will perhaps relieve part of the unemployment. The same will be the case in the matter of road transport. The provision is for Rs. 340 crores, but according to the Master Plan by the Chief Engineers of States, we would require Rs. 510 crores. Thus there is a wide gap, a very great gap.

I would like to refer while I am on the subject of road transport to a few matters particularly pertaining to Gujarat. Gujarat has been deficient in roads for many reasons. Whether it was the Nagpur Plan or the Plan of the Chief Engineers, the deficit in the matter of roads in Gujarat has been to the tune of 45 per cent, whereas all other States have exceeded the targets. Why is this so, and what is Government doing to see that the targets are reached? The construction of roads connecting the main highways is also deficient. Small things like uniformity of road signs and mile-stones are also very much lacking. Perhaps Government would pay a little more attention to it in the next Plan.

Now I come to the next point. We have planned for an increase of 123 per cent, as regards power. In fact at the end of the Second Plan we were short of this by 15 million k.w., but the basis of the demand shows that we require 166 per cent increase. Thus there will be a shortage of 40 per cent. More power means more employment either in the public sector or in the private sector or even as far as cottage industries are concerned. With more

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and more power and cheap power people will find work for themselves if the State Or capitalist industries do not find work for them. I think it would be the duty of the State to provide the wherewithal for them, and with all that is done for small-scale industries I do not think we are doing enough to meet their requirements.

Sir, in the matter of power also the case of Gujarat is very typical. We are carrying something of the old British tradition when we imported coal for the mills of A'hmedabad from five thousand miles from the coalmines of England. Now we are importing coal from the coal-mines of Bihar and Bengal, a distance of one thousand miles, and at least 500 wagons per month are required for bringing this coal. What a strain on the railways and how dependent the State is. We have in Gujarat, Sir, several hydro-electric schemes which have been half completed. The difference between hydro-electric power and coal-generated power on the basis of the power rates of today—for instance, if the industries in Gujarat were getting the rate at which the Bombay industries are getting—has been calculated by experts of the Gujarat State Electricity Board to be something like Rs. 17 crores. Now if this sum or a sum equal to about three times this, that is the loss that Gujarat is suffering for three years were utilised to complete the hydro-electric schemes which have been left half done, particularly the Tapti and Mahe schemes, this great problem of shortage of electric power of Gujarat would be solved. Gujarat would save Rs. 17 crores annually and there would be cheap electricity available so very necessary for development of industries and as a means of reducing unemployment.

The rate of development will depend upon the level of exports as things are today in our country. Increase in exports is necessary to acquire the

vital foreign exchange for import of capital goods, components, industrial raw materials, etc., to build the requisite capital structure and enable its functioning at its full capacity. The fulfilment of export targets which is now pitched at Rs. 3,700 crores is higher by Rs. 250 crores than in the draft outline of the Plan, which would be conditioned by the level of agricultural and industrial production reached in the economy. We can no longer depend entirely upon our traditional exports. Manufactured and semimanufactured goods will have to assume greater importance. The level of prices and costs is an important consideration in this regard. Study Groups have, therefore, been appointed to consider ways of reducing costs in selected industries like cement, jute, bicycles, electric motors and transformers and rayon. However it remains to be seen how far their suggestions may be possible of being incorporated in the economic system. For, while on the one hand costs must be brought down, on the other hand the industrial structure must not be disrupted so as to affect industrial production. Industry, in certain sectors where prices are fixed by the Tariff Commission, is already up against this problem. The whole price policy will, therefore, have to be examined on a rational basis so as to ensure rapid and balanced progress which after all is of prime importance to any sustained export drive.

The accent of export promotion and the building of heavy machinery will not leave enough capacity for production of consumer goods, the supply of which may lag behind the demand that income will generate. The Plan aims to achieve self-sufficiency in agriculture. This is a pre-condition to the fulfilment of other targets. Even when the Second Plan was being drawn up, our Prime Minister had said that if we failed on the food front, our Plans would fail. At the same time it must be ensured that production of industrial raw materials is not given a setback. The two requirements do not, however, conflict with each other

For higher agricultural production is a matter of improving productivity by greater use of fertilisers, better seed, etc. In the industrial sector the targets for the production of consumer goods are not in tune with development in other directions and will have to be revised if the economy is not to be riddled with excess consumer demand.

In view of the necessity of greater employment, higher exports and larger domestic consumption, the level of planned investment in the private sector must be regarded as the minimum effort. It is an essential element in the fulfilment of the Plan and achievement of a balance between production and needs. How well the final results will be will, however, depend upon the phasing of programmes in public and private sectors and their implementation according to the schedule, which will be determined by the efficiency of the governmental machinery and its ability to forecast imbalances between demand and production.

The public sector outlay is expected to be Rs. 8,000 crores of which projects under irrigation, electric power, industry, transport and communication will claim 62 per cent. This represents the biggest segment of national investment. It was proposed to appoint a Parliamentary Committee like the Estimates Committee and the Public Accounts Committee to look into the working of them. I am in support of this proposal as the results of the public sector undertakings in this country have not been very encouraging. There are certain exceptions which are doing very well. But on the whole investment in the public sector is not yielding the Government or the country half of what it is yielding in the private sector; in some industries it is much less, as low as under one per cent. We have planned for exports to the extent of Rs. 740 crores but the present exports are only worth Rs. 620 crores, and there is a gap of Rs. 120 «0»». How

is this gap going to be met? This is going to be a serious problem, for our cement price is higher than the price prevailing in the world market by Rs. 50 per ton; our sugar price is Rs. 350 or Rs. 400 higher per ton; our steel price is Rs. 72 to Rs. 80 higher per ton, though only a few years ago we were a country that produced the cheapest steel in the world.

In this regard, it will be pertinent to point out certain basic flaws in our pricing policy. One fundamental defect of our pricing policy is that it does not take note of the necessity to align incentives with priorities. For example, in the list of planning priorities, the top place is given to basic industries, such as electricity, coal, steel, cement, heavy chemicals, etc. which are included in the core of the Plan, but the profit incentives prevailing in the cases of uncontrolled industries of secondary importance are placed low in the priority list. This anomaly creates distortions in the allocation of resources for investment purposes because investors naturally prefer to put their money in ventures in unimportant industries rather than going in for basic industries. This explains the latest craze for new shares in industries not likely to fall under price control at the cost of the basic industries. This also explains the failure* of the basic industries to fulfil their plan targets as against overfulfilment in the case of industries of secondary importance.

We are passing through a famine of electric power, coal, cement, and steel, and many industries are unable to attain full production or extend their capacity owing to the bottlenecks created by scarcities of vital products and services.

There is one other aspect of our export policy which needs to be considered. We have entered into rupee payment agreements with many countries, particularly with what are called the Soviet countries I would like

[Shri Dahyabhai V. Patel.] to ask the Minister to tell us how we can export at competitive prices because as a result of years of planning the prices of raw materials are controlled so also transport costs, wages and prices in certain cases, selling prices in many cases, even distribution as in the case of cement, and over and above all is the movement control. Control is the order of the day. There is control over modernisation and control over replacement. So, in fact, there is no activity or sphere in which an entrepreneur is really free to use his skill and ability in this all-controlled economy.

Again, we have exported anything, even of the poorest quality that can be produced with absolutely *no* incentive for improvement in the quality or economy in the cost of production. Therefore, India has become one of the cheapest producers in a high-cost economy country. How, under these circumstances, can we ever reach the increase of Rs. 120 crores required in the exports? I would also like to ask the Minister whether he has tried to study and understand the significance of the rupee payment agreement or the barter agreement with the Communist countries, whether ...

SHRI BABUBHAI CHINAI (Maharashtra): What does the hon. Member want to convey about the rupee payment or the barter agreement? Does he say that it is an advantage to the country or a disadvantage to the country? If it is a disadvantage to the country, will he please point out how it is so?

SHRI DAHYABHAI V. PATEL: If my hon. friend had been a little patient, he would have heard me. The next sentence ...

SHRI BABUBHAI CHINAI: The hon. Member repeated this two or three times and I fail to understand what he wants to convey.

SHRI DAHYABHAI V. PATEL: I am coming to that. I want to know whether he has tried to understand whether, under the barter agreements with the Communist countries, the commodities exported under the above agreements are re-exported to India's traditional markets at cheaper rates and that, therefore, it is that we are losing our hold on several of traditional markets in respect of some of these commodities. That is what I want the Minister to tell us—because we are tempted by the rupee payment scheme—whether the articles that we export are not being re-exported by the Communist countries to places, where we used to export them ourselves, at lower prices, under-cutting, our Government ...

SHRI BABUBHAI CHINAI: Will the hon. Member explain to us how we lose anything on this score because otherwise also we are not exporting to those particular destinations? Today we are not in a position to do that due to several reasons. Here we are exporting something to the East European countries from where we get capital goods also.

SHRI DAHYABHAI V. PATEL: I was referring to our traditional exports, not to other commodities. I mentioned that we are losing our export market for certain traditional commodities. That is what I was referring to, I was not referring generally to the question of exports.

The Plan does not mention this problem of incentives, which I consider as a significant gap in planning policy from the point of view of harnessing national effort for development purposes.

Just as needless bureaucratic controls foul the atmosphere of mass enthusiasm, excessive taxation leading to price inflation would create social discontent—especially price inflation in the case of necessities of life such as food, clothing, housing, etc. The Third Five Year Plan envisages additional taxation amounting to>

Rs. 1,700 crores, mostly indirect taxation, which is sure to inflate commodity prices and effect a rise in the cost of living. Already a large number of commodities have been subjected to excise duties. New ones have to bear the brunt in future. Whilst this may be inevitable, I would suggest that we avoid the tendency to load the same articles over and over again till the accumulated incidence of the excise duty becomes excessive, as has happened in the case of cement and steel. Whilst imposing excise duties on new articles, the levy on the old ones should be reviewed and the burden readjusted in such a way that it becomes bearable and does not unnecessarily inhibit development.

The problems of inflation and taxation are tied up with that of generating savings. In so far as the public enterprises are concerned, they will certainly invest more than they save, and the gap will have to be filled by revenue surpluses and public borrowing. The rate of savings is estimated to have gone up from 5 per cent, of the national income in 1951 to about 8 per cent, in 1961, and is expected to rise further to 11 per cent, in 1965. But even today the saving rate of 8 per cent, of the national income falls short of the investment rate, which is 11 per cent. This gap of 3 per cent, is being made good by foreign loans and aid and the gap will continue at about the same rate up to 1966, when the savings rate will be 11 per cent, of the national income and investment rate 14 per cent. There has been some difficulty in stepping up the rate of savings mainly due to the inhibition of the saving capacity of the people by heavy taxation and inflation.

Sir, the figures that I have taken from the Planning Commission's Report are, to a certain extent, misleading in that the rise in the income is stated on the basis of percentages but the income rise in percentages does not reflect really what somebody gets in his hand, does not reflect the real

purchasing power that this additional 3 per cent, rise in income gives him. Has it really given him an additional purchasing power of 8 per cent? I am not sure about it. I feel that this purchasing power has gone down even though there is a rise in the income. We have planned for Rs. 450 crores for the period of the Third Plan, for public enterprises, that are already heavily over-capitalised. The return is hardly a third of what it should be—as I mentioned only a few minutes ago.

Sir, ' yesterday an hon. Member referred to the Bharat Electronics, and 'how misleading it was, for him to say that it was a venture that was earning. So also this Government is going in unnecessarily for costly ventures or pet schemes which have adversely affected the economy of the country.

Sir, Mr. Manubhai Shah has produced watches—it seems—and he has presented the watches to some high dignitaries, like the Prime Minister and others. I do not know how they are working. But, Sir, these watches are not produced in this country; it is only assembling of imported parts. Now Mr. Manubhai Shah or State enterprise has done nothing new. This was being done by importers in this country for years and years. Not only that; they were earning foreign exchange by placing the watches and the machineries, that they used to import, in gold-studded cases, and they used to sell the same in that form for good prices in the markets abroad, and also in this country. I wish the Minister had given some of these to the Indian jewellers who are known for their craftsmanship, for the beauty of it, and for the lasting work that they do. The Government should have to do it in that way instead of putting money in this sort of projects.

Similar is the case with the small car project. In spite of the opinion of experts, and advice from all sides,

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the Government will persist in throwing in so much more money into the project of producing a small car. Sir, an expert invited by the Government of India themselves has said that it was madness to think of producing a small car at a cheap price in this country. I do not know why Government persists in this sort of thing when we are in such a difficult state as regards our finance and when every year our Finance Minister has to make a round to the capitalists of the world virtually with a begging bowl in his hands, and say, "We want more money; give us more money". When we attained independence, we had a credit of Rs. 1300 crores in sterling balances. We have since used it up, and today the countries that were ruined and devastated by the War, Germany, Japan, Austria—they suffered so badly—are offering us money. What sort of planning is our Government following? We did not suffer from the losses that these countries suffered as a result of the War. They have been able to put their economy in order. They have not only been able to balance their budgets, but they are connecting in the export market with the most advanced countries, and they are offering us credit. And every year, at this time of the year, our Finance Minister goes round to the capitalists of the world—as I said—with a begging bowl, and says, "Here we will take money. Who is going to give us money?"

SHRI BABUBHAI CHINAI: They have been giving.

SHRI DAHYABHAI V. PATEL: Sir, the policies of the Government are making things very difficult for the ordinary citizen—prices of foodgrains are going up. Prices of foodgrains are sought to be controlled in two ways—by buffer stocks and by variable excise duties.

SHRI BHUPESH GUPTA (West Bengal): And by bluffs.

SHRI DAHYABHAI V. PATEL: Quite right; once I agree with you; it is quite true, Sir, but what will be the result of this? Our Food Minister had gone to America and purchased a crore and seventy thousand tons of foodgrains, that are going to come in the next five years. And that spectacle is before the agriculturist. Will he have any incentive to grow any food crops? And what is the price that he is going to get? We are not willing to pay a little higher price to our own agriculturists, but we pay very high prices for imported foodgrains, as well as cotton, more than the prevailing price for cotton. What is the price that the Government have paid to the American cotton got under their P. L. 480? Is it not very nearly double the prevailing price? Of course Government has the great advantage, having secured 40 years' credit, that they will use the money—which they will collect immediately from the industry in India—for forty years. They will use it. But for that advantage that the Government is getting, is it worthwhile to disturb or disrupt the agricultural economy of the country, which, I believe, is going to be the result of this policy of Government?

MR. DEPUTY CHAIRMAN: Your time is up.

SHRI DAHYABHAI V. PATEL: I will take just a few minutes.

Why is the Government pursuing this policy? I have been thinking in my own mind, I have tried to put some things together and I have come to certain ideas which I would put before the House so that the Members can consider for themselves whether my fears are correct.

Sir, an hon. Member said—I think it was Prof. Wadia—that we have to tighten the belt. But is there anything going to be left to tighten now? That is a very serious question.

Our new and respected Member. Shri V. T. Krishnamachari, said that the axe should not fall on education, and he has been the Diwan of a very progressive State, where education was free, compulsory, and generous even at higher levels. What has happened in that very State to education? What is the condition of education in that very State? In those areas has not education become costly? Has not the axe fallen there? What is the use of saying it—sitting in Delhi—that the axe should not fall on education? It has actually fallen.

SHRI K. SANTHANAM (Madras): But then you have got Mahagujarat now. This is the price for Mahagujarat.

SHRI DAHYABHAI V. PATEL: That was long before Mahagujarat came—even before that.

Sir, I was telling you that I am wondering why the Government is following this policy, and in this connection I want to draw the attention of the House to a few things that have come to my hands. Sir, I referred once before, in this House, to the book that is known as "Raj Tarangini" a Sanskrit book, translated into English by the late R. S. Pandit and to which a foreword has been written by our illustrious Prime Minister. And on page 127 of the book advice is given by the Sanskrit pandits to the kings of Kashmir that if they wanted to preserve their rule, they should do the following, "Keep an eye on the agriculturist, see that he does not retain more than enough grain for one year for himself and his family—he should take away the balance—that he does not have more than a pair of bullocks or, perhaps, two if he has got larger fields to do his agriculture, see that he does not acquire horses, that if he acquires horses and starts riding on the back of the horses he will get wind in his head, see that he does not get more than enough warm clothing in which case he will become

lazier and may. want to stay at home in the cold climate of Kashmir instead of going out and working in the fields, see that he does not acquire women because they will look after him and make him easy going.

Now that is the advice that is given by the Kashmir pandits. I am wondering if our Government is not following a policy in the same way in this country. Sir, we talk of democracy; we talk of adult suffrage; we talk of giving equal treatment to the villagers and to the citizens. But what, in effect, are we doing? And I would draw the attention of the House to sub-chapter X of what Jawaharlalji has written in his own book, 'The Discovery of India.' He says that ultimately the unit, the village, must become the elector or the voter. One vote by the head of the village should be considered enough as the vote of the whole village. So, what are we going to reduce the democracy to? Sir, this is dangerous. Sir, much more dangerous in the light of the booklet that came in to my hands, "Role of Parliament in the Next Revolution", how Parliament can play a revolutionary part in the transition of socialism and the role of popular masses. I would commend this publication to hon. Members of this House and outside. Those who are interested in the growth of democracy, those who are interested to learn how democracy could be subverted and Communists could take over in the name of aiding democracy should read this book. Where will we be if our Plans are thus subverted?

SHRI BHUPESH GUPTA: Sir, I have been sitting here and I have not subverted him . . .

SHRI AKBAR ALI KHAN (Andhra Pradesh): There is a basis to coexist between Mr. Dahyabhai Patel and Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: Sir, I want to draw your attention to one thing.

MR. DEPUTY CHAIRMAN:
Not now.

SHRI BHUPESH GUPTA: Any time you choose. It rather concerns the House.

MR. DEPUTY CHAIRMAN:
Not now.

SHRI BHUPESH GUPTA: All right, later on.

SHRI BABUBHAI CHINAI: Mr. Deputy Chairman, Sir, I am thankful to you for giving me an opportunity to say a few words on the Third Five Year Plan.

SHRI AKBAR ALI KHAN: And just after Mr. Dahyabhai Patel.

SOME HON. MEMBERS: Come before 'he mike.

SHRI BABUBHAI CHINAI: The tempo will go up. Do not worry.

Sir, if we look to the first two Plans, there is no escape for anybody but to appreciate as to what has happened during the course of these ten years. I have no doubt in mind, that I'aving plunged ourselves in the Third Plan and if we keep up the tempo which has been generated in the first two Plans and exceed a little, the Third Plan also would terminate appreciably and with good results. The national income has increased by about 40 per cent and the *per capita* income, as we know, by 1fi per cent. What does that show? That shows that we are on the right path and that if opportunities are taken of the situation which is before us, much more can be achieved.

Sir, we talk of war and then we talk of Plan. Sir, we plan when there is war. Then why not we plan for peace? Let us plan for our existence and let us plan for fulfilling our want. I think those who talk of having progress at random will s'oon find themselves in difficulties and will ultimately

appreciate the planning which we have very rightly resorted to.

Sir, the proper climate for planning would be that we should have stability, not only political but stability in the country for economic existence. It is not enough that we should have just enough for international amity but what we have in this country would count and would go a long way towards that amity. Therefore, I would beseech of those who are in season and out of season creating small or big troubles and resorting to linguism, sectarianism, provincialism, etc., for God's sake not to indulge in these things. Please see that the country is stabilised and our economic progress goes from strength to strength.

Sir, we know that our economic growth has been a little over 5 per cent per annum and we should not forget that it is a fair growth even though we would have been more happy if we had a faster growth. But we must look to all advanced countries like Japan, Germany and Russia also. I would advise my friend, Shri Dahyabhai Patel, to kindly study as to what progress these countries have made even though they claim themselves to be advanced countries both technologically and otherwise. Their progress is not more than 7 to 8 per cent. Therefore, if we have a growth of 5 per cent, and I do not want for a moment to say that we should sit tight and be satisfied over this growth we have to look to the circumstances in which we are working. Therefore, one should be satisfied with the progress of our growth. But even that will be offset, as we all know, by the annual increasing population to the extent of *t* per cent. Therefore, the planners have very rightly set apart, about Rs. 25 crores for family planning.

Sir, though we have a provision in the Second plan for family planning, I am very sorry to say that full advantage was not taken. I would beseech of the hon. Minister to please see that we use this Rs. 25 crores for good purposes, for planning families in thif-

country so that our economy is not offset and our Plans are not offset.

Coming, Sir, to the resources, I am sure that the Planners are well aware of this and they have in sight the difficulties in raising more resources. If the planners could have envisaged much more resources, I have no doubt in my mind that our Plan would have been a bigger Plan than what has been placed before us.

SHRI DAHYABHAI V. PATEL: Their capacity to waste is not doubted.

SHRI BABUBHAI CHINAI: I have no yellow eyes as my friend unfortunately has to see everything, which Government does, is yellow. I only see things in the correct perspective and I will be the last man to say yes to everything that the Government has done. I have my own views. And if my hon. friend can wait for a couple of minutes, he will also find that I have my suggestions to make.

Sir, it should not, however, be forgotten that the purpose of planning is to make not merely a particular level of investment effective but also to channel this investment into fields where productivity is the highest, which is the point which my hon. friend also emphasised during his observation. Sir, this consideration bears relevance to distribution of outlays between the two sectors, public and private. It is a known fact that so far as the private sector is concerned, they have fulfilled their targets and in certain spheres they have even exceeded the target much more than was expected of them. And looking at what they have done in the Second Plan, I have no doubt in my mind, Sir, that though there may be many difficulties, it is for us to surmount them. The private sector is bound to fulfil the targets and the work which has been envisaged of them. Looking at what they have achieved during the First and the Second Plans, there

will be no difficulty about it. Even according to the Planning Commission, our actual investment in the private sector was higher than anticipated by 22 per cent, and if we take the figure of the National Council of Applied Research, it is about 45 per cent. If we could achieve 45 per cent, more than what was given to us in the Second Plan, I have no doubt that, even if there are difficulties of resources both internal and external, there will not be any difficulty in achieving the targets which have been given to the private sector. A broad analysis of the resources position has been discussed by my friend Shri Patel and, therefore, I do not want to repeat it. I would only say that the deficit of about Rs. 100 crores, it has been said, should be bridged either by borrowings or by budgetary measures but in order not to resort to any of these two, I would only say that we should extensively try for our export drive. I am really very sorry that we have all been thinking and preaching about it by only saying that, we will not be able to have export drive and more exports and more foreign exchange. I am really sorry that we have not applied our minds on a national emergency basis so far as exports are concerned. It is absolutely necessary that our export drive should be on a war footing and we should try not only to have exports of only traditional items but increase our exports of non-traditional items and thereby have more exports and more foreign exchange. The resources required for development in the private sector has to come chiefly from internal finance, that is, reserves and depreciation and public response to new floatations. The amount of internal finance is dependent on the extent of company taxation and the incentives available for ploughing back profits into reserves as also the price policy of the Government. The response to new floatations, no doubt, till three months back, was very good indeed, but a little cold in the climate of investment has come and the Government must take cognizance of it and remove this little cold or chill, as

[Shri Babubhai Chinai.]

we call it, so that the company floatations may not suffer in the long run.

