

THE MINISTER OF INDUSTRY (SHRI MANUBHAI SHAH): (a) M/s. Giri Shekar & Company of Bangalore had formulated a preliminary proposal for starting a wine manufacturing company in Bangalore in collaboration with some leading and famous wine manufacturers of France. Government conveyed their views that in principle there is no objection to consider the scheme based on indigenously available grapes particularly where exports are a definite possibility and that the proposal can be examined on receiving fuller details such as requirements of imports and indigenous machinery, terms of collaboration etc. There have been no further developments in the matter and the Indian party has not approached the Government further so far.

(b) Does not arise.

(c) and (d) The latest information available on acreage of land where grapes are grown in India is for the year 1956-57 as reported in the Agricultural Statistics returns of the State Governments concerned, which is approximately 4,000 acres. Information, regarding total output of grapes and whether any expansion of the acreage of land under grapes is in contemplation and if so, to what extent, is being collected and will be placed on the Table of the House.

(e) Wine and Brandy, which are produced from grapes, are at present imported, and to the extent that indigenous production can replace current imports, proposals for manufacture could be considered.

PAPERS LAID ON THE TABLE

GOVERNMENT'S DECISIONS ON RECOMMENDATIONS OF *Ad Hoc* COMMITTEE ON AUTOMOBILE INDUSTRY

THE MINISTER OF INDUSTRY (SHRI MANUBHAI SHAH): Sir, I beg to

lay on the Table a copy of the Ministry of Commerce and Industry Resolution No. A.E.Ind.l(90)/60, dated the 6th September, 1960, containing the Government of India's decisions on the recommendations made by the *Ad Hoc* Committee on Automobile Industry. [Placed in Library. See No. LT-2355/60.]

THE SCOOTERS (DISTRIBUTION AND SALE) CONTROL ORDER, 1960

SHRI MANUBHAI SHAH: Sir, I also beg to lay on the Table a copy of the Ministry of Commerce and Industry Notification No. AE-Ind.13(10)/60, dated the 2nd September, 1960, publishing the Scooters (Distribution and Sale) Control Order, 1960. [Placed in Library. See No. LT-2351/60.J]

THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) SCHEME, 1960

THE DEPUTY MINISTER OF LABOUR (SHRI ABID ALI) : Sir, I beg to lay on the Table, under sub-section (2) of section 7 of the Employees' Provident Funds Act, 1952, a copy of the Ministry of Labour and Employment Notification G.S.R. No. 974, dated the 10th August, 1960, publishing the Employees' Provident Funds (Amendment) Scheme, 1960. [Placed in Library. See No. LT-2350/60.]

MOTION RE. DRAFT OUTLINE OF THIRD FIVE YEAR PLAN—*continued*.

THE PRIME MINISTER (SHRI JAWAHARLAL NEHRU): Mr. Chairman, I listened with great interest and much profit to the speeches delivered yesterday in this House with regard to the motion introduced by my colleague, the Planning Minister. We discuss here in this House, in Parliament, from day to day all kinds of important and less important measures. But I do think that when we talk about the Five Year Plan, it

takes us into almost another realm. It makes us think in wider perspectives, makes us look back and look forward, and it makes us feel as if we were actors in a vast drama that is taking place in this country. It is an exciting thought, this business of planning for India and working out the Plan afterwards.

We present to this House the Draft Outline of the Third Five Year Plan. Behind that Draft Outline, behind that Third Plan lie the First Plan and the Second Plan, for it must be remembered that the Third Plan does not come out of nothing. It is a growth out of the first two Plans, out of the last ten years' effort in India. Ten years ago or thereabouts we started a deliberate way and we made a deliberate attempt to plan, or rather to reorganise the economic life of our country, with a view to achieving the results aimed at. We had the First Plan, a relatively small one, a relatively, if I may say so with all respect to my colleague, planless Plan, in the First Plan, because we did not have the data, the statistics and all that and we merely collected whatever we had. But the Second Plan became a much more organised effort. We have had the experience, both by our success and by our lack of success. We had much more data, statistics and the like, and perhaps we had been educated also in this process, to some extent. And so out of the First and the Second Plans grew the Third Plan, out of our thinking which was not confined to the half a dozen or so members of the Planning Commission but in which numerous people had taken part. I should like the House to remember this. Many people, many panels, many organisations all over India, many experts, not only in India, economists and statisticians, trade union people, businessmen and others are consulted by us, students, college professors and the like. We have also had the advantage of consulting many eminent foreign experts "From

a variety of countries. They come to us not only because we invite them for our own advantage, but because they themselves and their countries are fascinated at this prospect of planning in India, this planning which is going to affect 400 million people. So out of this earnest, continuous, persistent and combined thought, this Plan has come. That, of course, does not mean that it is a perfect Plan. It is a Plan which is the result of the first two plans. It is a continuation of them and the result of a very great deal of joint thinking. This Plan again is but a step in the process which will lead to the Fourth Plan and the Fifth Plan and so on. In other words, this five year plan period is not an isolated period with which we are dealing, but something in a continuous process of economic regeneration of India which started ten years ago.