An important factor which requires consideration in this connection is the availability of working capital and this chiefly has to come from the banks. I am making a very important point and I hope the hon. Minister would kindly bear with me for a minute. The Plan is silent about this factor. I do not know whether the planners have any say as to how financial institutions in this country, especially the scheduled banks, are going to function or are going to finance the private sector and more so the private sector during the Third Plan. We will have to double their capacity if we want to see that the Third Plan succeeds so far as the finance to the private sector is concerned. As you know, the Third Plan, which involves an investment of more than 50 per cent than in the Second Plan, will require, naturally, double the money that we had in the Second Plan. I think here a little more liberal attitude on the part of the Reserve Bank, especially in regard to the Bill Market Scheme, and credit controls, will go a long way in helping industry to secure its credit. I would only suggest that the Reserve Bank Governor who has been visiting Japan off and on, would kindly study what Japan has done so far as augmenting the resources of the banks is concerned and thereby finance the private sector.

As far as the financing of the public sector projects is concerned, it is necessary to ensure that the amount raised by additional taxation is used chiefly for developmental purposes. Every care should be taken not to repeat the disheartening experience of the Second Plan because every rupee which will be available will be most valuable so far as the Third Plan is concerned because the Third Plan is going to give us a fillip to have the Fourth and the Fifth Plans which would give us the soundest base and

we will be above the foundation so far as our economy is concerned. During the Second Plan a major portion of the additional taxation was absorbed by non-developmental non-plan expenditure. It is also necessary to see that the return on the public sector projects is commensurate with that on the private undertakings. We are depending on a very huge amount of finance from the profits of the public sector. The public sector, according to the return it has given till date, has failed to give us a sufficient return by which we can bank on them for augmenting our resources. Therefore, I humbly suggest that it is necessary to keep an eye over the finances and the working of the public sector so that the planners who have envisaged a large amount of nearly 350 to 400 crores of rupees from the public sector, may be able to get it for strengthening the resources position.

A word more in connection with this is in regard to certain projects of a developmental nature which are included under non-developmental expenditure. It may sound a little funny but it is a fact. I wish to point out to you this. Take the expenditure on the Development Wing of the Commerce and Industry Ministry. If we say that it is a non-developmental expenditure, no doubt it is so but the whole crux of the problem is, even though it is a non-developmental expenditure, it is much more developmental expenditure than any other scheme of the Government because that is the base from which the development starts. So what I wish to point out is that I hope the planners have taken care, as we have got nearly double the size of the Plan as compared to what we had during the Second Plan, to advise the Government that the administrative machinery which handles this Plan should be streamlined and also strengthened so that there should not be any paucity of personnel to handle this.

In this connection I would appeal that wherever personnel is needed for the future developmental works, even though they are non-developmental in character, it should be sanctioned.

The Third Plan is, by and large, a capital-intensive Plan. We have also to look to the consumers and if the price trend goes up 33 it has been going up and if the money supply is more in the hands of the consumer, we will be in a very difficult position. I agree that the Third Plan ought to be a capital-intensive Plan but at the same time we cannot ignore the consumer because after all the consumer is the person who would be able to say whether by the First, Second and the Third Plan he has benefited or not and his will be the final voice on it as to whether he has benefited or not.

A word more in connection with the transport facilities and I have done. We have been having questions and debates in this House and in the Lok Sabha about the coal supply to the different industries. We have been told that there is sufficient coal but we have also been told that it is not being lifted. I have failed to understand that even though the planners have envisaged an increase in the freight, from 154 to 245 million tons, there is not going to be any improvement unless it is properly planned and planned in such a way that bottle-necks are removed and the coal which is the life-line of the industries, is supplied in time to the industries and there is no closure of mills or factories because we will otherwise be losing in production, we will lose in man hours and we will lose in wages so far as the workers are concerned. Therefore, Sir, it is very essential that these aspects of the Plan should be tackled very carefully. In the final analysis, Sir, the Plan rests on the belief that the requisite effort will be forthcoming and that, at

each level in the national life within the limits of human endeavour, an attempt will be made to implement it with the utmost efficiency.

SHRI SUDHIR GHOSH (West Bengal) : Mr. Deputy Chairman, I have no complaints to make about the Plan, its conception and its magnitude, and I think that the Plan is perfectly sound and entirely feasible. I congratulate not only the members of the Planning Commission but also the government officials who have contributed over a long period, much hard labour to the preparation of this Plan. I think they deserve it. I am not worried either about the requirement of foreign exchange to the tune of Rs. 2,600 crores; we have already got a pledge for 2.2 billion dollars from the Consortium under the World Bank for the first two years of the Third Plan; earlier this month I had occasions to talk with Mr. Eugene Black, President of the Bank and the Bank officials and with friends in the U. S. Senate Foreign Relations Committee, and judging by what these friends had to say, I am convinced that for the third, fourth and fifth years of the Plan, we shall somehow get the foreign exchange that we require.

What bothers me, is something quite different. In the light of our experience of the implementation of the last two Plans during the last ten years, I think it is very necessary to consider very seriously some of our basic organisational troubles in the implementation of the Plan.

In the course of the discussion in the other House, my esteemed friend, the Planning Minister, reiterated that the public sector must grow, and in this House also he took care to explain how investment in the public sector has been increased from Rs. 7,250 crores to Rs. 7,500 crores. Well, we all want the public sector to grow; but we do not want the muddle headedness of our Ministers to

[Shri Sudhir Ghosh.]

grow alongside it. The muddle-head-edness, I mean the chaos and the confusion, which prevails today in the management of the public enterprises in our country is something frightening. And unless we can find a real answer to this problem of management and direction of our public enterprises, all this talk about expanding the public sector, of building UD a fourth steel plant, of building up a socialist society,—all] this is a lot of sentimental talk.

Every intelligent man in this country agrees that in an under-developed country, it is perfectly sound policy that the basic industries, as far as possible, should be owned by the State. In a country like the United States of America where they have a 130 million tons annual capacity for steel, it is wholly unnecessary for the State to engage itself in activities like steel making because, if left to private enterprise, the American community is sure to get all the steel that it requires and at a price which that community can afford. Our situation is different from that situation. In India, if we wish to build up—as we intend to do—a steel capacity of 19 million tons by 1970, it is just not going to happen, if left to private enterprise. Government ownership and government initiative obviously, are necessary in our situation. But our Government is yet to learn the lesson that mere ownership does not give the State what it is really after. It is the management and direction of these enterprises, the quality of the management and direction, that is far more crucial than mere ownership. Is it possible or is it not possible, for instance, to produce steel at a certain cost per ton and to earn substantial surpluses from this concentrated investment for further investment in the *development* of the country's economy? That is the crucial question. I was, therefore, delighted to hear the Prime Minister say on Monday morning in this House, that he wanted the public enterprises to earn

large profits. He wanted the steel plants to double themselves out of their own profits. I was delighted to hear that.

If you say all these things to a Minister of our Government, he will immediately say that he entirely agrees. Of course, he wants public enterprises to earn large profits. Of course, he realises that the effective management of these enterprises is very important. Of course, he agrees and he believes that we should have a more flexible and businesslike organisation for the management of these enterprises than the ordinary civil service-cum-public works organisation of the Government. Of course, he believes in the autonomy of autonomous bodies. And then, you say, "well, my dear Sir, if you really believe in all these things, what stops you from putting some of these beliefs into practice? Why have you allowed the public sector enterprise, such as the steel plants to go into the doldrums? There must be some reasons for that." When you try to pin him down to it, then you find the trouble starts and the good man starts talking with his tongue in his cheek.

He has many difficulties, he says. Accountability to Parliament is one of his troubles. Now, this seems to be a peculiar problem for our country. It is not a problem in any other industrially-advanced country of the world, non-Communist or Communist. In the U.S.A., in Western Europe or Japan, the administration of wealth production is far removed from public concern or parliamentary control. In the U.S.S.R., well, public administration does engage itself in the production of wealth and in the productive processes. But there is no parliamentary democracy there to interfere with the day-to-day work of the productive processes. Even in a country like England which is nearer to us, where the Labour Party ! some years ago nationalised quite a

large sector of their wealth-producing activities, even there, accountability never meant interference in the day-to-day activities of the productive processes of an industrial unit. Genuine accountability does not mean accountability in methods or procedure or individual action or individual failures.' Genuine accountability means the accountability for results, for delivering the goods. It would be perfectly justified in our situation for Parliament, for instance, to tell, say, the Steel Minister; We give you a date by which your steel plant A, B or C, shall begin to earn profits. We will give you the date, and we shall be reasonable about it, the date by which your steel plant shall earn substantial surpluses for investment in the further development of our economy". And you can say, "Either produce that result, Mr. Minister, or you shall be dismissed." If that is agreed between the Government and Parliament, well, that is genuine accountability. But if accountability merely means the privilege of putting questions and getting answers which are designed not to make you better informed but to evade giving information, then that kind of accountability is not worth a great deal to Parliament. I must say in fairness that if there is a breakdown, for instance, in the Rourkela Blooming Mill, that I do not think is a legitimate occasion for a Parliamentary enquiry or a public enquiry. It is for the management and the Minister to put these things right. I think the country or Parliament should be generous, should be reasonable and tolerant where individual errors are concerned. But Parliament must be absolutely cruel to a man who fails to achieve specified and agreed results.

Let us see for a moment, what the Auditor-General of India had to say on this question of organisational troubles that I talk about. A former Auditor-General of India complained that the way the autonomy of the autonomous companies has been treated by Ministers in his view, was "a fraud on the

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Company Law". He also complained of the way the autonomy of the Government companies or corporations has been used by Ministers. The words he actually used were that it was "a facade created mainly to defeat Parliamentary control". A Minister says to the Board of Directors of a company, say, of Hindustan Steel, "I cannot allow you to make use of the freedom of action that the law gives you, because I am responsible to Parliament for what you do." The same

Minister says to Parliament 1 P.M. that because Parliament and

its Estimates Committee and various other Committees are all difficult people and they interfere in the Minister's work so much, he cannot function properly. So, the Minister uses Parliament in order to destroy the autonomy of an autonomous body and then again he uses this so-called or unreal autonomy of a company or corporation in order to deprive Parliament of its legitimate rights. The same Minister, if he were the right man, without any change in law or constitution, can be the father-protector of the autonomy of autonomous companies or corporations and also give Parliament the substance of what it has a right to. It depends on what sort of man he is. For instance, he can say to Parliament, "The law, which is the expression of your will, gives these organisations a certain freedom of action to make their own decisions in their own way. If you, ask questions in Parliament about the day to day working of these organisations, then those who are managing these organisations cannot function effectively. You cannot take away with one hand what you have given with the other".

SHRI AKBAR ALI KHAN: You mean to say that we should not put any question regarding the administration there?

SHRI SUDHIR GHOSH: I am coming to that.

[Shri Sudhir Ghosh.]

Instead of doing this, if Government and Parliament come to an understanding with each other and, say, twice a year a Minister comes to Parliament with the frankest possible report and full details of the working of these enterprises and says, "I will give you all the information that you can wish to have. Let there be a whole day's debate on the working of these organisations and I will satisfy you on all counts. In lieu of this, you agree voluntarily to forego your rights to ask questions about the day to day working of these enterprises during the rest of the year because, if you do so, those people who manage them cannot function effectively." They function nervously as they are doing today. If such an understanding was arrived at, then this would give Parliament the substance of what we want and those people who are managing the concerns can function effectively instead of nervously. After all, one of the limitations of Parliamentary democracy today is this thanks to scientific industrialism, that the business of Government has become so complicated that the poor Members of Parliament, either in India or in England, find it difficult to know what questions to ask. Even when we ask questions, we know the kind of answers that we get. In these changed circumstances, I think it is necessary for us to revise our notions of Parliamentary control of public enterprises if we are going to implement effectively our successive Five Year Plans and, at the same time, preserve the substance of Parliamentary democracy.

Now, in order to find an answer to this problem of management and direction of public enterprises which I have raised, what is needed more than anything else is the education of our masters—the Planning Minister, the Steel Minister, the Finance Minister, the Industry Minister. We have all these masters and these masters, many of them, have reached a stage of life when they are somewhat im-

pervious to further education. The Finance Minister, for instance, has a watchdog, a financial representative so-called, on the Board of each one of these public enterprises and the position of that financial adviser is that whatever may be decided by a Board, the whole lot of them, if the financial representative disagrees, then that decision is worth nothing. If you and I try to persuade or rather educate our Finance Minister out of this absurd arrangement, which makes nonsense of autonomy, if you try to do that, well, you find it a very hard job, and that is what I mean when I talk about educating our masters.

To re-educate our masters, who are the source of power in these matters, is a far more crucial business than finding managers, directors, engineers and other personnel for these public enterprises. I believe, day before yesterday, the Steel Minister said in this House that he was very short of technical personnel and that was one of his troubles. I can tell you, with my knowledge of the steel plants with which I was associated for a long period of five years, that the Minister has yet to prove that he has made good use of the vast fund of technical talent that today exists in these very steel plants which he presides over. He has yet to prove that he has made good use of these people. For these steel plants, if he could recruit three Indian managers from industry, not from Government services, and put them in charge of steel plants, and if he could find a few men with industrial background for the board of directors and if he knows how to make use of the 2,000 or more young engineers who were recruited and trained in the U.S.S.R., the U.S.A., the U.K., West Germany and other places and give them the maximum possible responsibility that they can bear, well then, with the talent which is already at your disposal today, not tomorrow, you can run those steel plants effectively and produce all the profits that the Prime Minister says you must produce. The Russians, of

all people, the Communists, had dinned into our ears again and again that if you want to build a big steel industry, you have got to trust your own young men with responsibility. In Russia, where they built 60 million iron steel plants in such a short time, that was the only way they could do it. There was no other way. But, as I say, if you want to find an answer to the problem of management and direction of public enterprises, it is more a problem of converting our masters, the power-holders, than a question of training our servants—officials, engineers and technicians. I have tried for a number of years to say these things to those who are in power but it is, I assure you, a very very difficult job. You must talk to them again and again; it is like water on the duck's back; it does not stand there for long; but we need not be pessimistic because there are some slight indications of change. I was delighted the other day to hear from the Prime Minister of all people, one of the leading socialists of this world, telling us how urgent it was to make large profits—such a dirty thing as profits—in these public enterprises. Two years ago he did not talk about it but he talks about it today and that, of course, is an indication of a change and it is a very welcome change indeed. When a change takes place in the mind of the big man, gradually the wind of change seems to travel to the minds of those who are not so big. In the Third Plan, Mr. Deputy Chairman, the steel plants are supposed to earn a large part of the Rs. 450 crores of profits from public enterprises. I do not know the exact figure, Rs. 150 crores or Rs. 200 crores, whatever it is, but the chances are that no question of Rs. 200 crores, not even 200 naye Paise of profits will be earned by the steel plants during the period of the Third Plan, and as far as I can judge, things will have to get a good deal worse before they begin to get better.

SHRI JASPAT ROY KAPOOR (Uttar Pradesh): Mr. Deputy Chairman, Sir, if the large, number of cong-

ratulations that have been showered on the Planning Commission have not detracted in any way from the value thereof, I would like to offer my humble congratulations to them for the admirable Plan they have brought out, though it is subject to certain defects and drawbacks to which I will presently draw the attention of the House and submit them for the consideration of the Planning Commission in the hope that from year to year they will rectify the Plan in the light of the observations which I may make, of course, if they agree with them. Sir, we did well in the First Plan; we did still better in the Second Plan and we hope to achieve something very substantial during the course of the next five years. But then one unfortunate aspect about the whole affair is that we have not been able to make the public at large realise the great improvements that we have been able to bring about in the different spheres of our life. This is due to the poor publicity that we are resorting to. Our publicity, our propaganda, needs to be considerably reorientated. We do not find anywhere in the country at large that enthusiasm among the people which a realisation must naturally bring about that our country is making progress, rapid and substantial progress, all round. I would, therefore, submit that we must pay particular attention to the question of publicity and propaganda and in this respect I would like to give a few concrete suggestions.

One is that we would have more and better films on the subject showing our achievements. Not only more and better films, but there should be a larger number of shows thereof. I know we have quite a good number of films but they are not being shown as frequently, as largely, as extensively as they should be. I would, therefore suggest that we must have a regular scheme of arranging these shows not only in the cinema houses and important gatherings but even on street corners.

The second concrete suggestion that I have to make in this connection is

[Shri Jaspat Roy Kapoor:] that we should organise Bharat Darshan Tour Specials, one from each district if we can, and subsidy for this should be given to the extent of Rs. 25,000 per special carrying about 400 passengers each, besides, of course, the railway concession and other facilities which are already given. Now those who will go and see the various achievements to our credit, when they come back after seeing them, will be your great propagandists. They will be telling the people in the entire district that they have seen with their own eyes that the money that they are being made to pay by way of taxes is being properly utilised, and that there is no occasion for anybody to feel frustrated. Now, we have only about 400 districts in the country roughly speaking and the cost, if my suggestion is implemented, would not come to a very big figure. It will only come to about Rs. 1 crore and it should not be difficult for the Planning Commission to find Rs. 1 crore from somewhere, from this corner or that corner. But this amount if it is spent will bring about—I make bold to submit—a tremendous effect on the public at large and by that you will be able to secure public co-operation to a very very large extent.

Now as I said initially, the Plan is a very veil-thought out one but there is one thing to which I think particular attention has not been paid, at least as much as it should have been, and that is the question of administration. The other day the hon. Prime Minister while speaking on the subject said that howsoever good the Plan may be it will not be of much avail if it is only on paper and if it is not properly implemented. I know the Planning Commission realises the importance of having a good administration, for on page 58 of the summary they have said:

"In the last analysis the Plan rests on the belief that the requisite effort will be forthcoming and that, at each level in the national life,

within the limits of human endeavour, an attempt will be made to implement it with the utmost efficiency. Of the many assumptions on which a Five Year Plan is based, this is not only the most important but also the most difficult."

Further they go on to say in paragraph 3:

"With increase in the range of Government's responsibilities and of the tempo of development, the volume and complexity of administrative work have also grown. The administrative machinery has been strained, and at many points in the structure, the available personnel are not adequate in quality and numbers."

So this shows that they do realise the importance of it but I do not find in this Chapter any concrete proposals with regard to administrative planning, I do not know what the reason is. After Mr. Trivedi joined the Planning Commission it was my hope and the hope of many others also that he, at least, of all the Members of the Planning Commission, would pay particular attention to this aspect, for he is one of the few persons in the country who have got great administrative experience and I am constrained to say that it is a matter of considerable disappointment to most of us, probably to all of us, that even in this Third Five Year Plan nothing very concrete has been said as to how the administrative machinery is going to be improved because without that it is well-nigh impossible to achieve the targets that you have fixed. Sir, I have been laying particular emphasis and stress on this aspect from time to time and I think what I have said on many a previous occasion may well bear repetition not only because of the importance of the subject but more so because even after emphasis having been laid on that point even by the Central Government on more than one occasion, the suggestions that they themselves have made have not been implemented.

In this connection may I submit that the States Reorganisation Commission had made very valuable suggestions? One particular suggestion was that we should have more all-India Services. Now, on more than one occasion I have tabled questions on the subject and tried to move Resolutions also. Even last December I gave notice of a Resolution on this subject but nothing came out of that. It was not brought on the agenda even. Even in this session I have given notice of a motion to this effect because such a motion can only be passed by this House under the special article of the Constitution. This is a special privilege of this House and if more all-India Services are to be created, this House alone has the right to pass a resolution on the subject, subject to the condition, of course, that it should be passed by a majority of two-thirds of the Members of this House. This Resolution has not yet come out even in the Bulletin but I hope and trust that in the few days that are still left to us it may be possible for you, Mr. Deputy Chairman, to see to it that it is brought on the agenda so that we may devote *one* particular day or at least a part of the day for consideration of this subject. I make bold to make this suggestion because this subject was considered recently by the Chief Minister's Conference but even there I find that though this principle was accepted, nothing very substantial was decided upon even there. This is what we find in the statement which was placed by the hon. Prime Minister on the Table of the House on 14th August relating to the proceedings of that Conference. Paragraph 4 thereof says that the Prime Minister referred to the recommendations of the States Reorganisation Commission that more all-India Services be constituted and that the principle of having all-India Services in the engineering, medical and forestry departments was accepted subject to schemes being drawn up and circulated to State Governments for consideration. Now, "Sir, it does give us considerable disappointment to find that several years

after this recommendation was made by the States Reorganisation Commission, especially when the Prime Minister and the Vice-President themselves have on more than one occasion publicly lent their support to this proposal, in this Conference only the policy was accepted and nothing definite was decided upon. I do not know how much more time they will still take to accept and implement these valuable recommendations of the States Reorganisation Commission. I have no doubt in my mind and I am sure many eminent administrators in the country—in which category I include Mr. Chanda who was our former Auditor and Comptroller-General who has advocated this in his admirably written book 'Administration in India'—have very strongly advocated the creation of more all-India Services. He thinks and rightly too that unless we have more all-India Services, it is not possible to introduce efficiency, increase integrity and honesty in the administration. That being so, I hope and trust that the Central Government will see to it that more all-India Services are soon created and that it finds time to enable us to pass a Resolution on this subject. I know that many Chief Ministers are reluctant to agree to it. After giving notice of my intention to move such a Resolution, I sent round a letter to the Chief Ministers of States asking them to lend their support to it. It was about two months back. And I am sorry to inform the House that only about half the number of Chief Ministers replied and they too, excepting one or two, in very general terms. This subject was much before the Chief Ministers' Conference. I am sure that if only the Planning Commission were to accept this and make a specific recommendation on the subject in their Report and if only the Prime Minister takes it seriously into his head, I do not think any Chief Minister, with all respect to them I would submit, would dare to say 'No' to it. But if you say things in a halting manner, if you leave things to>their discretion, well, they are rehvv. tant to agree to it. They know that.

[Shri Jaspal Roy Kapoor.] and one or two Chief Ministers, in fact, wrote to me in their reply to my letter, they would not like to lose their hold on the Services. In the case of all-India Services the control will be mainly in the hands of the Centre and only in a small measure in the hands of the State Governments. I, therefore, submit that we must have a definite plan with regard to administration and we must see to it that without loss of much time we have more all-India Services created.

Next, Sir, I come to an important question which has been very near to my heart for a very long time and that is the question of small-scale and rural industries. I attach particular importance to this subject because the development of small-scale and rural industries will bring us two-fold benefits. Firstly, they will provide employment to a very large number of persons, which the large-scale industries cannot. Not that we should not have large-scale industries, but along with large-scale industries, we must have an extensive net work spread over the country of small-scale industries and also rural industries. The second advantage arising therefrom would be that you will be able to keep the price of consumer goods at a moderate level. If you put more money into the hands of the people by giving them employment and if you do not at the same time increase production of consumer goods, prices will go on increasing. So, in order to keep the prices at a moderate level, it is necessary to have more consumer goods. And more consumer goods you can have easily, in a shorter period of time and with a smaller investment only through small-scale industries and village industries. I am glad to find that in the revised Plan the amount allotted to this has been increased to some extent. It is now Rs. 164 crores, both for small-scale industries and village industries. For small-scale industries it was Rs. 107 crores in the Draft Plan. You have raised it to Rs. 114 crores. That is good enough so far as it goes. But

then the all-India Small-Scale Industries Board and the special Committee—which was appointed to go into this question have advocated about Rs. 150 crores being allotted for this purpose. It appears that it was not possible for the Planning Commission to agree to it. But I am glad to find that at least they have increased it by Rs. 7 crores, even if they could not increase it to an yet more substantial amount. It will be all for the good of the country and for the successful implementation of the Plan. But then so far as rural industries are concerned, I think adequate attention has not been paid to it and the importance thereof does not seem to have been very well realised. In this connection I would like to bring to the notice of the Planning Commission and of the House—more of the House than of the Planning Commission because the Planning Commission must have already seen this Report—that our Dynamic Industry Minister, Mr. Manubhai Shah, has prepared a scheme for the development of industries in the rural areas. It is an admirably thought-out plan and I would request the Planning Commission to give its most serious consideration to it. What he has suggested in it is that during the Third Five Year Plan we may take up about 10,000 villages with a population of between 1,000 and 5,000 for the purpose of developing industries. He has suggested industrial sheds in these villages and we may give certain facilities to entrepreneurs who are prepared to start industries in the rural areas. But I would suggest a slight amendment to that proposal. These villages which may be selected may have a population of between 2,000 to 5,000. The entire number of such villages in the country is about 19,000, so that, if during the next five years we can take up about 10,000 villages, then about fifty per cent, of the villages of this dimension can be easily developed. Of course, the entire cost of this scheme would be a substantial one. The total investment on this account would come to about Rs. 200 to Rs. 250 crores. Already you have provided

for this purpose about Rs. 150 crores for the handloom, coir and other industries. If you add to it about Rs. 100 crores, I think you will be doing a very good thing. The question, of course, always before the Planning Commission is, where to get the money from. I know it is very easy to suggest, do this thing and do that thing. But the question is where the money is to come from. I have some suggestions to make, which for want of time I would not make here. I had occasion to make those suggestions previously to the Planning Commission and I hope that they will find it possible to accept them.

One last word and I have done. I have dealt with the question of administration. I have dealt with the question of small-scale and rural industries. Lastly, I will deal with the question of improving the character of the nation. Only the other day the Prime Minister also laid particular emphasis on it. He also laid particular emphasis on family planning and said that we shall be able to achieve results therefrom after fifteen years or so and so also our efforts in the direction of character-building will yield results after about the same period. With regard to the question of raising the character of the nation as a whole and resolving the character crisis, which has overtaken the country, I would humbly and respectfully submit that particular attention may be paid to it and a special amount should be set apart to give proper education to children, not at the primary stage but at the pre-primary stage. I have been harping on this subject time and again that some specific, substantial amount must be earmarked for pre-primary education. That seems to be nobody's concern. The State Governments hardly spend anything over it. No specific amount is provided in the Plan. Of course, the Social Welfare Boards at the Centre and in the States out of generosity as it were dole out small sums for this. But that is hardly sufficient. A very substantial amount must be earmarked

for this purpose. Expenditure on pre-primary education would be most productive. In fact it would be an investment. The more you invest in it the greater the economy you will be able to effect after fifteen years or so for the products of that education would be honest and efficient, and whatever you have been losing these days on account of inefficiency and lack of integrity you will be able to save thereby by having honest and efficient citizens and administrators.

SHRI SURENDRA MOHAN GHOSE (West Bengal): Mr. Deputy Chairman Sir, I rise to give my support to the Third Five Year Plan and also to support the amendment moved by my friend. Mr. Shah. Sir, I am sure every Indian should be proud of our achievements in the First and the Second Plans, and we should also be proud of the Third Plan as presenting before us the various targets fixed for it.

[THE VICE-CHAIRMAN (SHRI RAM SAHA) in the Chair.]

Sir, most of the criticisms by hon. Members opposite were to the effect that during these days there should be dedicated leadership, that there should be a high standard of devotion to duty, that there should be a high standard of efficiency in the public services, and so on. I shall read out from the Introduction. The Planning Commission themselves have said:

"At each step, the Third Plan will demand dedicated leadership at all levels, the highest standards of devotion and efficiency from the public services, widespread understanding and participation by the people, and willingness on their part to take their full share of responsibility and to bear larger burdens for the future."

Sir, whatever our hon. Members have said, we find that the Planning Commission is well aware of these facts. They have expected that this dedicated leadership, highest devotion, efficiency, etc., will be forthcoming, and

[Shri Surendra Mohan Ghose.]

it is for us to fulfil their expectation. It is for the people of our country to fulfil their expectation, and that expectation can be fulfilled only by cooperating with the execution of the Plan and not by merely criticising it.

Sir, as my time is very limited, I shall have to touch very briefly and generally a few points, and I shall have to devote what little time I have to one or two particular problems of my own State—West Bengal. Sir, we all know that the food problem of West Bengal is almost a chronic affair. Every year it is something like a crisis in West Bengal regarding this food situation, and it will not be very difficult to find out the reason also for that. I will give you some idea about the yield per acre in West Bengal as well as the yield per acre in Madras:

	Yield per	acre
	West Bengal	Madras
1949-50	837	828
1950-51	889	888
1954-55	865	1,149
1955-56	920	1,209
1959-60	856	1,300

These are yields per acre. Therefore, there is very large scope for increasing the per acre yield in West Bengal, and the West Bengal Government after collecting all the data from their own sources as well as from other States have now prepared a scheme for increasing the per-acre yield so as to make the State self-sufficient in food production. In this connection the Planning Commission while talking about agriculture have rightly said at page 130, paragraph 29, that unless the agriculturists are sure about the price of their produce, there will be no initiative for them to grow more or even to double the production, because thereby they are afraid that if they double the production, the price might go down by 50 per cent. Therefore, the Planning Commission has stated here that there should be a

price policy and there should be a floor price for the agricultural produce which should be communicated well in advance to the agriculturist before the sowing season. I welcome this decision of the Planning Commission.

Then again at page 304, Approach in the Third Plan, they have said:

"In formulating agricultural production programmes for the Third Plan, the guiding consideration has been that the agricultural efforts should not be impeded in any manner for want of financial or other resources."

Sir, I would like to draw your pointed attention to these few sentences.

"Accordingly, finance is being provided on a scale which is considered adequate, and the further assurance is given that if, for achieving the targets of production financial resources are found necessary, those will be provided as the Plan proceeds."

Now, Sir, the West Bengal Government have found that in order to increase the yield per acre they will have to use the manure of cow-dung. These fertilisers only will not do because in some parts of West Bengal they are not as effective or as useful as they may be in other parts, and expert opinion in West Bengal also is that the entire cowdung of West Bengal should be used as manure if we want to increase our yield per acre. For that, they have to consider one aspect of the problem. At present cow dung is generally used by the agriculturists as fuel. Therefore, they thought that something should be provided for the agriculturists if they were to take away all the cow dung for manuring purposes and they prepared a scheme by which they could raise coal from their own coal-mines, for the purposes. Sir, mind you, the ownership of the coal-mines is vested in the West Bengal Government, and they want to work their mines to raise sufficient

coal to distribute it to the agriculturists in lieu of their cow dung. Now, here, the Planning Commission and the Ministry concerned of the Central Government are coming in the way. We cannot really understand, we fail to see, the logic of it. The West Bengal Government wants to utilise its own property, its own resources; without incurring any foreign exchange or without asking for any additional money, they want to utilise their own property to raise agricultural production. But I am really surprised that the Planning Commission and the concerned Ministry in the Central Government do not agree to this proposal. Sir, I would earnestly appeal to the members of the Planning Commission and to the Ministry that they should give serious thought to this problem. Thereby, not only are they helping the West Bengal Government to solve its own problem, but the Central Government is also relieved of its headache about the food problem there and also about the foreign exchange earnings. Jute and tea are mostly produced in West Bengal. By this the West Bengal Government wants to help you in relieving you of your anxiety about the foreign exchange earnings and also in relieving you of your headache about the food situation in West Bengal but you say that you will not allow them to work their own mines. Sir, this is a very anomalous position, and I firmly request our Planning Commission as well as the Minister concerned to give serious thought to the whole question.

Next comes the question of slum clearance, especially in Calcutta. I would like to draw the pointed attention of the members of the Planning Commission as well as of the Ministry concerned to this problem. Along with this, the West Bengal Government have in their view another project for providing some sort of night shelters for the pavement-dwellers. Most of the hon. Members of this House know how many lakhs of people sleep on pavements in Calcutta. The West Bengal Government is try-

ing to construct some night shelters for these pavement-dwellers and for that the State resources will not be sufficient. The Central Government will have to help them. While mentioning about these night shelters—I congratulate the Delhi Bharat Sewak Samaj—I may say that I had been to see some of these night shelters which they have started here in Delhi. They are working these small night shelters admirably well, and they should be congratulated and there should be more encouragement from the Government. Here, they have already started their social welfare activity.

Lastly, I should like to congratulate the concerned Ministry and the Planning Commission for accepting to build the Farakka Barrage and the port at Haldia. All of us, especially myself, have spoken about it in this House several times stressing the urgency for this. Calcutta is going to be ruined unless the Farakka Barrage is completed. The salinity of the water, etc. are affecting not only the health of the people, but also the movement of the incoming and the outgoing ships. So, we congratulate the Planning Commission and our Government that they have at last expedited the scheme and they are trying to work it out.

Thank you.

SHRIMATI K. BHARATHI (Kerala): Mr. Vice-Chairman, Sir, as I was listening to the deliberations in this House for the last three days, not only on the Third Five Year Plan, but also on the Punjabi Suba and witnessed the tight-rope dancing, exquisitely exhibited by the Communist spokesmen opposite, I was obsessed with a feeling mingled with pride and pain. In our gigantic leap forward to prosperity, we might have failed in certain spheres, things might have misfired here and there; yet, as the Prime Minister rightly pointed out, the chariot of India marches on and I am quite confident that it will reach its goal, and I feel proud of it. But I am pained because in spite of all the

[Shrimati K. Bharathi.] progress and the prosperity that we have achieved and that we are sure to achieve in the future, if we do not try to preserve the unity of the nation, if we are bent upon breaking each other's neck for every petty little dispute of ours, forgetting "major issues, where are we? I ask.

Sir, we discuss the Third Five Year Plan in an atmosphere of gloom because of the developments in Punjab. It may start elsewhere tomorrow. The utter lack of a correct perspective to our problems may thwart our Plan at every step. I am not prepared to go into the details of the Third Five Year Plan at this late hour. My purpose is to plead for the reform of our scripts. I feel that script reform should be included and implemented in the Third Five Year Plan period itself. It should be part of our planning, educational planning, I mean. It may sound a little fantastic when I plead for the Roman script for all the Indian languages. Sir, in the South Mr. C. Subramaniam, the Finance Minister of Madras, advocated the Roman script. Rajaji is opposed to any script reform, particularly the divine Devanagari script. But very recently in Madras, while felicitating one of our Malayalee poets, Rajaji said that he was prepared to accept the Malayalee script for all the South Indian languages. Sir, I merely mention this just to show that there is qualified acceptance of a common script at least regionally. Perhaps the venerable old ex-Governor-General of India does not want a North-South integration—he might want only the integration of South India.

Sir, you know that the existing scripts were not born with the people—they were invented by the creative genius of creative souls at various periods, just for the sake of common understanding, in smaH communities. Now that we want understanding and integration, both emotional and national, on a larger scale, we have to adopt or improvise

a script suited to the same. Sir, to adopt the Roman script with diacritical marks is to clear the hurdle of prejudice based on regionalism and narrow parochialism—a feeling that some people are being handicapped as against the Hindi group. Sir, it opens a gate to many other foreign languages also. It solves technical problems, of printing and typing. And after all, the Roman script has its roots in India. If we go through the Introduction to Monier Williams' English-Sanskrit dictionary, we can see the evolution of Roman and Devanagari scripts from the very same root, namely, the Brahmi script—which is of Indian origin. The Roman script, Sir, just like the metric weights, and the Arabic numerals has an international value, and it opens our younger generation's mind to the Western languages. Above all, it will also cut the 'Gordian knot' of North-South controversy over scripts. If Devanagari is accepted, it will be said that the North is heavily weighted against the South. Even in the Punjab they cannot agree on the script. From the so-called patriotic point of view also the Roman script will be welcomed because, as I said before, it can be traced to the Brahmi script which has an Indian origin. With diacritical marks this can be used as effectively as any other Indian script. Perhaps, Sir, taking the whole of India, there may be more people who are well versed with the Roman script than with the Devanagari.

SHRI SHEEL BHADRA YAJEE (Bihar):
Question.

SHRIMATI K. BHARATHI: Yes, you can question it afterwards; you can have your own time if you want.

Sir, considering the unfortunate controversies—provincial, regional and language controversies—and phoebias, going on now in this country, it will be more prudent, it will be more rational and it will be more practicable to adopt the neutral script, that

is, the Roman script, instead of Tteva-nigari which is familiar only in one region. Sir, I feel that we must have one script only, and that will blur the sharp frontiers between the various languages and, in the end, evolve a common language for India. The provincial languages will be dialects only. If we have a common script, learning three or four languages will not be a very difficult thing; it will not be a strain at all. We, the young generation, in the interest of our children and for the future of our country must accept this one script formula.

The grammar of Hindi should be simplified, and English should be accepted as an Indian language. As the Chief Minister of Maharashtra very recently pointed out, the English language, which has woven the unity of what is called Modern India, should remain as one of our languages. I request our planners to be alert on this subject.

Coming from Kerala, which is accepted as a very backward State in industrialisation, I would like to draw attention to our need for an oil refinery, a machine tools factory and a precision instruments factory. Sir, geographical considerations and advantages of communication, etc., present an unassailable case for a refinery in Cochin, in the public sector—a major refinery. I mean, Sir, we have one of the best harbours in India with inland waterways, and metre and broad gauges linked up with it. And the refinery can serve the whole of South India. One of the islands near the Cochin Harbour can lodge the refinery. I hope our planners would consider our case kindly.

Then, Sir, it is indeed a shocking thing to hear that our planners have cut short the funds allotted to girls' education in the Third Plan. It is a very uncharitable move, apart from the fact that it is a gross violation of the Constitution. Sir, I would emphatically appeal to our planners to reconsider their decision. No amount

of planning will be successful if female education is neglected or retarded at any stage. Sir, I make a fervent appeal to our planners to apply their mind to find ways and means to redress this injury done to the nation, because a nation's progress is always assessed by the progress of its womenfolk there.

Thank you, Sir.

DR. W. S. BARLINGAY: Mr. Vice-Chairman, Sir, I am grateful to you for giving me this opportunity to say a few words on this Third Five Year Plan. Sir, it seems to me that on the whole this Third Five Year Plan has been well conceived, and I have not much quarrel with it, whether in regard to its objectives or with regard to the details. Several aspects of it have been discussed in this very House, and I do not propose to go into those aspects. For example, the financial aspects of this Plan have been very ably dealt with by Shri Santhanam in some of his articles and also in his speech. I respectfully say that I agree with most of his observations. I do not propose, in the short time at my disposal, to go over these problems once again. There are certain general observations which I propose to make.

After having read virtually the whole of this book, I am afraid—as the saying goes, we must not miss the wood in the trees—having gone through this volume, that the wood is very much missing although, so far as the introductory chapter with regard to objectives is concerned, it is most excellently written. What I mean is this. After all, money, according to me, is a very illusory concept. Money—the rupees, annas and pies, they are, after all, the means that men have devised for meeting their day-to-day requirements. But beneath all this we cannot forget that what is essential for men is their welfare. Now, if we look at this Plan from this larger perspective we will see that the targets that we might have expected to be fulfilled are not fulfilled after all.

2 P.M.

[Dr. W. S. Barlingay.]

Sir, in a developing economy such as ours, what should we expect? As I pointed out in one of the meetings held to discuss the Draft Outline of the Third Five Year Plan, it was a very curious thing that in a developing economy there should be a backlog of unemployment at all. That shows that there is something wrong somewhere with the Plan. On the one hand we want to progress, we want that the energies of this great country should be utilised to its full, on the other hand we find unemployment everywhere. At the end of the Second Five Year Plan, as this document shows, we had a back-log of unemployment to the extent of 9 million and at the end of the Third Five Year Plan—I speak subject to correction—that back-log is likely to be of the order of 14 million . . .

AN HON. MEMBER: Twelve million.

DR. W. S. BARLINGAY: I stand corrected. It is 12 million. I do feel that this is a very serious matter and that shows that all this human energy which might have been utilised for the progress of our country, for the fulfilment of the Third Five Year Plan, is being wasted. That shows that there is something wrong with this Third Five Year Plan. A proper national Plan must be a Plan for the proper utilisation of the energies of the nation as a whole especially when we are developing. We are not a fully developed country; we are an under-developed country, and in an under-developed country this is a very serious matter.

Sir, some time ago I had composed a few verses showing the illusory nature of money. I am not going to recite in this House all the verses, but I have picked up two of them which I should like to read and translate in this House. The first is this:

श्रुतं यदध्वस्य बहुत्वमात्मनि
वृथाऽपि जीवेन जगद्विकल्पितम् ।
विभेदभावेऽपि सुगैवरोत्तमम्
निदानमर्थस्य सतिश्रमोऽपरः ॥

The translation reads thus:

We hear that by superimposing the many-ness on the one Brahma, the individual soul has created for himself the illusion of this world. But in the case of money, what we do is exactly opposite," namely, the imposition of one-ness on many-ness. That is the source of the concept of money and this is another illusion.

The second is:

न केवलं भिन्नगुणैक्यकल्पनात्
सुवर्णमानेष्व निबंधनादपि ।
श्रिया विहीनं कुविचार-संकुलम्
भ्रमाऽऽत्मिका श्रीः कुहेतुखिलं जगत् ॥

Not only because we imagine similarity or sameness where in fact there is many-ness, but also because there is no control on the prices of things, this illusory wealth makes the entire world devoid of wealth and full of evil thoughts.

Now, Sir, this was only a sort of discourse on the illusoriness of money. But the point that I was making in these verses was pointedly brought out by what we find in the Plan itself. Ordinarily, if we do not engulf ourselves in the illusory nature of these financial juggleries, we would simply have said, "Here are so many people and here is so much energy available and we ought to plan for the utilisation of that energy". But then it is very unfortunate that somehow or the other this *Maya* has engulfed us so completely that we have left out of account in the Third Plan—a Plan for the utilisation of the energies of not less than 1½ million people which are going to remain unemployed at the end of the Third Five Year Plan.

Sir, only the other day I received a sort of an appeal from retired men. These retired men also have formed a Sewak Samaj like the Bharat Sewak Samaj—a Sewak Samaj for the retired men. Now, I was really very much astonished to read that appeal. But

that has got its lessons. The point is this. Today we find our Prime Minister, at the age of 72 or 73, fully energetic, conducting the affairs of this country in a brilliant way. But so far as the utilisation of the services of the retired servants in this country are concerned, we find that we have artificially retired people at an immature age of 55. As a matter of fact, Sir, you know that so far as the Supreme Court Judges are concerned they are supposed to be fully efficient till the age of 65. Then why make a distinction between the Supreme Court Judges and other ordinary Government servants? Why not utilise their energies, for instance, in educational matters?

Not only with regard to the energies of Government servants but also with regard to other citizens, the same is the case.

SHRI GOVINDAN NAIR (Kerala): Then the figure of 12 million will increase.

DR. W. S. BARLINGAY: If that increases, all the worse for the Plan. Now, Sir, this shows conclusively that somehow or the other we have got entangled in these false notions or *Maya*, of these finance and money. We ought to straightway face the realities of the situation, and if we do that, we will find that this Plan is not really an adequate one.

Now, Sir, since the time at my disposal is very short, I will go on to other matters. I would like to take up the case of sanitation and rural water supply. At the stage of the discussions on the Draft Third Five Year Plan I pointed out that supply of potable water in the rural areas was a most important matter; and it could not be ignored. And if I am not wrong, it was promised on behalf of the Planning Commission—I am told by Mr. Santhanam that this has been admitted in the Report. They said that the entire rural area will be covered so far as the supply of potable water is concerned. But here in this

report we find that only an amount of Rs. 67 crores, if I am not far wrong, has been provided in the Third Plan for rural water supplies. I refer to page 654, para 9 which says:

"Under different programmes a provision of about Rs. 67 crores is available in the Third Plan for rural water supply."