Looking at it, naturally, we look back to the last ten years, the results of them, our successes and our failures, and we look necessarily to the future. What are we aiming at and what are our objectives? How do we hope to achieve them? Immediately we do that, we begin to think in terms of perspective, in terms of long periods, not only in terms of doing this odd job here and something else there in which, no doubt, we are interested—we want in our various States and in India as a whole many things to be done—but occasionally we look at the picture of India as a whole, in this long perspective of, let us say, 15 years or 20 years or 25 years, because in building up the country, we cannot have bits here and there, but we have to have some kind of picture in front, of the whole as it is going to be. Even in a small plan, a plan for the Delhi city, they plan what it should be, say, 20 years from now. Much more so for India. Therefore, in considering this Plan we must have some objectives clearly in view and we must have some kind of strategy which we think will help us to realise these objectives.

[Shri Jawaharlal Nehru.]

The question obviously is one of enormous difficulty, because however much on paper you may decide a thing or not to do it, it is the people of India, the 400 millions of them, who will give the final answer, and the effort they put in and what they do and what they do not want to do. Nobody, not even the greatest autocrat or tyrant can ultimately force vast numbers of people to do this. Force can be used in some authoritarian method, but ultimately even that has got to have some backing. For us where we have got a democratic apparatus of government, obviously, the question becomes a more difficult one in the sense of inducing and enlisting the co-operation of the public at large to do it, because no government, however good it may be, can undertake these vast social movements without a very great deal of public response and help.

The question sometimes arises,—I do not remember if it was raised in this House yesterday—and the very essence of planning is challenged and the poor Planning Commission, they say, is a fifth wheel in the coach, coming in the way of Government, of the Ministries and the rest. Some people call it a super-cabinet and ask: What is it doing there? Now, all those who think so have not, I am afraid, really grasped what this is all about. They have not grasped the thing that planning is essential thing today in every country, even in those countries which have what is called free enterprise, although the planning there may be different. That however does not apply to us. A country, situated as India is, as any more or less underdeveloped country is, cannot move ahead without hard planning and hard work. It cannot be left to the advocates of free enterprise and the like. I am sorry to say anything about them but it is a matter of continual astonishment that we should have relics, museum-pieces, of the past, mentally speaking in this country. T just cannot understand it; no-

body can understand it, not even, I say, men in America or England which are capitalist countries. Even they realise the necessity for planning in India, and the necessity for planning more or less in the ways that we are doing it but some people here, isolated from any modern thought, modern developments, living maybe in some kind of a circle of stock exchanges and imagining that that is the world, think that planning is bad and that it takes away one's freedom. Freedom for what? Freedom to exploit? Freedom to make vast sums of money? Freedom to create monopolies? If that is so, yes; I say it does, and we are intent on taking away this freedom to exploit others. I hope the time will come when even the existing freedoms for exploitation will be strictly limited. In fact, one of the big things of planning is to do that, and I quite appreciate what was said yesterday in some of the speeches that in our planning we have not proceeded far enough in that direction. I hope we will. We must realise this.

The Planning Commission is not a cabinet, much less a super-cabinet. The Planning Commission has no executive functions. It has certain advisory functions, very important ones perhaps. It might be worth while to remind this House of what these functions are. It is almost exactly ten years ago that the Government of India issued the Resolution about the Planning Commission. It said:

"The Planning Commission Will

(1) make an assessment of the material, capital and human resources of the country, including technical, personnel and investigate the possibilities of augmenting such of these resources as are found to be deficient in relation to the nation's requirement;

(2) formulate a plan for the most effective and planned utilisation of the country's resources;

(3) on a determination of priorities, define the stages in which the plan should be carried out and propose the allocation of resources for the due completion of each stage;

(4) indicate the factors which are tending to retard economic development and determine the conditions which, in view of the current social and political situation, should be established for the successful execution of the plan;

(5) determine the nature of the machinery which may be necessary for securing the successful implementation of each stage of the plan in all its aspects;

(6) appraise from time to time the progress achieved in the execution of each stage of the plan and recommend the adjustments of policy and measures that such appraisal may show to be necessary; and

(7) make such interim or ancillary recommendations as appear to it to be appropriate for facilitating the discharge of the duties assigned to it or on a consideration of the prevailing economic conditions, current policies, measures and development programmes or on an examination of such specific problems as may be referred to it for advice by the Central or State Governments."