I am surprised that the Planning Commission should go back on its words. I think that when even at the end of 15 years, we are not in a position to supply good potable water to rural areas, that is really a matter to be ashamed of. It is a matter of disgrace.

I shall say something about the nationalisation of banking in this country. I do not want to say much about this because I have been saying things about nationalisation several times before but yesterday I found that one lady Member of this House, an important lady Member, supported me in this. I am glad to see that she has supported it. I have been following the controversy with regard to the nationalisation of banking in papers and in magazines. I must say that I have not found a single argument which could be validly urged against it. You are now talking of insurance of deposits and so on and so forth. All kinds of palliatives are being thought of. If we could nationalise life insurance, I do not see any reason whatsoever why we should not nationalise banking also in this country.

With this I will go on to the question of the indigenous systems of medicine. I have been saying time and again and as there is not much time, I cannot dilate on this much but it does seem to me that if there is any one thing with regard to which this Government of mine, of my Party, has failed, that is with regard to the framing of a proper policy with regard to the indigenous systems of medicines. I am sorry to say this. The whole trouble about this matter is that those who are in charge of the framing of

' [Dr. W. S. Barlingay.] the policy with regard to the indigenous systems of medicine, do not know anything about them. They do not at all to learn it. I am not talking about the Ministers so much. I am more worried about those who are really responsible for framing the policy, which is virtually being dittoed by the Ministers. Those people, most of them, today are Allopaths. I have no grouse against the Allopath; as such. The whole difficulty is this. It is extremely easy to learn something about Homeopathy and something about the Ayurvedic system of medicine. I am a layman myself. I must say that quite plainly, but I have read books on Ayurveda. I have followed them and I can say with confidence that this Ayurvedic system is a perfectly scientific system at the level of some knowledge, at the macroscopic level, as I usually call it. The ancients did not have microscopes, telescopes and so on and so forth. There has been a lot of increase in the knowledge in modern times. I do not deny that all that knowledge has to be used. But the point is that the moderners have completely forgotten the fact that even at the macroscopic level, even at the level of knowledge through our senses, there can be an organisation of knowledge, a systematic organisation of knowledge which we call a science. If I may say so, I am myself in a position, even being a layman, to expound both the Homeopathic system and the Ayurvedic system in a scientific way to anybody who comes to me. I am stopping as there is no time. Thank you.

SHRI P. N. SAPRU (Uttar Pradesh): Mr. Vice-Chairman, I would like to say that there is a broad sweep about this Third Plan which I have liked. I have gone through the big volume, the parts of it in which I am interested and I have felt impressed with the quality of the work done by the planners. I would like to emphasise that our objective is to build up a society without distinctions of caste, class or community or privilege, a society

which offers to every section of the community, to every able-bodied member of the community, a chance of making the best that is in him. Now planning is a continuous process and a socialist pattern of society which is our objective cannot be achieved in the twinkling of an eye. But progress towards it should be rapid. Gradualness must not be made a synonym for inaction. The pace which would enable the society to progress should be quickened. One of the criticisms which I heard from my respected friend, Prof. M. B. Lai, who is an authority on political theories, was that he could find nothing socialistic about the scheme. Socialism is a doctrine and it is not easy for any one to define what socialism is.

The Socialists in Britain and other countries are divided among themselves as to what the content of the future socialist planning should be but I would venture to say that reading the Report as a whole, while it would be true to say that the approach of the report is not a Marxist approach, while it would be true to say that the approach of the report is not a doctrinaire one, there is no doubt that the fundamental objective which the framers of the Report had before themselves is the building up of a classless society which would offer to every individual the opportunity to grow or develop the best in him. I personally think that there is something wrong somewhere in a society in which a single person, able and willing to work, finds no work for himself. Therefore, the utmost importance should be attached to the question of employment. Further, in order that, this Plan should succeed, it is necessary for us to keep a vigilant control over the price-level. I do not know the method by which you can do it. The report itself is not very clear on this point but it is essential that, you must keep in mind in controlling the prices particularly of necessities, the interests of both the consumers and the producers. A balance has to be struck between the claims of the urban population and the claims of the rural population and, therefore, there must be price

control at all stages. It is something which we cannot ignore.

Next I would like to say a few words on social services. I look upon the development of our social services to which reference was made by my esteemed friend, Mr. Santhanam, as vitally important from the point of view of the immediate future. As I said once in this House, the old joint family system has broken down and what people at my time of life or even younger than myself need is some social security, and I was glad when he supported the proposal that there should be old-age pension. We have tried that experiment in IIP, and that experiment should be tried on a nation-wide scale and the lead in this matter should be taken by the Government of India itself. ^Aso there should be some provision for widows. There should be provision for orphans also. Care should be taken to see that our children get a fair chance in life.

Sir, the Report rightly emphasises the importance of agriculture. Our objective should be to harness all the man-power that is there. We must not rely only upon the machines. Our objective should be to harness all the man-power that is available in the country-side for the purposes of building up our agricultural strength. We must for this purpose use the Pan-chayats and the Panchayat Samitis and the co-operatives. It is important that we should encourage the villager to take to co-operative farming. The co-operative way of life is the 'way of life' which will suit the genius of our people and which will enable production at all levels to be increased in this country.

Sir, the question arises of the resources for this Plan. I think we can be certain that we shall get a certain amount of external assistance. But it is not on external assistance entirely that we must rely. We must build up our internal resources also and for that we need to develop our export trade. In this connection we have to see what repercussions of Britain entering into the European

Common Market may have upon our export trade.

Sir, I would like to say a few words about the personnel for administering our schemes and plans. Schemes are no doubt important. Plans are no doubt important. But administration is equally important and it is of the supreme importance that the personnel which administers these plans, particularly those in the public sector, are of the right type. We must encourage initiative on the part of our officers. We must make them, as the Report says, "action-minded". How are we going to do that? The Indian Administrative Service has got many excellent qualities. It has inherited some fine traditions from the old Civil Service; but I venture to say that we need to think now in terms of an Indian business service or, shall I say, an Indian economic service, a service which will be able to run our public undertakings efficiently and I would like the public sector to grow. I cannot say that I have antipathy towards the private sector. That would perhaps be going too far. But personally, if I were to make an honest confession I would say that my sympathies are with the public sector and I think that provided we go about it in the right way, we can build up a public sector which will check the growth of monopoly and which will ensure that there shall be no concentration of power in a few hands even in the initial stages of our progress. It is stated in the Report that this is unavoidable. But nothing is unavoidable in life and we should not, therefore, encourage a system which will encourage monopoly in any shape or form whatever.

Next I would like to say a few words on the subject of education which is very dear to my heart. The minimum age for children in schools must be raised to fourteen years and the teacher must be made to feel that he is a respected member of the community. The secondary school teacher must be made to feel that and the university teacher

[Shri P. N. Sapru.]

must be made to feel that. I would like also to emphasise that there should be no artificial restrictions on the admission of students to our universities and to our higher institutions. Before I conclude, I would like to quote a striking passage from Prof. Galbraith's thoughtful book on "Affluent Society". This is what Prof. Galbraith writes:

"If children of poor families have first-rate schools and school attendance is properly enforced, if the children, though badly fed at home, are well-fed at school, if the community has sound health services". And I would like the importance of health services in India to be specially borne in mind.

"and the physical well-being of the children is vigilantly watched, if there is opportunity for advanced education of all who qualify, regardless of means and if, specially in the case of urban communities, law and order are well enforced, then there is a very good chance that the children of the very poor will come to maturity without grave disadvantage. It is self-perpetuating, because the poorest communities are poorest in the services which will eliminate it. To eliminate poverty efficiently we should invest more than proportionately in the children of the poor community."

Frankly, I am thinking in terms of greater co-ordination than the Constitution permits, between the Centre and the States, in the matter of higher education. I also think that the Centre should take the lead in the matter of secondary and primary education.

Time will not permit me to develop this point further, but I would like to refer to one point before I conclude. The poor man in our villages goes without medical assistance. In our State there are dispensaries which have had to be placed in the hands of compounders. I think it should be made

obligatory on every physician and on every doctor to serve a few years in the rural areas. Of course, a good practising allowance should be paid to him. I do not like our young raw graduates to be sent to the rural areas. I remember, Sir, an observation by Dr. B. C. Roy when I was serving on the Health Committee. He said that the greatest mistake was committed by him in his early life when he started practice and the most hopeless cases came to him when he had reached the top of the profession. I submit that at some stage or the other it is desirable for us to insist that our medical men in our services should serve a period in the villages but our raw graduates should not be dumped upon, the villages.

I thank you for the opportunity you have given me for participating in this debate.

SHRI GOVINDAN NAIR: Mr. Vice-Chairman, in the course of the working of the First and Second Five Year Plans, certain dangerous trends manifested themselves and I had expected that in the course of the discussion on the Third Five Year Plan some suggestions would be forthcoming to curb the growth of such trends. We in this House had the opportunity of hearing two veterans of the Planning Commission, including Shri V. T. Krishna-machari. Neither of them has answered the question that has been agitating the minds of the people in our country. It has been stated here that the objective of the Plan is very modest, that is, the doubling of the *per capita* income by 1975. It is not our complaint that the Plan is over-ambitious but even if the *per capita* income is doubled, it would only be Rs. 540. Even today, as has been pointed out by the Governor of the Reserve Bank, the *per capita* income in our neighbouring country, Ceylon, is Rs. 500. Even if we succeed in raising the *per capita* income, still our country will be one of the poorest in the world but my fear is whether it would be possible for us to achieve

even this objective. During the discussion on the Second Five Year Plan, a certain target was placed before us and looking at the achievements, we find that our national income should rise by 8 per cent., and our per capita income should rise by 15 per cent, in order to enable us to reach that objective. Now, it is this slow rate of progress which is creating apprehension in us. In one of the issues of the "Economic Review" of the A.I.C.C., an eminent economist, Prof. Hardyal Singh has estimated that it will take 55 years for us to double the national income. Another eminent economist, Prof. K. N. Raj, has said that a minimum of 46 years would be necessary to double our national income. When eminent economists had raised such doubts, I expected some explanation and some guarantee from the hon. Minister that at least the objectives before us would be achieved.

There is another point, Sir. Even though national income has gone up by 415 per cent, during the past ten years, we do not know, where it has gone. Where has it gone? Has it benefited the ordinary man? Has it benefited the agricultural worker? When this point is looked into, we find that the section of our people who are poor continue to be in the same position. The Tea Board conducted a survey of distribution of personal income in urban areas in 1958 and they estimated that 63.42 per cent, of the people have an income of Rs. 150 and below and that 63 per cent, get only 33.59 per cent, of the total urban income. Again, if you take the country as a whole, we find that in 1950, 50 per cent, of the people had an income of Rs. 200 but today, in 1960, that income group which gets Rs. 200 has increased from 50 per cent, to 65 per cent. Again, the Agricultural Income Enquiry Report would show that the income of the agricultural worker has gone down. These are all very depressing facts and I expected some kind of guarantee from the other side that at least during

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the period of the Third Plan proper steps would be taken to check this trend. If you look at the concentration of wealth in the corporate sector, you find that it is growing at an alarming rate. I was not satisfied with the speeches made here because they failed to touch any of the points. Our learned friend, Mr. Sapru, and the Doctor Poet pointed out about the growth of unemployment. Now, Sir, after the completion of two Five Year Plans, the cheapest commodity, and I should say even the most unwanted commodity, in the Indian market today is the human material. You may call it by any name, over-population or this C2 that. You may speak about family planning but the fact remains that human material today is the most unwanted commodity in India. This is a very, depressing factor and I think more serious thought should be given to such matters.

I want to draw the attention of Government to another matter. When we speak of planning, we always say that they should try to do away with regional disparities. Six years ago, in this very House. I had occasion to request the then Industry Minister to place before us a list of industries, that were started in the erstwhile Travancore-Cochin State after independence. The Minister had to come and admit that no new industry was started there. Today, after six years, it is the same thing. The other day, in the course of the discussion of the Third Plan in the other House, the Planning Minister admitted that there were three categories of States in India, States which have advanced during the period of planning, States, which are in the middle and States which are still backward, and in the case of backward States, the Minister had put in the State from which they come. I am thankful to him for being honest but I ask one question: Do you expect these States with their tender resources to work out in such a way that these regional disparities would go? No; the main thing the Centre has to go to their aid and how

("Shri Govindan Nair.") can tijey ao it'/ The method by which inese cuspariaes coma oe done away with is by allotting the industries in ihe Central sector to the vaiiou^ 'States, ride, as tar as Kerata .a concerned, in the F.rst Plan out o± a total amount oi Rs. 40U crores or sw which was allotted for the public sector a sum of Us. 5U,U00 was allotted to Kerala. In tne Second Five Yeac yuxn when Rs. 700 crores were allotted .0 the Central sector, Rs. 79 iakhs were given to Kerala. And in this Th.ru PJan what is our l'^te? Even ystster-ilay there was an answer by the Minister that nothing can be said about it. Now, let me remind this House tlia, rliis kind of ind.fference to the aitairs of a State like Kerala will not cu>; the people in Kerala will not take it lying down, whether it is Congres, Ccri-rtvunist, P.S.F. or League. I want the Planning Commission to take ?enou note of this. Better late than ne\er. At least let them amend their att.tude now and s<ee that justice is done to ?uch States like Kerala and Andhra which are considered to be backward.

SHRI MAHESH SARAN (Bihar) :xc Mr. Vice-Chairman, Sir, I acoord my full support to the Thh'd Plan and congratulate the Members of the Plan-n ng Commission for th.s well thought out Plan. Having said that I feel it my duty to say that planning is very important but more important is tiie implementation of the Plan and I think that unless this aspect, of the question is before the mind all the time, the Plan though it may be very good will not help the people. In the First ai. Second Plans I remember that in certain States in the nrst three qvanera of the year very little was spent a.:o in the last o.uarter 1 major po-ticn 0 the money was spent. This is very ATong and if this kind of practice goes on the desired result will never be achieved. So I would impress upon the Planning Commission and the Minister for Planning to see that every Tie is properly spent and every pie is spent at thf proper moment. There ^lould be no delay. We have sec that we have not reached the targets

in many respects. It is only au<s to tne iact that care had not been given 10 uie implementation 01 uie rmu ai a it has only been given to planning. Therefore, a macmnery must oe estaD-nsnea Wiucu snoud go round dii_a see every month that tod Plan is accji'duig to ume and report about tins maud £0 tnat tne Pian may go on smouth.y ar.d^so that the result tnat we expect can be achieved.

Sir, a great stumbing block in trie path of progress is unemployment una nign prices and umtss we tnins out methods, to remove these two defects the progress will not be as good as we expect it to be. People become sad when they are unemployed. *toum* tney cannot buy foodstuffs and when they cannot feed their families iiOGpiG feel depressed and there can be no enthusiasm in them for the i-'mn. There is no idea of plann.ng when a man is poor, when a man is hungry. Although it appears that unemployment is supposed to go up in the Third Five Year Plan, there is still time "ana ihe planners should sit down ana think about it and evolve a plan by which unemployment is reduced.

Sir, as the' majority of the people live in villages I would like to 'aiK t little about the rural masses. The community development program i,; has brought about a great change and people have been happy about it. But, Sir, in the First Plan and in the t.t.^ part of the Second Plan there was no enthusiasm among the masses. People did not feel very much interested in what was going on. They carried out what was told to them but they had no personal interest in the matter but after the introduction < 1 the panchayat raj—now we have the panchayats, the panchayat samitis and the zilla parishad—people have begun to take very great interest. They feel that now they have to plan for their own villages. They have now begun to feel that the thing is their own and that they can change the face of their villages in any way they like. Therefore, great enthusiasm is there now in lthe villages and things will go on

much quicker and much smoother than before.

Sir, in the villages the production of foodgrains has increased but it has only affected a few people; it has not affected the majority of the people. There are landless people; there are people with small holdings and they have not profited at all. And there is a feeling of depression; there is a feeling that the rich grow richer and the poor grow poorer. Therefore we should see that the landless are given land and the small cultivators are given the necessary implements, bullocks, fertilisers, seeds, etc. The scheme is there on paper but in practice it has not yet gone down to the poor villagers. Now, Sir, the high prices have not benefited the village people who have really produced more than before. It has gone to the big businessmen while the villagers are still as poor as before, rather, are poorer than before.

The cottage industries and small-scale industries have not progressed at all although there are officers to look after them. If we go and see in the villages we find that they are not progressing. Therefore, this should engage the attention of the Minister and the Members of the Planning Commission. This should get first priority. This will also in another way solve the unemployment question because those who are unemployed and those who have small holdings can be taken in these cottage industries. The marketing of goods in the villages is impossible because in the interior there is no approach road. Unless approach roads are built, which will bring the foodstuffs and other produce from the villages to the main roads from where they can be transported in trucks and other things, things will not improve and no benefit will accrue to the villagers.

Then, again, a bullock-cart system is necessary to bring the foodgrains from the villages to the main roads. Otherwise, it will be very difficult for

the poor villages to manage themselves and bring foodstuffs to the main road. Therefore, that also is necessary.

The co-operative system is there on paper. We have co-operative credit societies, but the other co-operatives have not progressed at all. From giving help to cultivation and other services in the shape of fertilisers, irrigation, seed, etc. up to marketing, everything should be done through co-operatives. We talk about service co-operatives, but in the villages we do not find any trace of them. Therefore, if we want to change the face of the villages, if we want that the villages should grow from day to day, it is necessary that the co-operatives should engage the first attention of the Government. Having officers to look after these co-operative societies and now and then giving little attention to it is not enough. If we have to change the face of the villages, we have to make the people happy and we have to make them contented. Therefore, every effort should be made to see that not only on paper, but in actual practice the service co-operatives and other co-operatives are encouraged and helped.

It is gratifying to learn that compulsory, free primary education is now to be given to children in the age group of 6 to 11. The scheme is a good one. But unless free mid-day meal is arranged and unless stationary and books are given free, this scheme will not progress satisfactorily because most of the people in the villages are poor and, therefore, they cannot afford even to buy the books and other stationery for their children. It is necessary that these should be given free.

Shri Sapru was talking about doctors. I have a suggestion to make about doctors. In the villages and Community Development Blocks we find lack of doctors and many of them go without doctors. Therefore, I suggest that doctors who retire at the age of 55 should be sent to the villages and they should work there from now on.

[Shri Mahesh Saran.]

5? to 60 years. If this suggest-on is accepted, you will have doctors also in the Community Development Blocks.

Thank you very much.

SHRI G. R. KULKARNI (Maharashtra): Mr. Vice-Chairman, I consider it a privilege to get an opportunity to lend my support to the Third Five Year Plan. In the history of Plans, the Third Plan will be referred to as a great landmark in our process of planning and will be written in letters of gold. The last decade that covered our first two Five Year Plans was a hectic period full of difficulties, but thanks to the devotion and determination with which the Government and the people worked for its success, one finds at the end of the Second Plan (i) that there has been a fairly, rapid expansion of India's economy (ii) that the outlines of the country's future racial and economic structure have been established, and (iii) foundations have been laid for the achievement of long-term social and economic goals. And now it is claimed that this Plan represents the first stage of a decade or more of intensive development leading to a self-reliant and self-generating economy. Indeed, one feels thrilled with joy at the prospect of India coming out of the morass of age-old poverty, ignorance and social backwardness and leading the way of self-sufficiency and contentment.

I feel happy to lend my support to this Plan on other grounds also. Our first two Plans were formulated by men at the top—at the Central and State level—and the people down below had a little say in the matter. They were, therefore, not looked upon as the 'people's plans'. In the present case, the decisions or objectives and priorities of the Plan, before being finalised, were discussed at different levels. First, the Draft Outline of the Plan was placed before both Houses of Parliament and received their approval. This was discussed throughout the country and served as a basis

for the preparation of the plans of the States. Secondly, it was considered by the Chief Ministers of States and by the five Parliamentary Committees. And finally the National Development Council put its seal of approval on the overall size and the structure of the Plan. It must be remembered in this connection that several aspects of the Plan were placed, from time to time before the Committee of Members of Parliament from different political parties, presided over by the Prime Minister. Leading public men, non-official social welfare Institutions organisations representing industry and labour and experts in different fields of activities were taken into confidence. And lastly, what is more important is the fact that the efforts to prepare plans at the district, block and village level, specially for the development of agriculture, education, cooperatives and rural industries formed an integral part of the process of drawing up the plans of States, as well as the national Plan.

[MR. DEPUTY CHAIRMAN in the Chair].

The preparation of the Third Plan has been, thus, a vast national undertaking. For all these reasons, Sir, I make bold to say that this Plan is truly a Plan of the people, for the people and by the people. And naturally this is an ambitious Plan. But I wish to remind the House that we were driving at it all these years.

Now, Sir, our friends on the opposite side belonging to P.S.P., Communist and the Swatantra group, each for its own reasons, have questioned our claim as made above. I will deal with P.S.P. friends' contention first. I cannot be hard on them. They are my own old kith and kin. They say that our Government's incompetence and deficiencies do not warrant the handling of an ambitious Plan like the Third Five Year Plan. In reply to this charge, I venture to say, without any disrespect to them, that some people are temperamentally sceptical. They would never persuade

themselves to see the brighter side of things. They often make a mountain out of a molehill. Well, nobody denies our weaknesses and drawbacks. To some extent it is true. They are inherent in us as the natural outcome of years of serfdom under the foreign yoke. But to say that our present Government is not competent to implement this Third Five Year Plan is to admit and expose our impotence to face facts squarely and fairly. The fact of the matter is that, having obtained independence, those in charge of the administration of this vast country cannot but take to the path of planning for the betterment and well-being of their people. And speed in this onward march is the essence of the effort to establish the socialistic pattern of society to which we are pledged. In the present technological age, I may say the space age, India cannot remain a silent spectator of things around. It must take some risks and try to go ahead with headlong speed to strengthen our economy with means and resources available to us. I do not want to suggest for a moment that all is well with our public sector, but to denounce it wholesale would be rather uncharitable. Who can deny that an undertaking like the Hindustan Machine Tools is the pride of the public sector and that reflects on the efficiency and ability of our men. They also referred to the progress of our small industries. While agreeing that better results are desirable, I 3 P.M. would request them to go through the article, dated 25th August, 1961 in the "Times of India" written by no less a person than our Minister of Industry, Shri Manubhai Shah, wherein he says that during the Third Plan period the investment of small scale units only in machine tools industry would be Rs. 10 crores as against Rs. 20 crores in the public sector and Rs. 15 crores in the large scale units.

Let them also remember that our administrators and engineers are trained for the jobs they are handling only very recently, and that good engineers like good teachers are a rare

commodity, and it takes at least > decade to give them proper insight in executive and responsible jobs. Is it not our experience, Sir, that even wise heads of joint families sometimes fumble in handling domestic problems? I will again put it to these friends that if we are not competent to play our part, then who else can do the miracle? Let me affirm that we can do so if we all pull together with confidence, courage and determination. Our beloved Prime Minister has earnestly said that this Plan should not be treated as a party Plan, that it should be treated as a national Plan, and that all should co-operate in making it a success.

Our Planning Minister, that silent man at the wheel, devoted to the cause with unabated zeal and energy, has himself conceded that though the progress achieved so far is striking problems posed like the administrative reforms, fuller utilization of industrial capacity and training of efficient personnel had to be undertaken seriously to gain the desired results from development plans.

A word more, Sir, on this point. While it would be wrong to exaggerate our achievements because that sort of complacency will land us in trouble, at the same time let us not underestimate our gains.

Nobody can deny that within a short space of ten years of planning, our Government has laid a true and solid foundation for the future prosperity of the nation. I would not refer to the big projects, projects of national importance, completed or about to be completed soon. They immediately capture the imagination of the common man. But I would beg of friends here and outside this House to care to see the silent revolution that is at work in our villages covered by the Community Development Programme. Think of the progressive working of the Panchayati Raj that is in operation in States like Rajasthan, Andhra Pradesh, Madras, Mysore, etc., and a new set-up of democratic decentralisation that is proposed

[Shri G. R. Kulkarni.] I have been established in the States of Gujarat and Maharashtra where there is going to be a complete decentralisation of the administrative and executive functions of Government and where the local Panchayats are to share the responsibility for the efficient working of matters related to the well-being of the village and its people.

Regarding the criticisms of the Swatantraites, I know there are some, not in a bad sense, fire-eaters, amongst them. I would only say that young India, pledged to the socialist pattern of society, will never go back to medieval times. It is better they realise that the age of private monopoly is gone for ever. The only course left open to them, if they want to survive, is to co-operate with and share the fortunes of the common man.

I must say a word, Sir, regarding Shri Rhupesh Gupta's 55 amendments. Some may think that his name will go down in the history of parliamentary career for his record-breaking amendments. But to my mind that shows lack of appreciation of the situation that is obtaining in India. His ideas may take shape elsewhere but not here in India, in a democratic setup of India. Apart from the fact of competence or otherwise to provide heaven to their people by another country by the end of their proposed 20 year plan, Mr. Gupta will remember that this promise comes from a background of 40 years of planning and execution with iron hand regardless of democracy. And who knows, India may rise to greater heights in a comparatively less time and yet provide complete freedom for all. I wish my friend, Mr. Gupta, lives long to see India at the pinnacle of its glory.

Now, Sir, there are other matters of vital importance to which it is necessary to draw the attention of the House. But I have to run against time and so I must be very brief.

Regarding our agricultural policy, I am in entire agreement with my

esteemed colleague, Pandit Kunzru, that the Government should appoint a Price Control Board. This is most vital if our agricultural production is to go up. Similarly, I agree with Shri Malkani that a comprehensive plan for the development of cottage and rural industries should be prepared and followed with missionary zeal, I would add that small and ancillary industrial units in urban areas also need better facilities to provide more employment, export potential and protection to small men in the small sector of our industry.

Regarding health I would like to ask the Government just one simple question. Is it really serious about the indigenous systems of medicine like Ayurveda and Unani and, if I may add Homoeopathy? I would only say that these systems are also scientific and effective and have quite a large following in this country. Comparatively they are cheap. The average man even of 1976 when his *per capita* income would be Rs. 530 per annum could hardly afford the costly allopathic treatment. Sir, I hope that Government will take some active steps in this direction.

A word about my own State plan and I close. I hereby draw the attention of the Government to two important facts about the State of Maharashtra. It is imperative that a decision on the allocation of waters of Krishna and Godavari rivers is taken very early and steps taken to provide irrigation facilities in Maharashtra State in the Third Plan itself. My second point is that the Third Plan outlay of Maharashtra State should not be affected by the extra burden of bearing the cost of reconstruction of Panshet and Khadakvasla Dams and rehabilitation of the flood-affected people of Poona. It is estimated that this extra burden would amount to Rs. 30 crores. I submit, Sir, that this will break the camel's back. I make this request in the hope that our Plan targets admit of some elasticity under special

exigencies of the situation in a particular component part of the Indian Union.

Thank you, Sir.

SHRI M. D. TUMPALLIWAR (Maharashtra): Mr. Deputy Chairman, we are now discussing the Third Plan which is presented to us in a very big volume, and as the volume is big, the hope it gives to the country is also big. It is the pride of the nation that we could succeed through two Five Year Plans, and now we are embarking on the Third Plan. Whenever we launch our Plan, there is always criticism, and criticism is always levelled from two planks. Those criticisms are dealt with quite objectively by the previous speakers. Therefore, I do not want to deal with those criticisms again. What I want to emphasise is this that this is the people's Plan. That is the most significant thing in this Third Five Year Plan. The First Plan was the agricultural plan. The Second Plan was the industrial plan, and this Third Plan as it presents itself is the agro-industrial plan requiring all the energies of all the people in the country. So, how best that can be done should be the concern of everybody, of the social and political workers, of the administrators, of the politicians and of the representatives of the people. How best that can be achieved is to be seen, and some steps are proposed by the planners in the Plan itself. It has been stated in the Plan that the whole content of the Plan is based on the willing co-operation of every member of the public. That is the basic idea in democratic planning that every member of the public must offer his willing co-operation for the implementation of the Plan. And in order to inspire that sense of cooperation in the common man, he needs some guarantees, he needs some securities. He must find a place in the Plan and his life must be planned. These two things are quite essential. We must give an assurance to the common man that he has to do such and such a thing and that after doing

that, he will get this much. If we fail to do that, I do not think that we shall be able to enlist that much cooperation which we need for the successful implementation of the Plan. With that end in view, I beg to offer some suggestions.

It has been mentioned in the Plan itself that rural economy has to be planned, has to be channelised through co-operative societies, and rural administration has to be carried on by the Gram Panchayats, Block Samities and District Councils. This whole apparatus for achieving a socialist society is thus established; if not already established, it is on the way. So, the only point to be considered is how to activate this machinery, these institutions which we have innovated recently, for bringing about a revolution in the social structure, and that is the problem. The village panchayat and the village co-operative society are the two main institutions through which our Plan in the rural area is to be implemented, and if this is to be done, these two institutions must cover the entire life of the community which they represent or which they control or which they guide. So, not by way of compulsion, but by way of suggestion, it must be conveyed to them that whatever the sources or products of that village or area, they must be pooled together, and unless a sufficient quantity is retained in the village itself for a year's maintenance of that village, not a single grain should be allowed to be sold outside that village. In this way we can bring about security in the village. Every member of the village shall be assured that if he works, he will get food, he will get clothes, he will get housing. When we discussed this point in the Committee, the suggestion was that the village panchayat and the co-operative society should formulate a plan for each family and every member of the family should know that this much of work he has to do.

One word I have to say about rural housing. We have given much atten-

[Shri M. D. Tumpalliwar.]
 tion to urban housing. Of course, I do not say that the problem of urban housing has been solved completely. But the problem of rural housing is equally difficult and grave. What I would suggest is this. We know that building materials are not sufficiently available in our country. When we are not able to tackle the housing problem in the urban area, how will we be able to tackle the housing problem in the rural area? We have devised several methods of constructing cheap houses. They were exhibited in the different exhibitions and they are still being exhibited in exhibitions wherever they are being held. That cheap housing scheme should be introduced in the villages. The timber necessary for the construction of the Houses should be given free to the village from the Government forests. Labour is already available there. Bricks and tiles can be manufactured there and then. So, nothing is required to be imported or purchased from outside except timber. Labour is indigenous; bricks and tiles can be made indigenously and waterproof plastering can also be given for protecting the houses from ruin due to excesses of the weather.

Then, I want to draw your attention to the problems of education and of health. We are spending quite a lot of money on education. I do not say that it is a very big sum. It is necessary. But it is not adequate. We are spending a big sum on education but the education being given in the country is itself posing a problem before the educators, before the parents and before the students. I cannot speak about the educational system or the educational conditions in every State but from whatever I know of the educational institutions, they have become more or less commercial institutions, ruthless commercial institutions. And I say that education should be nationalised as early as possible. Why do I say that? It is because 90 per cent, of the expenditure incurred by the Institutions is either given by the Government or given by the parents.

Before independence—I know, I can say that from experience—to run an educational institution was a great sacrifice, was a great ordeal, but now-a-days any Tom, Dick and Harry can come forward, organise a society and start classes and can get Government grants, starving the teachers by paying them Rs. 100 and taking their signatures for Rs. 200. They are doing that. I know of some cases like that and I think that that situation prevails everywhere. For want of time, I do not dilate on this point any longer.

My friend, Mr. Sapru, has referred to the medical facility available in the rural area. I have great regard for the medical practitioners but whether they are allopathic doctors or Ayurvedic doctors or whoever they are, many are not doctors but they are the butchers of the society. They do not do anything for anybody except for money. And everyone cannot afford to pay a large sum of money necessary for the treatment of any disease. So, my suggestion is that the health services and the medical services should be nationalised as early as possible to give medical relief even in the remotest part of the country.

Then there is another organ of education, and that is the film industry. It is a very big industry and it presents sometimes things of very great educative value. But that educating instrument is in the hands of the private sector which has no ideological light to throw—I mean they do everything for the sake of money. Profit is their chief motive. Our ideal is a welfare society and welding of the human mind in the right way, and unless we effectively control the film industry, I do not think the film industry will be able to deliver the goods that we want it to,

SHRI ARJUN ARORA (Uttar Pradesh)
 : Mr. Deputy Chairman, Sir, I rise to give my general support to the Third Five Year Plan. I do feel that labour has been given a fair deal in the Plan though I am of the opinion that a fairer

deal was possible. Somehow some people do not believe that labour has been given a fair deal. Mr. Bhupesh Gupta, for example, says in his very long amendment that the Plan is an anti-working-class Plan. Now, I feel that that is as far from truth as one can go. The Plan does promise labour a few wage boards, some steps to enlarge the scope of the Provident Fund Scheme, extension of the Employees State Insurance Scheme, and a considerable sum for subsidised industrial housing. If that is an antiwork-ing-class Plan, I do not know what Mr. Bhupesh Gupta means by working class.

SHRI BHUPESH GUPTA: Labour policy.

SHRI ARJUN ARORA: Labour policy? Labour policy consists in giving labour fair wages. It consists in an attempt to provide workers with decent housing. Labour policy consists in not brnging about strikes where they are unnecessary and anti-national. Labour policy consists in providing a machinery for quick and peaceful settlement of industrial disputes. That this Plan promises to do. This Plan, wh le retaining the adjudication machinery, emphasises the need of negotiations between labour and capital, and lays emphasis on arbitration where negotiations fail to bring about a settlement. That, I feel, is a sound labour pol cy which even Mr. Bhupesh Gupta, so divorced from the working class, so divorced from labour and sc out of touch with the trade union movement, should accept as favourable to workers.

There are, of course, some drawbacks in the Five Year Plan. The Plan mentions the five Wage boards appointed during the Second Five Year Plan period. It also mentions the decision that there will be a wage board during the Third Five Year Plan period, concerning the iron and steel indus-

try. But it is a great pity that it does not promise many more wage boards. Many more wage boards are necessary and I hope that, when the Plan aays that the policy of appointing wage boards will continue, tneere will be no lull stop alter appointing the wage board for the iron and steel industry. A wage board for the electric supply industry is necessary. Generation and distribution of electricity is the very hub of industrial developoment. The Plan lays great emphasis on industrial development; it lays great empnasis on generation of power, but it is a great pity that- no wage board for the electric supply industry is promised. I hope the Labour Ministry will keep that in mind and, during the Third Five Year Plan period will have many more wage boards than we had during the Second Five Year Plan period. What tne wage boards have aone in three industries and may do in the two or tnree others which they are tackling is to give the workers some, snare, though not a very ade quate share, of tne increased national income generated during the First Five Year Plan period. I fail to un derstand why that generosity should be limited to some of the industries, like sugar, cement and cotton textiles. The wage leveis, as they have evolv ed in the country, are such that ix is necessary that when a wage increase is given, the bulk of our industrial labour should benefit from it. What has been done during the last five years is to give the workers in cotton textiles, sugar and cement industries some wage increase. I feel it JS all the more necessary to give a wage increase to the workers who work in industries which do not employ a very large labour force as the cotton textile industry does. This is one of our premier industries. The labour in that industry is organised and it is able to wrest Concessions through oullective negotiations, arbitration and adjudication. Government action should go more in favour of workers engaged in industries which do not have a large labour force and which do not have organised unions strong enough to wrest concessions.

("Shri Arjun Arora.)

In the matter of subsidised industrial housing, what has been done since 1952 is really commendable. It is refreshing to find that on page 683 the Plan itself admits that comparatively higher rents have prevented workers from making use of the Subsidised Industrial Housing Scheme provided by the Government. A continuation of that scheme is promised. But I find in the Plan a very significant omission. There is no mention of any steps contemplated to bring down the rents so that subsidised housing may be available to that strata of workers which is the most lowly paid. As is evident, Sir, it is the most lowly paid workers who goes and lives in the slums. Now, we have provided subsidised industrial housing, the rent for which varies from a minimum of Rs. 10 to Rs. 20 because of which many workers find it beyond their means to avail of that scheme. I do feel that, if slums have to be eradicated, if the most downtrodden among the workers who are engaged in sweated industries have to get any benefit out of the Subsidised Industrial Housing Scheme, it is necessary that rents should be brought down. That can be done by bringing down the cost of construction of buildings. I find that the cost of construction of these tenements is going up every year, and very soon we will find that in the new tenements, the workers coming under the Subsidised Industrial Housing Scheme and living there, will be asked to pay even more rent unless the policy itself is changed. It is, therefore, necessary that the cost of construction of subsidised industrial housing should be brought down and the rent should be brought down to a level where the slum-dweller finds it a pleasure to come and live.

With these remarks, Sir, I support the Plan.

श्री पा० ना० राजभोज (महाराष्ट्र) :
उपसभापति महोदय, मैं अपने प्लानिंग

कमीशन के मंत्री महोदय को धन्यवाद देना चाहता हूँ कि उन्होंने इतना अच्छा प्लान हमारे सामने रखा है जिससे कि हमारा देश भविष्य में उन्नति की ओर ही बढ़ता जाये। हमारी दो पंचवार्षिक योजनाओं से देश की राष्ट्रीय आय ४२ परसेंट बढ़ी है और एग्रीकल्चर प्रोडक्शन भी ४२ परसेंट बढ़ा है। एग्रीकल्चर की पैदावार का बढ़ना एक बहुत अच्छी बात है क्योंकि यह ही औद्योगिक क्रान्ति की बुनियाद है। हमारी दो पंचवार्षिक योजनाओं द्वारा देश में काटेज इंडस्ट्रीज और दूसरी इंडस्ट्रीज की भी बहुत उन्नति हुई है लेकिन हमारे गांवों में जो चर्म उद्योग है, उस में उन्नति नहीं हुई है और उसकी ओर हमें विशेष ध्यान देना होगा। भारत में करीब पांच लाख गांव हैं और इन पांच लाख गांवों में हरिजन भाई जो कि चर्म उद्योग का काम करते हैं वे रहते हैं। इसलिये मैं प्रार्थना करना चाहता हूँ कि इसके लिये कुछ न कुछ कोशिश हों की आवश्यकता है।

अब मेरी सूचना है कि पानशेट और खड़क-वासला बांध के लिये हमारे मोरारजी भाई ने तीन करोड़ रुपये सेक्शन किया है और उस बारे में बहुत से लोगों ने हम लोगों को सपोर्ट किया है लेकिन पूना के पुनर्वास के लिये बहुत अधिक पैसे की आवश्यकता है। हमारे भाई कुलकर्णी साहब ने पानशेट और खड़कवासला के बारे में कहा है कि इसकी ३० करोड़ रुपये की योजना के बारे में कुछ पैसे की जरूरत है और उसके लिये कोशिश करने की आवश्यकता है। विरोधी पार्टी के लोग वहाँ कुछ इधर उधर का प्रोपैगन्डा करके अपना कैपिटल बना रहे हैं और कई प्रकार से अपना काम बनाते हैं। परन्तु मैं समझता हूँ कि इन सब बातों का कुछ भी असर नहीं होगा। हमारे प्राइम मिनिस्टर नेहरू जी वहाँ आये थे और उन्होंने लोगों से कहा था कि ऐसे संकट के समय में आप लोग धैर्य से काम करें और अच्छे ढंग से अपना स्वाभिमान रख कर सब प्रकार से आगे बढ़ें।

तो यह सब उन्होंने वहाँ के लोगों को, हम सब को बताया है। मेरी प्रार्थना यह है कि इस के बारे में जो कुछ भी करना हो वह जल्दी से जल्दी सरकार करे क्योंकि पूना के लिये पानी की बहुत आवश्यकता है। प्लानिंग कमिशन जो कुछ भी इस बारे में करेगा उसका वहाँ के लोगों पर जरूर अच्छा असर होगा, इसलिये मेरी यह प्रार्थना है कि पानशेट और खड़कवासला बांध के बारे में जो भी योजनाएँ बनाई जायें वे अच्छी तरह से और जल्दी बनाई जायें और वहाँ का बांध, धोरण, कच्चा नहीं बनना चाहिये। इस बारे में सरकारी अफसरों के अलावा और लोग भी बहुत कुछ कोशिश कर रहे हैं और पब्लिक भी कोशिश कर रही है, और हमारे मुख्य मंत्री जी भी इस काम में व्यक्तिगत ध्यान दे रहे हैं।

तीसरी बात मुझे यह कहनी है कि सांस्कृतिक प्रगति ही जीवन का सर्वस्व नहीं है। उद्योगमं पुरुष-लक्षणम्। उद्योग ही पुरुष का आदर्श है, कर्तव्य है। औद्योगिक प्रगति के लिये ज्यादा से ज्यादा कष्ट उठाना जरूरी है। प्राइम मिनिस्टर ने भी कहा था कि मेहनत ज्यादा करो, मेहनत ज्यादा करो। तो ज्यादा से ज्यादा मेहनत करके, कष्ट उठा करके उद्योगों को आगे बढ़ाना है। इसलिये मैं कहता हूँ कि पंचवार्षिक योजना को सफल बनाने के लिये सब भेदभाव छोड़ कर और कष्ट उठा कर कोशिश करने की आवश्यकता है। मेरी प्रार्थना है कि विरोधी पार्टी के जो लोग हैं, कम्युनिस्ट हैं या और दूसरे अन्य प्रकार के जो लोग हैं, वे इसमें स्कावटें डालते हैं और इसको हमें रोकना चाहिये। आज ऐसी बातें करना अच्छा नहीं है लेकिन हर एक बात में ये लोग झगड़ा मचा देते हैं। मेरी प्रार्थना है कि तृतीय पंचवार्षिक योजना को सबसे सफल बनाने के लिये यह आवश्यक है कि विरोधी पार्टी जो प्रोपो-गैन्डा करती है, उस को रोका जाये। लोग उपवास करते हैं, अनशन करते हैं और हमारे प्राइम मिनिस्टर नेहरू जी को संकट में डालते हैं। यह कोई अच्छा तरीका नहीं है। हमारे

प्रधान मंत्री जी ने पंजाब के बारे में जो घोषणा की है वह बहुत अच्छी है और हम सब लोग उस का स्वागत करते हैं। जो जातिवाद की बात करते हैं और जो फिरकापरस्त लोग हैं उनसे हमको बचना चाहिये। उन से हम लोगों को बहुत ज्यादा तकलीफें होने को हैं और उन के ऊपर पाबन्दी लगानी चाहिये। सरकार को जातिवादी लोगों पर कठोर से कठोर पाबन्दी लगानी चाहिये और कठोर नीति के जरिये से उपवास, तपास को धार्मिक स्थानों में होने से रोकना चाहिये। मंदिर और गुम्बारा बगैरह तो ज्ञान, दान और तप की कर्मभूमि होने चाहिये और उन में कोई राजनीति की बात नहीं होनी चाहिये और वहाँ किसी प्रकार का राजनैतिक उपवास, तपास नहीं होना चाहिये।

हरिजनों और अन्य पिछड़ी जातियों के बारे में मेरी प्रार्थना है कि तृतीय पंचवार्षिक योजना में जो ११४ करोड़ रुपये की तरदूद की है, वह कमती है। उसको २०० करोड़ रुपया करना चाहिये। मैं नन्दा जी से प्रार्थना करना चाहता हूँ कि ये लोग पिछड़े हुए हैं, गिरे हुए हैं और दबे हुए हैं इसलिये इन के लिये २०० करोड़ रुपया रखना चाहिये ताकि उस में से कम से कम ११४ करोड़ रुपया तो खर्च हो सके। यदि आप ११४ करोड़ रुपया रखेंगे तो फिर सिर्फ ६० करोड़ रुपया के करीब खर्च होगा। तो इतना आर्थिक टार्गेट रखने के बाद जो आपके लैंड रिफॉर्म्स हो रहे हैं, उनके जरिये से मिलने वाली ज्यादा से ज्यादा जमीन इन लोगों को देने चाहिये। आज ऐसा हो रहा है कि इस जमीन की बांट करने में बिलम्ब हो रहा है।

मेरी यह प्रार्थना है कि सामाजिक क्षेत्र में दो चीजें हैं। एक तो अस्पृश्यता निवारण और दूसरा स्लम क्लीयरेंस। अस्पृश्यता गांव गांव में है। पंचायतों में। उसकी लिमिट बनाने के बारे में मैंने एक बार कहा है। मिश्रित बस्तियां बनानी चाहियें और स्लम

[श्री पा० ना० राजभोज]