This is fairly comprehensive but essentially it is advisory in nature. The advice in such circumstances may be very important which cannot be bypassed, that is a different matter, but it advises the Central Government, it advises the State (Governments). It has to appraise the results—this is something to which I should like to draw the attention of this House —to look at the implementation of it. It has to see as to what is being done, the performance part of it, not merely to advise and forget. Perhaps, I say so with deference to the Planning Commission, it has not done that

adequately enough in the past. It has to appraise from time to time the progress achieved in the execution of each stage. This is of the highest importance.

We have often talked about how much money has been spent and criticism has been made that this is not being spent and questions are asked as to why that "has not been spent. It has always struck me that we are all looking at things in a very imperfect way; the question is, what has been done, not how much money has been spent. Maybe the quantum of money spent is an indication of what ought to have been done or might have been done but the real thing is what actually has been done. Therefore, it is of the utmost importance, this business of appraisal. Naturally, this is a business which the State Governments and the Central Government should take up, and to some extent they do take up but the Planning Commission, with its all-India outlook, is best placed to look into it and to advise and report as to what is being done.

When we plan, obviously we have to be clear as to what we are aiming at, what is our objective. We cannot plan in the air. We have laid down our objectives, not very precise

ly always but certainly sufficiently clearly to guide our path. You may say, we want higher standards of living for everybody. I suppose everyone agrees with that. It does not take one very far; we may say, as we do, that we want to put an end to exploitation of individuals or groups by other individuals or groups, that we want relative equality. I say relative because absolute equality is not feasible or possible or perhaps even desirable, I would say. We say that every person must have the chance or opportunity to lead a good life, to get the proper training to get the wherewithal to have the primary necessities of life. It is up to him to see whether he makes a mess of his life or not; nobody can guarantee it

[Shri Jawaharlal Nehru.] but he should be given an opportunity and the State should try and help in building up a structure in which there is no exploitation and there is no large measure of inequality. All this put together leads us to the conclusion that we want a socialist structure of society, socialist in the widest sense of the word. All this leads us to the conclusion that the principal means of production should be owned by the State or by the people because where the principal means of production are owned or are in private hands, they may lead to private exploitation, to private monopoly and the like. Therefore, we are opposed to it, and indeed our Constitution has laid it down that monopolies should not be encouraged. It is of the utmost importance that this concentration of wealth and concentration of economic power should not be encouraged and should be actively discouraged. Broadly you may put your ideals in that way. In effect, our planning, the Third Plan or any other plan, concerns itself with the proper production of wealth and the proper distribution of it. There are other factors of very great importance, of course, outside the accumulation or the distribution of wealth; there are moral and ethical factors which are of great importance. For the moment they do not come into this picture in the direct sense, indirectly they may and it is very important. Indeed, when I say I believe in socialism, it is not only because I think it is the best way to solve our problems but because it is an ethical way, it is a moral way, and I believe that a society which is entirely an acquisitive society as an immoral society, and I do not want that sort of thing. Such societies functioned and succeeded in the last hundred years or so for a variety of reasons. The country that succeeded had colonies, had this and that and the world to exploit and they managed to get away with it. We have not the world to exploit even if we wanted to. We have to function in the limited, though

big, sphere of India. Conditions are different but apart from that, I am quite sure that the whole Indian genius attaches certain moral or ethical values to the political or economic structure. Therefore, I merely mentioned this because when we talk about a socialistic pattern of society, it is not some artificial thing which we create. It has a basis deep down in our minds and hearts and therefore we are after it with passion not merely for the sake of argument but we believe in it. We have believed in it and we are likely to continue to believe in it and to work for it. But it is true that frustration often comes to us because we cannot implement our desires as we want to. We have to deal with conditions, we have to deal with age-old practices, ways of thought, ways of action and it is very difficult, we find sometimes, to jump over all these obstacles. So what have we got to do today in India? You may describe it as you like; in effect we have got to get out of numerous traditional ways, traditional ways of thinking, traditional ways of acting, traditional ways of production, traditional ways of distribution and traditional ways of consumption. We have got to get out of all that into what might be called—if you like you may call it—more modern ways of doing so. What is modern society in the so-called advanced countries like today? It is a technological society, a scientific and technological society. It employs new techniques, whether it is in farming or in factory or in transport or in anything that you do. The test of a country's advance is how far it is utilising modern techniques. Modern technique is not a matter of just getting a tool and doing something. In the final analysis the modern technique in a large way follows modern thinking. You can't get hold of a modern tool and have an ancient mind. It won't work and therefore you come up against this fact of 400 million people of India, very fine people, very capable people, very intelligent people, but having functioned for ages past in certain