क्लीयरेंस करते हुए इस में पैसा बर्बाद नहीं होना चाहिये कि भंगियों की एक अलग बस्ती और चमारों की एक अलग बस्ती। ऐसा नहीं होना चाहिये। इससे उनमें सेग्रेगेशन की भावना पैदा होती है। पिछले महीनों में मद्रास, पूना तथा देश के अन्य स्थानों पर बाढ़ आई। हरिजन लोग ज्यादा से ज्यादा नदी के किनारे रहते हैं और इस वजह से इन बाढ़ों में उनका बहुत नुकसान हुआ है। पूना में जो लोग नदी के किनारे रहते थे उन के पास आज घर नहीं है, मकान नहीं है, जगह नहीं है, वे लोग वस्टर सफरर हैं और उनका रिहैबिलिटेशन भी ठीक से नहीं होता है। राजघाट के स्लम में आग लगी, लेकिन वहां के लोग अभी तक ठीक से रिहैबिलिटेड नहीं हुए हैं। तो मेरी प्रार्थना है कि स्लम का मामला बहुत इम्पॉर्टेंट है और दिल्ली के स्लम के बारे में बहुत कुछ होने की आवश्यकता है और स्लम के बारे में बहुत खर्च करने की जरूरत है। दूसरे देश से जो लोग आते हैं वे दिल्ली के और बम्बई के और कलकत्ता के स्लम को देखते हैं। न मालूम कितनी बड़ी बड़ी बिल्डिंगें बन रही हैं, बड़े बड़े मकान बन रहे हैं, करोड़ों रुपयों की योजनाएँ बन रही हैं लेकिन गरीब की झोपड़ी के बारे में कुछ नहीं होता है। यह दुःख की बात है। मेरी प्रार्थना है कि स्लम हटाने के बारे में पूरी कोशिश होनी चाहिये।

मेरी चौथी प्रार्थना यह है कि सोशल वेलफेयर के काम में कोऑर्डिनेशन नहीं है। कोऑर्डिनेशन एक महत्व का प्रश्न है। सोशल वेलफेयर में भित्तिारियों की समस्या है, विधवाओं की समस्या है, अनाथों की समस्या है, शरणार्थियों की समस्या है। हमारे सपू साहब ने विडोज के बारे में कहा था। तो इन कामों के लिये यह आवश्यक है कि एक सोशल वेलफेयर मिनिस्ट्री कायम की जाये। जो सोशल वेलफेयर बोर्ड है वह बिल्कल ठीक तरह से काम नहीं करता है। नान-आफिशियल एजेंसीज को, कि इस क्षेत्र में काम करती हैं, उनको

इस बोर्ड से मदद नहीं मिलती है। यह बोर्ड स्टैट्यूटरी न होने से उस पर नियंत्रण नहीं है इसलिये इसको एब लिश किया जाय और एक सोशल वेलफेयर मिनिस्ट्री बनाई जाय और उसमें शेड्यूलड कास्ट्स, शेड्यूलड ट्राइब्स का जो काम है वह देखा जाय और दूसरी सब प्रकार की बातों का सम्बन्ध उससे हो जैसे कि विधवाओं का रिहैबिलिटेशन है, अनाथालयों का मामला है, वगैरह वगैरह। मेरी नन्दा साहब से प्रार्थना है कि एक सोशल वेलफेयर मिनिस्ट्री बननी चाहिये। वह इस समय यहाँ नहीं है और उन के डिप्टी मिनिस्टर यहाँ बैठे हैं।

याजी जी ने सिनेमा, फिल्म के बारे में कहा है। यह जो इंडस्ट्री है इसका राष्ट्रीयकरण होना चाहिये। कई प्रकार की चीजें हैं जिन के राष्ट्रीयकरण की बहुत आवश्यकता है, जैसे कि कैपिटलिस्ट लोग बड़े बड़े न्यूज पेपर अपने हाथ में रखते हैं और अपना प्रोपोगेंडा करते हैं, पूना और बम्बई, कलकत्ता और अन्य में ऐसे बहुत से पेपर हैं जो कि कैपिटलिस्ट लोगों के हाथ में हैं। उनका राष्ट्रीयकरण होना चाहिये। वे सरकार को गाली देते हैं और गाली देने से ही उनका पेपर खपता है। उन में कोई दूसरी बात ही नहीं रहती है। बिल्डिंग का तो केवल यही धंधा है। तो जो ऐसे पेपर हैं उनको रोकना चाहिये और उन पर कुछ न कुछ बंधन लगाना चाहिये।

प्लान में कई प्रकार की बातें हैं, लेकिन वक्त नहीं है। उपसभापति महोदय, आपने जो बोलने का समय दिया . . .

श्रम तथा सेवावियोजन और योजना
उपमंत्री (श्री एल० एन० भिख) : और बोलिये।

श्री पा० ना० राजभोज : बोलना नहीं करना चाहिये। बोलने को तो हम लोग बोलते हैं, लेकिन आपको अमल में जाना चाहिये। करना आपके हाथ में है। आप मिनिस्टर हैं। सामाजिक समस्या के बारे में जो अनवान देते

हैं, वह कम देते हैं; और ज्यादा देना चाहिये। इसके लिये सेमिनार होने चाहिये, प्रोग्रैम होना चाहिये। गांव गांव में लोगों को यह बताना चाहिये कि आर्थिक उन्नति के लिये, सामाजिक उन्नति के लिये प्लान में क्या किया जा रहा है। यह जो प्लान है वह अंग्रेजी में पब्लिश होता है। हिन्दी में और दूसरी लैंग्वेज हैं, उनमें पब्लिश होना चाहिये। हर एक लैंग्वेज में इस को बताना चाहिये कि प्लान में क्या होने वाला है, क्या हो रहा है और क्या नहीं हो रहा है। इसके लिये कुछ कोशिश करनी चाहिये।

उपसभापति महोदय, मैं आपको धन्यवाद देता हूँ। अभी मंत्री महोदय नन्दा साहब आ गये हैं। वह बड़ी शांतिमूर्ति हैं। वह शांति से सुनते हैं और काम करते हैं, लेकिन वह हमारी बातों को भूल न जायें इसीलिये मैं कुछ कहता हूँ। मैंने जो प्रोजेक्ट्स रखे हैं, उनको उन्हें अमल में लाना चाहिये। इतना कह कर मैं अपना भाषण समाप्त करता हूँ।

THE MINISTER OF LABOUR AND EMPLOYMENT AND PLANNING (SHRI GULZARILAL NANDA): Mr. Deputy Chairman, Sir, I could find it possible only to listen to a few speeches here. For reasons of health, I could not remain present in the House during the rest of the period but I have scanned the pages of reports of the speeches and have familiarised myself with the content. The course of these prolonged discussions threw up prominently two broad aspects of the Third Plan which has been presented to the House. There was a feeling, a strong feeling, that the Plan involves tremendous tasks and responsibilities and the question was raised by several hon. Members: Will these tasks be carried out? It was also urged strongly that while the objectives might be unexceptionable, the allocations and the programmes were not adequate, that they did not match fully the objectives and the promises generally held out and further that achievement was likely to

suffer in the course of implementation, considering the experience of past years. May I say, on behalf of the Planning Commission that we have a very keen realisation of the enormous magnitude of the tasks set by the Plan and of the immense skill and efforts that it entail.; for the Government and for the people of this country. We know that the Third Plan, in regard to the size of investment, is equal to the First and Second Plans put together? It sets very high targets for both agriculture and industry and in the case of industry, it means not only an increase in the index of production but also a change in the nature of the activities at least some of which are more complex and new. The target for exports, the increase in exports that is being visualised and the export earnings, I feel, these are extraordinarily difficult to be realised and it will be no easy matter to hold the price-line. We realise that. Another very vital programme is the building-up of co-operatives on which rests, apart from other things, particularly the development of the rural economy. It will require sustained efforts for years, of a very high order.

There is the important sector of our activities, the public sector. The public sector enterprises are going to tax our capacity to the full in order to attain the much needed high level of efficiency. There are many other things to be done. These may be difficult but I am convinced that they are not beyond our capacity. We can fulfil all these tasks and if we fail—well, I cannot contemplate that—it involves us in serious risks. We cannot afford those risks. These things have to be done. The responsibility, therefore, for doing the job is mainly on the Government, of course, as hon. Member Pandit Kunzru, who is not here now, pointed out but it is not for the Government alone. It is for everyone of us in the country. I am confident that this responsibility will be discharged.

Now I turn to the other aspect which I mentioned earlier. The rate of

[Shri Gulzarilal Nanda.] growth is too slow. We are not making sufficient progress. As a consequence, many things are not being done in all directions, we are told, particularly in the matter of social services, education, health, etc. It was said that we have not made enough provision for the social services. Also some hon. Members laid very great stress that although industrialisation has progressed, the rate of growth is not fast enough and the village and small-scale industries, transport, practically everything is not being done to the extent that it should be. Regarding consumer goods, the supply may not be sufficient and I concede that there are unsatisfied demands in all directions. Well, we have made considerable headway during the last few years, and in the course of the Third Plan, we are going to do much more but I must concede, that the Third Plan, even if fully implemented, is not going to meet in their entirety all those demands. Still a great deal will remain to be done. The Third Plan is part of a perspective for a 15-year period. At the end of these 15 years, I am sure, all of us will be very much better off, particularly those who are called the weaker sections, the smaller people, the backward people, the backward areas. And yet though it may bring us relative sufficiency, it is not going to usher an era of abundance. Therefore, we should consider all this in that background, when we talk of something not being done as much as we would have liked. I feel that the perspective that we have laid out before ourselves in the Plan, looks ambitious but personally, as I view the future, it should be possible for us to do even more, provided the first steps in the Third Plan receive adequate attention at the hands of all of us. Realising that there were pressing demands from all sides and very glaring inadequacies in some of the sectors, we tried to step up public sector outlays from Rs. 7,250 crores in the Draft Plan to Rs. 7,500 crores and then we enlarged it further in terms of physical programmes. There are two kinds of reactions, to

this approach. One is of the ambitious variety, that it is not enough and all that we are doing is hopelessly inadequate. There is another, I should say, a cautious approach. Just think of the two speeches made in this House, one by hon. Shri V. T. Krishnamachari and another by hon. Pandit Kunzru. They are very useful and constructive contributions, as can be expected from these eminent gentlemen. So far as Shri V. T. Krishnamachari is concerned, he is an old friend—he is not present here—and he knows the Plan from inside, its strength and also the weak points which require attention. His comments were very useful. The hon. Member, Dr. Kunzru, always tries to bring a very constructive outlook to all issues that are presented here.

Sir, I shall now deal with the second approach. We were told by the hon. Member, Dr. Kunzru, that it may be all right thinking of bigger and bigger plans, but do we really feel that we are secure, so far as this financial limit of Rs. 7,500 crores is concerned? Have we provided a sure basis for that? Sir, I would like to answer that point briefly. This question can be viewed, first in a general way, that is to say, in the context of the economic situation and the capacity of the country. Here, one thing is generally lost sight of, when a comparison is made between the contents of the Third Plan and those of the Second Plan. For example, our attention was drawn to the fact that the balance from current revenues in the Second Plan was a negative figure, and for the Third Plan, we are asking for much more. How is that? How do you expect Rs. 550 crores from that source? Fortunately, when I am dealing with this point, the hon. Member, Dr. Kunzru, I am glad to see, is here. I may say that there is this difference, that the economy is expanding. In the case of the Second Plan, the revenue receipts were about Rs. 6,050 crores and for the Third Plan, on the basis of what we have achieved in the Second Plan by way of higher taxes and from other sources, now, it is to be Rs. 9,250 crores. We will not go into the various figures

that go to make this total figure. There is the question, for example, of the rate of savings being stepped up. This was specially brought to our notice. We have been able to raise the rate of domestic savings from about 7 per cent, in 1955-56 to 8.5 per cent, in 1960-61 and it is hoped to step it to a higher level, that is, to 11.5 per cent, in 1965-66. I may also point out that the First Plan started with 5 per cent. It was not possible to do more than was achieved in the Second Plan and for several reasons. I do not want to go into them at length. There was one very bad year, 1957-58 and production from agriculture went down. This again left its mark on other sectors and there were also the foreign exchange difficulties. The consequences of these factors were felt in our not being able to achieve the completion of the projects according to the schedule. The effect of all this was enormous. In the Third Plan the situation is much more favourable in the matter of our prospects of external assistance for our projects.

PANDIT HRIDAY NATH KUNZRU (Uttar Pradesh): What does the hon. Minister mean by saying that we started the First Plan with 5 per cent.?

SHRI GULZARILAL NANDA: In the First Plan, the domestic savings came to 5 per cent, of the national income.

PANDIT HRIDAY NATH KUNZRU: That was not the increase during the First Plan.

SHRI GULZARILAL NANDA: No. And we could raise it to 7 per cent. Later on it became less and that was due to several reasons. And now from 8.5 per cent, at present, it has to be raised to 11.5 per cent, in the Third Plan. In view of the base being enlarged, it should not be difficult to achieve that. We hope that our experience of the Second Plan in this respect will not be repeated. We are taking care to see that it will not.

The real point is, what are the requirements, and what is involved in

this stepping up of the rate of saving? Does it put on the community an excessive burden in the matter of savings? It is not so. The position is that out of the increased income, what is being asked for is 20 per cent. In simple language this means that out of every additional income of Rs. 5 in the Third Plan a sum of Rs. 4 may be consumed and just one rupee has to be saved and ploughed back into investment. We have the experience of the First Plan to guide us. The marginal rate of savings in the First Plan was about 18 per cent. For the Third Plan the rate envisaged is about 20 per cent. Of course, to achieve this will need concrete measures of various kinds; but basically we feel that the economy can sustain this rate of savings without any great strain or stress.

The hon. Member, Dr. Kunzru, dwelt on the various constituents of our investments, the investment pattern, the resources pattern and he asked the question: How do you expect to raise Rs. 800 crores from public loans, in the Third Plan as compared to a net figure of Rs. 300 crores in the Second Plan? That is a very pertinent question. Now, when the Plan is seen in a superficial manner, the answer does not come out. Now, this figure of Rs. 800 crores is not just some kind of conjecture or wishful thinking. This figure is derived from certain expectations of a fairly concrete kind. Our big support for these loans is going to be the Life Insurance Corporation with its expanding business. On rough calculations, a sum of Rs. 325—Rs. 350 crores is expected from the Life Insurance Corporation. The Life Insurance Corporation expects to invest that much in government securities. This is roughly speaking, the amount that L.I.C. may be in a position to invest, after discharging its other responsibilities including those to private sector. Another source is statutory provident funds of various kinds and these will come to about Rs. 200 or Rs. 225 crores. Still another source is the joint stock banks which may make available for investment in government securities, about Rs. 100—125

[Shri Gulzarilal Nanda.] crores. Then there are various trusts, endowments, joint stock companies and local authorities and other miscellaneous sources and these together may provide Rs. 100 additional—125 crores. So it is a well-founded expectation that we shall be able to raise loans of that order.

PANDIT HRIDAY NATH KUNZRU: Will the L.I.C. be in a position, while helping the public sector to the extent mentioned by the hon. Minister, to help also the private sector?

SHRI GULZARILAL NANDA: Yes Sir. The figure has been provided on the basis of assurance given by L.I.C. and after proper reckoning. That aspect relating to their other obligations has been looked after. This, Sir, is the information that I have.

4 P.M.

Now, the hon. Member made another important point. Leaving the question of raising financial resources for the public sector, there is another important sector, that is, the co-operative sector. This sector is important not because it is the co-operative sector but because the resources which have to be made available to the cooperative sector are to be directed to the most vital parts of our economy, that is, agriculture and related activity. I have therefore, gone into this question more carefully. In recent meetings of the Planning Commission this question came up, and we had consultations with the Reserve Bank, the State Bank and the Life Insurance Corporation. The assurance again is that the provision made for public loans, etc., in the Third Plan is not going to encroach on the needs of the co-operative sector. They are also going to be met but this question is very legitimate because we are going to raise the annual level of short and medium term lending by primary agricultural credit societies from Rs. 200 crores in 1960-61 to Rs. 530 crores in 1960-66. Hence, it is necessary to

make sure, that this is looked after properly.

Now, Sir, I will leave this question of resources. I have indicated some of the important directions in which some doubts might arise and these have to be dispelled. There is just one thing which is, troubling the minds of people outside, possibly in this House too, and that is the size of physical programmes limits of as against the financial outlay. There is nothing very mysterious about it and, I think this should be taken as a normal technique of planning. It was not adopted before but that does not mean that it should not be adopted now. It is not possible to make a plan which will fully take into account all that is going to happen in the course of the next five years, to lay out the structure, programmes and projects, so that at the end of five years you will know that you will have exactly the same plan. It is neither possible nor desirable and it is simply not done in any country. Conditions always change and since conditions change, there has to be flexibility provided in the Plan itself so that we can meet it both ways. We expect that we may, in the course of the Third Five Year Plan period, come up against certain factors but on the other hand, there is a likelihood that at least in certain directions, better and more favourable opportunities may occur and we should be able to take advantage of them. One hon. Member, I think it was Prof. M. B. Lai, asked us a question. He wanted to know whether we were thinking of opportunities for enlarging the Plan by having larger investments. He also warned us about our past experience which made us curtail some of the activities. It is true but then possibly he was obvious of the fact that in the two earlier Plans, we did enlarge some of the activities. This happened when agricultural production went up and prices collapsed. We tried to bring in some more schemes of investment. When that happened, we were told that we should not let down the cultivator and that price support should be adopted.

That is certainly an accepted policy in certain circumstances but that by itself is not going to suffice. The point is for how long and to what extent «an you adopt this policy of price support. Positive help for the cultivator is going to come only through larger investments. Any downward tendency will be harmful to the interests of the people.

PANDIT HRIDAY NATH KUNZRU: Does the hon. Minister expect that he will be able to raise income by about a thousand crores, the difference between the physical programmes and the financial provision?

SHRI GULZARILAL NANDA: I have a certain sense of rectitude, of my responsibility. I have got that point in mind and I shall deal with it. That was not the intention. From the purely planning point of view, the intention is that we should be able to do some advanced planning, i.e., we have to keep some projects ready which may be taken up later on, maybe towards the latter part of the Third Plan or even in the Fourth Plan period. We should be able to prepare sufficiently in advance, so that some expenditure that may have to be incurred on the preliminary aspects can be arranged for and then we will be ready to go ahead later on. The difference between the two sets of figures, which the hon. Member pointed out as unjustified, is small. We have to add Rs. 150 crores for rural works programme, the cost of the industrial complex which is little more than has been provided for and something more for transport, etc. This is something which cannot be lightly brushed aside. I 437 RS—6.

may state that when we thought of bringing in this concept of physical planning, it was not simply because that we know that there were essential programmes which we did not miss. It was not just that but something more. When we raised the figure to Rs. 7,500 crores, the National Development Council gave the directive that we should explore the possibility of raising larger resources and a committee was appointed. When the budgets for 1961-62 were analysed, it was discovered that there was visible a much larger buoyancy in our economy, greater prospects of resources being made available, not at the increased level of taxation but on the basis of existing¹ taxes, on the basis of the projections made from that point, and there was, among some of my colleagues, a very strong view that this larger figure could be reasonably accepted as the financial limit. However, in view of the various uncertainties involved, a precise figure could not be put down for each source of revenue separately. We, therefore, took a cautious view. It was not something in the air. There was actually some foundation for it in the figures of the revenues that could be obtained. I may add that when we are talking of these larger figures, in the case of the States the revised estimate of their resources is more than what has been put in the Plan under the figure of Rs. 7,500 crores. I think it was Rs. 125 crores more. Therefore to that extent the gap is covered. And as . . .

SHRI K. SANTHANAM (Madras): Am I to understand that the hon. Minister expects more from the States than has been given in the last Schedule?

SHRI GULZARILAL NANDA: For this Rs. 7,500 crores there is a breakup. But because of my ill-health I am forgetting the exact figures; I am subject to correction but this is what I carry in my mind that there is additional about Rs. 125 crores.

[Shri Gluzarilal Nanda.]

And regarding the sum of Rs. 150 crores for the rural works programme—I am now coming to the various elements in the physical programmes—if as we hope, we make provision year by year for that programme as we should, then it is not as if no place is being given to it. As this programme is not included in the Plan outlay, the output as a result of it will be additional. This programme is going to be directed towards productive activities. And it can certainly enlarge our production in agriculture and allied fields and therefore can become the basis for raising larger resources over the Plan period. The rural works programme is not entirely a money-based programme. That is, it will be financed to a considerable extent—to a large extent I hope—from the rupee proceeds of commodity assistance under P.L. 480. That has been the basis for this programme. Then, as was pointed, the financial position of the States is now much better and we believe that they will be able to take up part of this additional responsibility. It was asked, how do we hope to make up the rest of the gap; there will be a spillover and it is not known what schemes will be affected. What is this plan? My answer is that the spillover is there normally also. In the case of the physical programmes also there may be some spillover, if you do not get the money in full. But the question is, is it going to disturb the Plan; does it mean that the spillover will be in important projects? No, Sir. As we have already worked out the Plan, there are schemes for industries, schemes for power, for minerals for which we have obtained the requisite external assistance practically and we have made up our mind that no worth while project for which external assistance is available will be allowed to fail. We are not going to tail on the question of internal resources; whatever happens this programme will go ahead, that is, it is a co-ordinated programme, the whole complex going together.

SHRI KHANDUBHAI K. DESAI (Gujarat): May I ask one question? Do we understand from the Minister that the States have given an underestimate of their resources and that they will get a little more to the tune of Rs. 125 crores?

SHRI BABUBHAI CHINAI: Or is it elastic that it can be stretched and made to give Rs. 125 crores more?

SHRI GULZARILAL NANDA: It is a very simple explanation. The position as regards the availability of financial resources was reviewed both for the States and the Centre. Now, they have claimed a much larger increase in their revenues than has been actually allowed for in the Plan and the reassessment that was made on the basis of the new budget estimates gave that figure. We had a further reassessment made for getting more resources but we have not incorporated the results in the Plan.

Then the question is raised as to the other programmes which are on the-ground in the rural areas. Again, what matters here is not so much monetary resources as organisation. If we are able to organise these activities properly, I think other considerations are not going to be a material factor. But the question which the hon. Member has raised really is this. You have based your expectations on increased production on the basis of the physical targets and if you fail there to a certain extent, then what happens to your Plan; what happens to your national income and other aspects? There, Sir, my answer is this. We have made proper allowance for that also. If we take the physical programme-into consideration the national income-increase would be of the order of about 34 per cent., but we have only taken credit for 30 per cent., increase. And as I pointed out earlier also, when we go into the programmes individually we find that the shortfall under additional physical programmes does not affect the important projects in the vital sectors or our

economy. Agriculture is not at all affected. In the industrial sector it is only on the outskirts, on the periphery, where new schemes are being added that may be affected. In the case of Railways it is a small figure but we have assured them that they can go ahead, whatever their requirements these will be fully safeguarded. Over the five-year period—we will keep a watch from year to year—they can utilise the full amount that is required by them. I am asked if there is a failure in the matter of actuals through the physical programmes, what is going to be the consequence? I will just try to explain that the consequence may be that some of the projects may be prolonged in the phasing but there will be no adverse effects on the Third Five Year Plan. Sir, I have dealt with this question, because it did create a certain amount of scepticism and a certain feeling of uncertainty about the Plan itself.

About social services, I will point out this. Social services are also very vital for the progress of the community. It was said that we were possibly going to deprive the social services of a certain amount of allocation because of the inclusion of physical programmes in the Third Plan. In fact, the position is this. The hon. Member said, 'You gave something and in fact you are taking away something else.' That is not the position. The position is this, we provided something for social services in the Draft Outline and we have increased the amount in the final Plan. We wanted to increase it still further but we could not do it because of financial limitations. We hope to be able to develop resources for the social services through the annual plans. So far as the States are concerned, education, health, housing, social welfare, labour and labour welfare are fully provided for. It is only a few Central schemes under education and health which are going to be affected, though they need not be inevitably affected. I shall now come to another subject

which also is linked with it. But before passing on to that, I may again return to the question of resources because I recollect that the hon. Member. Pandit Kunzru, talked about the railways also. Now, if he wants any information, I am prepared to give it, otherwise, I shall go on.

PANDIT HMD AY NATH KUNZRU: I shall be glad to have it.

SHRI T. S. AVINASHILINGAM CHETTIAR (Madras): Out of the deficit of Rs. 500 crores, if it is divided *pro rata* between the various spending items, you will see that the cut in the financial targets for the social services is much more than the *pro rata*. How do you justify it?

SHRI GULZARILAL NANDA: We do not justify it, but this is what the position is. We wanted to help the social services more. The intention was to do so by enlarging the provision through the physical programmes, otherwise, they stood at a low figure. About the railways, again, it is the other way about. In the Second Plan the contribution of railways to the total financial resources was Rs. 150 crores and now it is placed at Rs. 100 crores in the Third Plan. There is some misconception about it. The two figures are not comparable. The figure of Rs. 150 crores had an element in it of the increase accruing on account of the increase in fares and freight, whereas in the case of the Third Five Year Plan, the additional income from adjustments in fares and freights has been included under the heading of additional taxation, etc. Secondly, when we take the aggregate surpluses of railways let us be fair to them. Let us not carry the impression that they are not making their contribution. The sum of Rs. 100 crores does not represent aggregate surpluses of railways, it only represents the amount that would be available for fresh investment after paying dividend to the general revenues and providing for the Depreciation Fund. The total surplus of railways was about Rs. 620

[Shri Gulzarilal Nanda.] in the Second Plan and in the Third Plan it is estimated at Rs. 835 crores.

I shall now deal with a kindred matter which is of the highest importance and that is the question of exports. I had hinted about the great importance we attach to this subject. We are conscious of the difficulties involved in stepping up our exports. I shall now explain them, because the hon. Member wanted me specifically to say what are the foundations on which we have built up these expectations. About exports I may say this that I recognise it as a very vulnerable point in the Plan and the balance of payments position is as important for the Plan as anything else—perhaps more important. This Rs. 1,900 crores that has been figured out is not enough for imports of capital goods and equipment required for plan projects. And how are we going, to meet the increase in the maintenance requirements of the economy, if we are not assured of the balance of payments position? If past performance is to be any guide for the future, the situation will be very grave. I acknowledge it immediately and we have realised the gravity of the situation. Therefore, this higher figure, Rs. 3,700-3,800 crores, for exports has been put in the Plan as compared to Rs. 3,450 crores in the Draft Outline. I think it should be still higher. Vigorous efforts will have to be made, radical measures will have to be adopted, because any shortfall in export target is going to hit the existing industries, the capacity already created. The capacity is not being fully utilised. It results in loss of production and loss of savings. Having realised it, what do we propose to do about it? One major determinant of our export earnings is the price factor. Are our exports competitive? That is the first primary thing. As several hon. Members evinced anxiety with regard to our exports, it is the high cost structure that we must consider. And that is not a very good augury for expanding exports. Now, we

must, specially in the case of our principal—exports, try to bring down the cost of production and make them competitive in the world markets. There are many factors in it, such as labour costs, the level of profits and general efficiency. Now, the higher profits are also a factor in retarding the expansion of exports. Because higher profits are obtainable in consumer goods industries, these gentlemen would not look in the other direction where they may get less. That is one thing. Secondly, the hon. Member, Pandit Kunzru, accosted me, addressed me specially on the ground of labour. Is labour productivity going to increase? I have got a certain amount of familiarity with that part of Indian life, that is, the working class life and its activities and I can assure the hon. Member now straightway that I have faith in the working class. They have the capacity to make sacrifices for the nation. They will do that provided a proper climate is created for that, meaning thereby the functioning of the private sector and various other things. But what has happened so far? Are unit costs of Indian products higher because of the wage content or for some other reasons? That is a very relevant question. Productivity of labour has increased considerably. I have got the facts here. Hon. Members who have some interest in labour are not very attentive to it. The index of gross output per worker has shown a consistent rise since 1953. The gross output per worker rose by 53 per cent, and that of real wages by 27 per cent, during twelve years, 1947 to 1958. You will be able to draw your own inference from these figures. This is the position. The proportion of wages and salaries to gross output has gone down from 18·2 per cent, in 1947 to 15·7 per cent in 1958. The share of wages in total output shows a decrease from 15·2 per cent, in 1947 to 12 per cent, in 1958. I realise that this is not enough. If my hon. friend, Mr. Bhupesh Gupta, wants, I will convince him that it is not enough. Labour should do more. In the chapter on Labour Policy in the Third

Five Year Plan, to which hon. Members directed our attention, we have discussed productivity. We have laid a great deal of emphasis on productivity, because I am well aware of it as my colleague here also. We have lived with labour and we have worked with labour and we know them. You may get a little more for labour by strike and through pressure, but you cannot get much by following those methods. Unless productivity is raised, you cannot advance their wages or take them towards a higher living standard. That is the key to stepping up our exports and also to a higher living standard.

SHRI KHANDUBHAI K. DESAI: May I ask one question? You have said that there is some margin created. Now, the prices have not come down, whereas the margin as a result of increased productivity and other things has gone up. Who has absorbed it?

SHRI GULZARILAL NANDA: It may have been. Somebody will throw more light on it. Partly the raw materials account for it. When I dealt with prices I wanted to bring out that point regarding the rise in the prices of raw materials of industry. At first, it was the Food group, then, later on, it was those manufactured goods in which raw materials of agricultural origin entered. And there the rise in the prices has been much more than even in regard to foodgrains. Recently it is much more. That is one explanation. And, Sir, in regard to exports so far as this particular aspect is concerned, there is another thing. Some of our friends have taken particular delight in condemning the Wage Boards. It looks to them as if the workers have possibly no concern with the productivity of the nation. They say that the Wage Boards have done only this, that they have given Rs. 8 for a five-year period, and nothing more. If you want something more, you can get it by working hard, by rationalisation. This is incorporated in the recommendations of the Wage Boards. Therefore, every wage

Board that comes up says this. Then, rationalisation efforts are necessary because out of the existing margins we should try to squeeze out much of the waste that is going on.

SHRI BHUPESH GUPTA: Squeeze the workers?

SHRI GULZARILAL NANDA: Not the workers but the profits. The workers should have a claim on increased productivity to the fullest extent, but not one hundred per cent. They should have an adequate share in the increased productivity but then part of it should be available for the community, to lower the prices, to enable the larger savings of the community.

As regards exports, I should like to explain a little further as to what we propose to do. The target figure of Rs. 3,450 crores indicated in the Draft Outline of the Third Plan has been raised to Rs. 3,700-3,800 crores in the final Third Plan. We are taking two sets of measures in this connection and we are studying specific commodities separately and programmes are being formulated for each commodity. For 1961-62, an export programme has been drawn up. It envisages a significant increase over the exports last year. The two sets of measures include, firstly those of a general nature and secondly, those in relation to specific commodities. Apart from the question of increasing the productivity of labour, but then it is not only labour—the labour must get proper tools and equipment, we are modernising the textile industry, the jute industry, and so on. We will give them proper equipment. Productivity studies are in progress in a number of industries.

Another thing is, the targets of production in the Third Plan for some of the major commodities which enter into the export programme are such as to leave a sufficient margin for exports.

[Shri Gulzarilal Nanda.]

Coffee—increase in exports as percentage of increase in production is 80 per cent. We should not mind that.

Tea—50 per cent.

Vegetable oils—we would mind it if a large part of the increases were taken away, but there it is only 20 per cent.

Raw cotton—5 per cent. Cashew kernels—50 per cent. Sugar—32 per cent.

How do we go ahead to stimulate the exports? One way is to give more incentives. We have been trying to do that, that is, to give them a comparative advantage in their limits, in the matter of levy of excise duties. There are other things such as widening of the scheme of refunds, reduction in railway freight, price concessions on raw materials, and so on. The question of possible remissions in taxation is also being studied from this point of view, remission in taxes to enable foreign markets to be explored under favourable conditions for a limited period. Incentives are very useful but my hon. friend here says these are doubtful. There have to be sanctions also. Other measures that are envisaged are that clear priority will be given to industries producing for export or providing a substantial surplus for export if they undertake to export agreed quantities. It will be treated as a condition for permitting import of vital components or raw materials. Sir, the question of legislation also is being considered, legislation which should empower Government to determine the quantities that should be made available for export. The Government should have the authority to set physical limits to the total quantum of internal sales permitted to individual manufacturing units. That is for the private sector. But the public sector is' also being called upon to earmark some of its output for export. We are trying to assist the private export houses; some development

assistance is intended to be given and there is also more assistance contemplated in respect of overseas markets, but these are not in that higher category, still these are also useful.

A Cabinet Committee on exports has been recently set up, to review the progress of the export effort at short intervals, and this Committee is assisted by a Committee of Secretaries. These are general measures. Similarly for specific commodities a series of measures are being taken.

SHRI BHUPESH GUPTA: Tell us what they have done. We do not export Cabinet Committees. Tell us what they have done.

SHRI GULZARILAL NANDA: There are some commodities which we can afford to export. (*Interruption.*) Sir, I did not mean any offence. For the increased production of commercial crops, fertilisers will be made available in the quantities needed, that is, the first claim on fertilisers will be for those commodities, and wherever it is necessary to restrain internal demands, higher excise duties will be imposed according to the needs of the situation. Whatever the other features may be, these are our first obligations.

The target in the Third Plan for jute manufactures has been raised from 1.1 million tons to 1.3 million tons. It has been decided to provide adequate resources under the Plan for replantation programme of the tea industry, extraction of oil from cotton seed and rice bran, large-scale programme for better collection of hides and for improved flaying, and marine fisheries. The development of marine fisheries is going to be expedited. Similarly about other programmes. We are also thinking of placing ourselves in a position to acquire more ships as soon as it can be done. That is in relation to our invisible earnings which can be further increased by promoting tourism. Since export promotion is a very important subject in which the whole House and the country are interested, I thought that I should give a full picture of it.

Now my hon. friend wants me to deal with prices, which also comes next in the order of my subjects. I dealt with prices in relation to exports. But that is one part of it. Prices in "the internal market are not less important because I regard the price trends as a weak spot in our economic situation. It has various consequences on savings, on the standards of living of the people, of the common man, of the lower income groups, and so on. I have been saying again and again that I do not believe in the inevitability of a considerable rise in prices . . .

SHRI BHUPESH GUPTA: You have written it in the Plan itself. In the 'Plan it is written that there will be some price rise.

SHRI GULZARILAL NANDA: There it is said that we will keep under control the prices of essential commodities. There are fluctuations, in relation to the demand for various commodities. These fluctuations cannot be stopped, and a certain amount of rise in prices of luxury goods may occur, and in fact should occur for the sake of the resources that are required to finance the Plan. And, Sir, one of the assumptions *on* which the Plan is based is that the price level should be kept stable . . .

AN HON. MEMBER: What about implementation?

SHRI GULZARILAL NANDA: I am coming to the implementation of it. What hurts me very much is this. In the First Plan what happened was that the prices were very high and then in the middle of the Plan there was a sudden slump. It was a precipitous fall. Then in the Second Plan period the prices went up higher, at a steep incline. That is no? good, because the other conditions, the interests of large sections of the society do not adjust themselves to the persistent rise in the prices. Well,

I hope that the price line can be held, it can be held not because I say so . . .

SHRI BHUPESH GUPTA: You tell us why you hope so?

SHRI GULZARILAL NANDA: I have never made a commitment which I have not discharged. I am not going to say that. The first thing is if the assumptions of the Plan with regard to output, production, and the pace of stepping up the rate of domestic savings which means withdrawing from the surplus of production after meeting consumption requirements a certain proportion—are carried out and realised, that is one guarantee. The Second Plan experience was different. Production did not go up enough.

SHRI BHUPESH GUPTA: Can I pose a question so that you can answer it? I just want to ask the hon. Minister if he will kindly clarify that point. You have said that some of the things will be taken away by your restricting consumption. In the two Plans, there has been a restriction on consumption which is indicated to some extent, according to your figure, in the rise in the domestic savings. But in the same period prices have gone up. How do you explain the phenomenon?

SHRI GULZARILAL NANDA: That is, the increase in production was not of the order that we had assumed. But we had to assume a- certain figure.

Then, there is the stress on efficiency. If this nation is to become a really first class nation in its economic strength, it has to become industrially much more efficient. Every artisan has to do more, every worker, every farmer and in fact all of us. In the level of efficiency there is a large leeway to be made up, and for that we have to take all types of measures. This is specially so,, in the case of the people with small skills— they are not taught how to improve

[Shri Gulzarilal Nanda.] their skills, and over the whole gamut of our economic structure this, has to be done. Well, something is being done about it but I say that this is one direction in which we have to move so that in the field of industry and all other sectors, the resources which are being put into the various activities may bring a better return.

And then there is the question of profit margin . . .

SHRI K. SANTHANAM: May I know whether it is not desirable and necessary to have a clear idea of the range of the fluctuation in prices during the next Five Year Plan? I do not see any mention in that chapter of the possible range which may be permitted without hurting the economy.

SHRI GULZARILAL NANDA: I would have mentioned that also. Both as a measure of restraint on the higher trend of prices of food grains and also to curb the range of fluctuation, we have to maintain buffer stock on the one side and undertaking market operations on the other—at various points and at the proper time—so that these fluctuations are kept down. The idea of operating on buffer stocks through continuous purchase and sales is well understood. Now, this will have to be done for staple food grains, and maybe this may have to be extended to some other commodities also, for example, jute. Here it is a case of wide fluctuations and it is very wrong to permit that.

Then there is the question of profit margins and overhead charges. While I have dealt with labour on the one side, I should address my appeal to our friends, those who are in charge of private industry and also to the public sector. Firstly there is the question of efficiency and secondly, it is the way in which the margins are used, apart from the overheads in the case of the private sector. I think, Sir, I know something about industry; I have had a close contact for many years with private industries; I think

there is a good deal of room for economy and improvement there.

SHRI BHUPESH GUPTA: Change your policy and have it done.

SHRI GULZARILAL NANDA: I will come to it just a little later, if the House does not adjourn while I am standing here.

SHRI BHUPESH GUPTA: Tomorrow we shall do it. There is a way of handling it. We shall continue tomorrow; if necessary, I will ask the Chair for it.

SHRI GULZARILAL NANDA: The hon. Dr. Kunzru asked a very important question as to how we are thinking about maintaining the prices of essential articles, food, etc. at reasonable level. He asked if the steps taken were sufficient in the present context. I agree with him that they are not sufficient. Then what do we do?

I then, again draw your attention to the fact that in regard to the other articles which show a rising trend, especially manufactured articles, if you analyse the cost structure, you will find that a good part of the rise in the cost is due to increases in the prices of raw materials. And, therefore, if we succeed in producing the raw materials for agriculture on the requisite scale, we will have given an answer to that question also, but that may not be a complete answer. So, I think that if need be, regulations may be necessary. I hope it will not be necessary except in the way of strategic operations. But whenever further action is needed, if the community wants the prices not to rise, if it suffers because of the rise in prices then it has to assist us in every possible way in dealing with the situation.

SHRI BHUPESH GUPTA: Does Mr. S. K. Patil agree?

SHRI GULZARILAL NANDA: Sir, when Ministers speak, they speak on behalf of the whole Government.

SHRI P. N. SAPRU: They are more responsible than your party.

SHRI GULZARILAL NANDA: I do not follow the remarks made by my hon. friend and I do not think that it does matter.

When I am dealing with prices, I also wish to add that the production of consumer goods has increased, for example, cloth 24 per cent, and food-grains 32 per cent. There is a whole list of things which I have got with me but I do not want to take up the time of the House. But I would like just to point out that the level of investments in the course of five-year period in the consumer goods industry is increasing. The figure was Rs. 100 crores in the First Plan; in the Second Plan it rose to Rs. 280 crores and in the Third Plan it is expected to touch Rs. 500 crores. So, on all possible fronts, effort is being made to tackle the situation and I feel confident that it is going to be tackled. There are certain things which might present difficulties, for example, creating a co-operative sector. It is not possible to deal with all the anti-social elements, if you have to go and sell things to individuals. It is only when there are responsible groups that you can manage a situation of scarcity. The cooperative organisation is our only sheet-anchor for that, apart from the fair price shops where they sell food and some other articles from time to time, according to the needs of the situation. Sir, I shall not tarry any longer on this subject, and I shall now proceed to the question of employment.

We have been accused of not doing enough here. Now I want to explain it to the Members. Let us see the position. In the First Plan the number of entrants to the labour force was 9 million; additional employment generated, 7 million and back-log

53 million. In the Second Plan, entrants, 11·7 million; provision of new employment, 8 million; back-log—9 million. And for the Third Plan, new entrants, 17 million; total employment generated 14 million . . .

SHRI BHUPESH GUPTA: Is there any addition to the back-log?

SHRI GULZARILAL NANDA: No, Sir, there is no addition to the backlog. I shall explain it. Now, Sir, look at these figures. We provided 7 million jobs—full time in the First Plan, 8 million in the Second Plan, and have provided for 14 million in this Third Plan. That is the structure . . .

SHRI BHUPESH GUPTA: Does it include the temporary jobs also, as in certain constructions, I mean in the construction industry?

SHRI GULZARILAL NANDA: Fulltime jobs, normal jobs, in industry and elsewhere. All part-time jobs are excluded from it. Now, as to part-time jobs, there is another programme, and that has been explained the allocations of Rs. 150 crores for the project of rural works. I would not like to give any more figures about it but I shall explain some points which were raised. One was about the new entrants and the question was raised about the definition of 'labour force'. Well, I would not like to repeat all that but say only this. The proportion of women entering labour force is about 40 per cent, and of men 90 per cent, in the age group, 15 to 59 years. That is the definition and I think that is clear enough.

Then the other question was raised, I think, by the same hon. Member. Was it the hon. Member himself or somebody else? And the question was: You have not made any allowance for increased productivity, and therefore the same investment will yield less jobs. Does the hon. Member recall that for technological advance and the result of that we have made an allowance of 30 per cent.

[Shri Gulzarilal Nanda.] increase in productivity. Then comes the question of relief through the rural works programme, and there, the target to be reached at the end of the Third Five Year Plan is 25 millions.

PANDIT HRIDAY NATH KUNZRU: But that will provide work only for 100 days in a year.

SHRI GULZARILAL NANDA: Yes, Sir, it is quite so. Now I am thinking of the next, the Fourth and the Fifth Plans. Are we going to reach a day when there will be no unemployment, at least no new entrants being unemployed? Now, Sir, in this case one or two aspects have to be kept in mind. There is under-employment of a certain size, and the Plan has done something to relieve that under-employment also.

SHRI BHUPESH GUPTA: At the end of the Third Plan what happens?

SHRI GULZARILAL NANDA: Yes, we are dealing with the Third Plan, and the Second Plan. This is what Third Plan says:

"Besides additional employment outside agriculture and in agriculture described above, there will also be significant relief to underemployment, but it is difficult to indicate its extent in quantitative terms. In agriculture, only about a fourth of new employment potentialities have been taken account of for estimating additional employment and the remaining are expected to provide relief to underemployed persons. In village and small-scale industries, only full-time jobs have been accounted for in the table above."

Thus a large proportion of employment in the village industries is part-time employment—that is not taken into account.

Now the point that I propose to make is this. There will be no addi-

tion to the back-log of unemployment, in the Third Plan for this reason . . .

SHRI BHUPESH GUPTA: In the papers circulated at the committee convened by the Prime Minister—I was a member of it—it was clearly stated that at the end of the Third Plan, the unemployment position will have worsened. Unfortunately I have not got that paper, but I can show you. That was the committee that the Prime Minister formed. The Planning Commission gave such papers.

SHRI GULZARILAL NANDA: When we see a ray of hope, when we find that we are going well enough, we share that also with you. This programme was devised later on. So the under-employment is going to be relieved in this way, and the implication is this. There will be less of under-employment on account of the various Plan projects, the consequences of which, in terms of increased employment, are not being fully reckoned with. On the other hand, we are providing, not full employment, but unemployment relief for 100 days, more or less, to 21 millions. So we are balancing that increased relief in under-employment by allowing some under-employment to remain so that the position remains the same. It is not improved but the naked unemployment, the total unemployment is met with the 14 million jobs to be generated in the Third Plan. That is to say, there is no addition to the backlog after 9 million unemployed are provided full-time employment in the Third Plan. I am not now taking into calculation this other thing, that is, we are proposing to intensify activity on the rural industrialisation side. We had some meetings recently and we have come to the view that the way in which rural or village industries, etc. are being carried on is not good enough. There has to be a massive attack in that direction also. Taking a full view of all the possibilities, it will be more a matter of organisation and policy. Also it has

been pointed out that if at the district level there is a greater break-up of the programmes, and all possibilities are brought in as a result of new investments, many other opportunities of employment can arise which, possibly, are being missed at present. I am not taking any credit for that. I have dealt with the question of employment and now, if the hon. the Deputy Chairman will permit me, I shall proceed to the next question, and that is very much after the heart of the hon. Member—it is the socialist pattern.

SHRI N. R. MALKANI (Nominated): You said some time back here that the small-scale industries had made spectacular progress. The provision for them was then Rs. 114 crores, and the provision for big industries about Rs. 3,000 crores. Which is more spectacular? And so far as I am concerned, what about the potential employment with regard to small-scale industries? It appears to be very insignificant at the present moment.

SHRI GULZARILAL NANDA: Yes, Sir, it is true and for good reasons. It is possible to spread out employment over a larger area, give a few annas and call it employment. It is not normal employment. Though it may be somewhat restricted at present because we are spending so much more on large-scale industries, this normal employment is the next stage. In the next phase employment opportunities are going to expand very much more, because of the surpluses that will arise, to enlarge our capacity to assist the small-scale and village industries. Today we subsidise khadi and some of the other village and small industries. I say that there is nothing wrong in subsidising. You cripple a person by giving him a big blow and then you say that he requires crutches. It is mainly because of the impact of organized industry and technology. We have not become worse. Now

these industries require a subsidy from the larger industry. Also we should give the village and small industries the base, with the help of which, given the necessary resources, we can spread out this kind of employment. The incomes may not be very large, for example, in the rural works programmes, wages are to be paid at the village rates. It is not as good as normal employment, the urban employment, employment on constructions and elsewhere but I think that it is a good answer in the present circumstances. In the next two or three Plans, we should be able to provide everybody with that kind of employment at least, if not full employment. There should be nobody wholly unemployed.

I thought I should say something about the socialist pattern. It may not be necessary for the hon. Member but it is very necessary . . .

SHRI BHUPESH GUPTA: For us?

SHRI GULZARILAL NANDA: Yes, A good deal of time was devoted to this.

SHRI BHUPESH GUPTA: I hope the hon. Minister will not take the trouble. If he wants to enlighten them, he can do so.

SHRI GULZARILAL NANDA: There is socialism, there is a perverted view of socialism and all kinds of views regarding socialism . . .

SHRI BHUPESH GUPTA: Capitalist view also.

SHRI GULZARILAL NANDA: A good deal of time was devoted to this subject and we were asked; not only we but Prof. M. B. Lai also was questioned, 'Where is your socialism and the socialist pattern which you have adopted as your creed; where is that?' I encountered in the Lok Sabha excesses of the rightist variety, known as Swatantra and I tried to deal with them. I think it was my duty. I took

("Shri Gulzarilal Nanda.] a long time. It could not be helped. Here I am faced with excesses of the leftist variety and I refer now particularly to my hon. friend with shrill eloquence and his 50 or 55 points. I think that is a record in political and economic history and in the legislative field. He made many extravagant suggestions like: Shut out foreign investments altogether, nationalise everything, expropriate everybody, etc. We decline . . .

SHRI BHUPESH GUPTA: I did not say all that. May I suggest that we meet tomorrow so that he can think over this?

MR. DEPUTY CHAIRMAN: No, we must finish today.

PANDIT HRIDAY NATH KUNZRU: The hon. Member seems to be ashamed of what he has said.

SHRI GULZARILAL NANDA: Some others said, 'Yours is not socialism. It is mixed economy'. But when did we claim that it is not going to be a mixed economy? The socialist economy was intended to be a mixed economy. This remark came from that side.

I turn to the very able exposition of hon. Prof. Lall who is not here. That was an area of discussion where it was a sober—a critical approach. He made a very elaborate analysis regarding our performance and our promises. Now his criticism of socialism took him somewhat beyond his depths. He called our socialism confusing, confusion worse confounded, confused, etc. The real reason is, where is the source of confusion? I suppose it is in the text-book which he says he has taught in the last 27 years and the fact of the matter is this that the world of socialism in that text has no correspondence with reality. That has changed altogether and the history of economic thought which I read some years ago and the philosophy of socialism have also imbibed many new things. Prof. M. B.

Lai's ideas have not caught up with new realities. Even in the developed countries where socialist thought grew . . .

SHRI BHUPESH GUPTA: Where?

SHRI GULZARILAL NANDA: . . . where Marx laboured, there also now the people have got a great deal of doubt, misgivings and uncertainty about the basic concepts of socialism. They are groping for something on which they can lay their hands, something by which they can stand. Here in this country, it is a different kind of proposition—an under-developed country, trying to build up both democracy and also to create a socialist pattern, which has no parallel. There is no precedent to go upon, no help from any pattern anywhere over the world. We have therefore to evolve our own pattern and we are trying to do that.

SHRI BHUPESH GUPTA: After 10 years of planning, the monopolists have become stronger.

MR. DEPUTY CHAIRMAN: Let him go on; Order, order.

SHRI GULZARILAL NANDA: I shall now give the positive aspect of it. Whatever has been said in the Plan in the First Chapter about socialist pattern, I think it is a very positive and important contribution to socialistic thought. Let it be fully realised. I might just point out that the approach here is not a dogmatic, doctrinaire approach. Certainly emphasis on development comes first. We are told: Your thing is development and not socialism. I say that development is the major part of socialism. Socialism is not privation, it is not inequality and want. It is abundance, sharing in abundance though we would like that where there are privations, everybody should share it equally but we do not want to do anything which will make it difficult for us to arrive at the stage of abundance. That is the thing which has to be kept in mind. Therefore, the first priority

is development. Then Prof. Lall pointed out that we are giving less attention to employment and lesser still to removal of disparities. That is broadly our approach. Today we want development, also as much employment as possible, combined with as much effort for reducing disparities, because we cannot wait altogether. The people have to be enthused. The maximum possible effort has to be made also for the purpose of reducing disparities and increasing employment but the main direction of our effort is that we will first like to raise the floor, that is, try to provide for everybody the basic needs or a certain national minimum. That is equality of opportunity, which is the main ingredient

SHRI BHUPESH GUPTA: Under which Plan?

SHRI GULZARILAL NANDA: The Third Plan. Yes, we must make some headway towards that, considerable headway; otherwise what Plan is this? The programme of employment, rural works, etc., is just one feature of this approach. Everybody should have through employment, at least food, shelter, clothing and education, at least at the minimum level. That is one goal towards which we are striving. We must try to support and strengthen the weaker sections of the community. In scores of ways we are trying to do it—the work done for the Scheduled Castes and backward Classes and the Scheduled Tribes such as providing land for the settlement of landless labour, housing sites etc. It will make a long list. We are also trying to assist the housing cooperative societies in order that weaker sections also may be able to get accommodation, etc. There are numerous things which it will take a long time to just bring out and enumerate. This is the positive aspect of our approach, to help the weaker sections, particularly in the rural areas and the common man. They asked: "What has been done for the common

man?". Now the common man in the rural areas is a man with a holding of a few acres, say 5 acres or a little more. Now do all the minor irrigation schemes help him or not? The question is, do these construction activities and spending of hundreds of crores on development help him to get more employment? I can certainly appreciate the position of the middle classes, because I belong to that group originally. I have my working class affiliations but and I certainly come from the lower middle class. I feel for the fixed income groups. Other sections of the population may have something. The working classes at least are not worse off and the rural communities, some segments are better off. But what is happening to the middle-class? It is true that high prices have hit them and therefore, the prices should be controlled. However, there is one redeeming feature in the situation. For the middle classes, in the course of development the opportunities for employment and progress are also expanding. They have opportunities of employment of a better kind with all these engineering colleges, polytechnics, craftsmen training centres, etc. What an immense stepping up in terms of better opportunities, will that be for the middle classes, for their families and their children? Admissions to the engineering diploma courses will be raised from 25,570 to 37,390 and for the degree level from about 13,860 to 19,140, during the Third Plan period. As for craftsmen training at the centres of the Ministry of Labour and Employment, the number of trainees has been raised from 10,000 to 42,000 in 1960-61 and it will be one lakh by 1965-66. That is the kind of contribution made to relieve the difficulties of the middle class and the lower middle class.

On the other hand, about the prevention of the concentration of economic power and the elimination or decrease of disparities also certain steps have been taken. The Life Insurance business has been taken over and there is a growing public

[Shri Gulzarilal Nanda.]

sector. If I did not feel that I am taking rather too much advantage of the goodwill of hon. Members in listening to me, I would have given some more information on all these matters.

The hon. Member over there made a mess of figures, and I would have liked to clear it.

PANDIT HRIDAY NATH KUNZRU: It will be good to give an instance or two of that.

SHRI GULZARILAL NANDA: There were two figures in particular cited by the hon. Member. One was that the aggregate investment in the economy over the last two plans had increased from Rs. 500 crores to Rs. 1,600 crores. The increase in the case of the private sector was more, that is to say, from Rs. 300 crores to Rs. 1,000 crores and that in the public sector from Rs. 300 crores to Rs. 800 crores. Actually the breakdown shows that investment in the public sector increased from Rs. 200 crores to Rs. 800 crores and in the private sector from Rs. 300 crores to Rs. 800 crores. But Mr. Gupta when referring to the aggregate investment over the last two Plan periods gave the figures in the reverse way.

SHRI BHUPESH GUPTA: Not at all. I read out from the Plan itself the exact figures, the annual figures and not the total.

SHRI GULZARILAL NANDA: Well, we shall have it checked up. The hon. Member said that out of the paid-up capital of Rs. 1500 crores, the capital owned by public sector enterprises was only Rs. 400 crores whereas the share of the private sector, was Rs. 1100 crores. But the hon. Member forgets that the share of public sector enterprises ten years back was almost next to nothing and it has now risen to Rs. 400 crores.

SHRI AKBAR ALI KHAN: While discussing the disparities, the hon.

Minister has not referred to regional disparities.

SHRI GULZARILAL NANDA: I lean certainly do that, but the point is whether I should do that at the cost of dealing with the question of the implementation of the Plan. On this subject of concentration and removal of disparities, there is one aspect which I would like to stress. Our policy is that the small man in industry should be helped and a large number of entrepreneurs should come up, for that will be real industrial development in conformity with the socialist pattern of society. There are scores of ways in which we are trying to help the small man and we want to help him more. There is a whole list of all these things which we want to do. I believe that it is a very encouraging sign, the way the small-scale industrial units are coming up. Now it is wrong to think that the small industries are not contributing much to the gross national product. The statistics that were available did not do justice to this sector. Actually the contribution of the small-scale industries to the national income was a divided figure, for we had no authentic information. But now, on the basis of the information collected, it is found that its contribution has been much greater and this is really a very progressive part of the economy.

There is just one thing which I wish to say about Mr. Bhupesh Gupta's statement that we had suppressed the truth in regard to the realization of the goals of the Plan, in the summary of the Third Plan circulated by the P.I.B. We have stated that the targets were large only in comparison with the past and not in relation to needs or to the nation's capacity to achieve. This is a serious charge, Sir, and I may tell the hon. Member that this statement occurs on page (ii) of the introduction in the printed summary of the Plan.

SHRI BHUPESH GUPTA: They are missing in the . . .

SHRI GULZARILAL NANDA: No, if only he will make an effort, he can see the same sentence there.

SHRI AKBAR ALI KHAN: -He was not serious about it.

SHRI GULZARILAL NANDA: Is he serious about anything?

SHRI BHUPESH GUPTA: You read out the whole of it. The relevant paragraph has been taken from the Summary of the Plan, but these few lines are not there.

SHRI GULZARILAL NANDA: They are there. They are in this book. Something was said about doubling the national income in 50 years. I don't know how U's figure were obtained.

SHRI BHUPESH GUPTA: I gave Shri Deshmukh's statement of December 1952 in the Lok Sabha as Finance Minister of the country. I gave the date too. And you say I am not serious.

SHRI GULZARILAL NANDA: Shri Deshmukh may have left Parliament, but he has not taken away the figures. The figures are here. In the First Plan it was thought that it would take 20 years to double the national income. In the Second Plan we took a more hopeful view of the domestic savings and all that and we put it down as 17 years and now in the Third Plan it is still 17 years.

SHRI BHUPESH GUPTA: And how many years have passed?

SHRI GULZARILAL NANDA: Well, there are just a few more years to pass, of the Third Plan. For the *per capita* income the First Plan visualised—and that was the time probably when Mr. Deshmukh would have spoken, a period of 27 years,—that is to say, by 1977-78, and in the Second Plan the period was 23 years, that is to say, by 1973-74. But because of the larger increase in the population than was anticipated earlier this estimate has changed somewhat and it is

now 25 years for the *per capita* income increase. I will not deal with the slow rate of economic growth and the reasons for that. If other countries have gone better, there are very good reasons for that. If a country invests 25 per cent, of its national income annually and another 20 per cent, it gets from foreign sources and if the annual rate of increase of national income is over 8 per cent., well, we can understand that. Now I would just deal with one more aspect and that is implementation of the Plan. One suggestion was made here. I think hon. Mr. Santhanam said about decentralisation of planning. It is very essential because if planning is to be effective, both planning and execution have to be decentralised in a democracy. So we have been thinking of suggesting to the State Governments—we have suggested to them as a matter of fact—that they should strengthen the existing arrangements and provide the proper machinery for planning at the State level so that they can also do what we now propose to do in a better way than before—that is an aspect of implementation—to watch the implementation closely from month to month, quarter to quarter and year after year. At present what is happening is this. We get reports from the Central Ministries and State governments* in the later part of the year and then we find that something has not materialized in the way we would have liked it to be but then it is only just dealing with the situation after it has deteriorated. But we would like to keep a close watch, particularly in certain sectors of the Plan which are vital for example, transport, industry, public enterprises and in the case of rural areas strengthening of the co-operative movement, assuring supplies of fertilizers, seeds, etc. to the rural people and so on. These are some important things to be looked after continuously, so that effective implementation is secured.

Another important thing in implementation is general administration. That is very important; the threat

[Shri Gulzarilal Nanda.] runs throughout. Sir, a great deal of thought has been given to that subject, how procedures ought to be simplified, how more expeditious disposal of business and a greater sense of responsibility, greater integrity, responsiveness to public needs etc. could be secured. These things are contained in a separate Chapter in the Plan and after that certain other things have been done but I shall not *So* into all of them now.

About public enterprises, we are greatly concerned about this matter. We are doubly concerned because there are very heavy investments and unless they bring forth full returns, "the future is prejudiced. Several decisions have been taken and suggestions have been made and they will be looked after. In the Planning Commission a special unit has been established to follow up the progress of public enterprises and in the Ministries various other arrangements are being made. After all it is the Ministries who are primarily responsible for the public undertakings in their respective fields of activity. Technical planning cells, strengthening of design and research units, effective co-ordination between different stages or parts of the same project, cost estimates—this is very important; for examining cost estimates an arrangement with the Ministry of Finance will be made—advance planning, these are all important factors in the matter of implementation. One of the reasons, why progress suffers is that before we are fully ready, we start a project and then we find that something is missing, something is not available, the land is not yet acquired or you have done something and then you have to wait for something else before you can proceed further. All these things have to be co-ordinated and steps have to be taken in advance so that when the machinery arrives, the building is there and other equipment is also there so that you have a phased progress in construction and execution, It is proposed to present an

annual report appraising the financial and economic aspects of the industrial undertakings of the Central Government. The system of reporting upon projects and presentation of progress reports is also going to be improved.

One thing which hindered effective implementation so far was the inadequacy of trained personnel, technical personnel particularly. We had to suffer in the course of the Second Plan, because of the inadequacies in this respect, and therefore, have now taken good care to provide as adequately as possible for the Third Plan and much more so for the later Plans. This is one guarantee of better implementation in the case of the Third Plan.

All this is with regard to major projects. Implementation at the local level is also of very great importance. There are a number of small projects in which many people can participate and here the organisational element becomes one of supreme importance. I would not go into all the measures that have been thought out and taken so that effective local planning and execution are taken care of.

Another question is the partial utilisation of the capacity created. I have mentioned it in another context but I may inform hon. Members that in this respect, there has been considerable improvement. In the case of irrigation utilization of potential created was 75 per cent, by the end of the Second Plan. I would like to make myself very sure about the figures if I were to give them now but I can give that information later on also. So far as utilisation is concerned, in irrigation there is a constant improvement. About the capacity in industry, there is not a sufficiently good account to render. Various estimates have been made like 60 per cent, utilisation and so on. But that is misleading. In the case of industrial capacity, the point is that in

the beginning, for purposes of licensing, they took one shift only as the basis and certain provisions were made on that basis. It was not good but that was how it started. Now we are considering utilization of industrial capacity in terms of two shifts and more. As the other provisions are not adequate, when you calculate the capacity utilized you come to a lower figure. As a matter of fact the information with me is that the other things have improved. Some research was made, some enquiries were conducted and I find that the average utilisation of capacity in 1951-52 was 74.62 and it has risen to 91.53 in 1959. These figures are based on an independent enquiry which was made a few years back. Then as we proceed, to enlarge our industrial sector, we try to substitute the imports that were coming in. Therefore we become more independent but at the same time as we expand, the requirements grow so that more has to be imported in terms of components and raw materials. This problem has to be faced and to some extent the export earnings are the answer to that. I have taken unduly long time but, Sir . . .

SHRI N. R. MALKANI: There is a general feeling, a widespread feeling that there is a lot of leakage, wastage, even now.

SHRI GULZARILAL NANDA: I thought the hon. Member was going to ask about the rural drinking water supply. I have got the figures about it.

SHRI N. R. MALKANI: And, if it is there I do not think that implementation will be of much value.

SHRI GULZARILAL NANDA: I agree wholeheartedly with the hon. Member that administration everywhere has to be strengthened in the sense that the individuals who do not perform their duty, who do not carry out their assignments, who do not behave properly, must suffer. Now, I have no answer at the moment to that problem. But this has to be thought of more fully, because in a

country which wants to develop fast, we cannot go on in 'a happy-go-lucky' fashion. Therefore, everybody who has any responsibility to carry out must specifically be made liable to discharge it. An hon. Member said that a great responsibility rests with the Government. It is true. We cannot get away from that. But this is a huge, big Plan; its promise is for the whole country. It aims at making India a prosperous country, an economically independent India. It is a great prospect that is going to make the destiny of this country. And - here is no question of distinction between this side or that side, Government or Opposition or Independents. All of us have to put out sRoulders to the wheel and do our best.

MR. DEPUTY CHAIRMAN: What about your amendment? Do you press it?

SHRI BHUPESH GUPTA: Yes, Sir, with only some corrections.

MR. DEPUTY CHAIRMAN: I will put the amendment to the vote.

SHRI K. SANTHANAM: . All the amendments together.

SHRI BHUPESH GUPTA: Now, Sir, there are some typing errors. It may be due to my mistake. Only one or two.

Here item (3) should read:

"(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."

Then, item (20) should read:

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

[Shri Bhupesh Gupta.]

The word 'economic' has been added in item (3) and the word 'exchange' has been added in item (20).

SHRI P. N. SAPRU: Sir, on a point of order, can the hon. Member make amendments to his amendments?

MR. DEPUTY CHAIRMAN: It is only a verbal correction.

SHRI BHUPESH GUPTA: He is very strict about it,

MR. DEPUTY CHAIRMAN: Please do not make a speech.

SHRI BHUPESH GUPTA: You can see what I have added.

MR. DEPUTY CHAIRMAN: Those corrections have been incorporated.

MR. DEPUTY CHAIRMAN: The question is:

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 avenue of employment in our villages through rapid and wide-spread 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 in a truly voluntary co-operative effort;

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

(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 relation 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;

[Mr. Deputy Chairman.]

(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 proposals to eliminate inter-locking take-overs, system of subsidiaries, but reconciles to the continuance of the managing agency system 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 has "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 lies 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;

(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 section 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 s(t 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 unemployed nor does it offer adequate employment opportunities even to absorb the new 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 2nd 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 rated 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

[Mr. Deputy Chairman.] non-developmental expenditure with a view to reducing it;

(51) the Plan proposals under line 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 short-comings 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 in correct and misleading in view of the fact that what is being really built is a capitalist economy; and

(84) the Plan should be reconsidered and revised so as to remove its short-comings 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 motion was negatived.

MR. DEPUTY CHAIRMAN: Now, Mr. Chettiar's amendment. He is not here. I have to put it to vote.

The question is:

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?"

The motion was negatived.

MR. DEPUTY CHAIRMAN: Now, Mr. Shah's amendment. The question is:

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'."

The motion was adopted.

MR. DEPUTY CHAIRMAN: Now, I put the amended Motion to the House. The question is:

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

The motion was adopted.

SHRI BHUPESH GUPTA: Sir, I want to point out that the Business Advisory Committee under your Chairmanship has decided certain things about

the timings. I do not object to it. But the time was exceeded. Always it is done when the Minister speaks. It is true that it should be given. Then, in that list you have said that "time permitting" discussion on the European Common Market will be allowed. I suggest, therefore, following this precedence that the discussion on the European Common Market should be allowed and we are prepared to adjust our time.

MR. DEPUTY CHAIRMAN: Order, order. There are two Messages from the Lok Sabha.

MESSAGES FROM THE LOK SABHA

I. THE INDIAN PENAL CODE (AMENDMENT) BILL, 1961

II. THE NEWSPAPER (PRICE AND PAGE) CONTINUANCE BILL, 1961.

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

I

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Indian Penal Code (Amendment) Bill, 1961, as passed by Lok Sabha at its sitting held on the 31st August, 1961."

II

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the Newspaper (Price and Page) Continuance Bill, 1961, as passed by Lok Sabha at its sitting held on the 31st August, 1961."

Sir, I beg to lay these two Bills on the Table.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at thirty-five minutes past five of the clock till eleven of the clock on Friday, the 1st September 1961.