ruts of thought and action, like our peasant; it is an amazement to me and it is a matter of shame to me, that any peasant should go about today with a plough which was used in vedic times. There has been no change since then. It astonishes me; it should have been a museum piece, yet the fact is, it is there; not everywhere but in many places. So if we want to solve our problems—to put it simply, the problem of providing enough wealth for a satisfactory living for all our people and proper distribution of it—we cannot do that without applying modern techniques and science. That must be recognised. If we have to apply modern techniques, then we have to build up those techniques, build them up in our minds and in other ways. It is no good buying a few machines from abroad or buying a few text-books from abroad and putting up some factory or the other. The factory is useful but it is something deeper than one is after because we are trying to shift in our methods of production and the rest from a period which may be called, say, 200 years ago or more and we have to make a jump from 200 years ago to now, and now being also the period which is constantly changing. In other words, we have to develop in India a technologically mature civilisation or culture or call it what you like plus other things. I do not say that is enough; and we have to adapt it to many things which we value in our history, culture, thinking and the like. Merely being an efficient machine, for a society merely to be technologically mature and nothing else may well be fatal just like the atom bomb which may kill the world. It is possible you want something else besides atomic energy and the hydrogen bomb for the world to survive and go in the right direction. So also we, wanting a technologically mature civilisation, also want many other things, otherwise that technology may even lead to evil results. I am merely repeating that so that this may be kept in mind. But for the moment I am talking about <

technology and we have to improve, develop; whether it is in the field or in the factory, technology is represented today by the machine, tools and the like. People talk about industry and industrialisation. Everyone demands that we have to be industrialised. Then some people say our agriculture should be given greater pre-eminence. Well, of course, we must agree that agriculture is of the greatest importance to us and everything that we can do in agriculture must be done. But I do not think it is right to think of industry and agriculture as if they were in separate watertight compartments. They are intimately allied. There can be no progress in agriculture without progress in industry, without progress in tools, without the habit of thinking in terms of better techniques and better tools for the agriculturists. It is not merely a question of throwing a lot of fertiliser there and getting a good crop. You get a good crop no doubt but you stop there. In the next step you may be missing. Even today our agriculturists demand more and more steel, more and more iron. We have got it now and we can supply as much as he wants so that he can have the tools he wants. So one has to consider all these things. I recognise that as things are, greater agricultural production is of "vital importance and we must do everything in our power for that. Having recognised it, I come back again to the other thing—how will I give greater production? Certainly, we all know; somebody will say, well, better implements, better ploughs, better seeds, more irrigation, more fertiliser, more manure, etc. etc. Everybody knows what has to be done and where it has been done, it has yielded results in India and very fine results. Yet when you spell it out, 60 million farming families in India—the problem becomes big. The problem becomes big—it is not a question of lack of resources; that is a small matter—because you have to train up 60 million families, that is, mentally adapt them and make them do this job

[Shri Jawaharlal Nehru.] as they should. That is the problem. It is quite right that we consider here how much fertilisers we should have, how much this and how much that but basically it becomes a question of getting a move on with 60 million farmers or farming families in India. It was with this object in view that we started the community development movement a number of years ago to change the atmosphere of the rural areas. I think it did a great deal of good but I must confess that after a while it seemed to lose its shine. It again got into a rut as everything tries to do. Unless you are constantly awake, things get into a rut; things get officialised; things get a sort of tied up with bureaucracy and the like. I am not using the word 'bureaucracy' as a bad word because in socialism you have plenty of bureaucracy; you won't escape it. Some people who talk about socialism when they talk about bureaucracy, it does not quite fit in but nevertheless . . .

SHRI BHUPESH GUPTA (West Bengal): We have a special type of bureaucracy.

SHRI JAWAHARLAL NEHRU: Some people are more equal than others. So it became rather not static but still slow-moving, this community development movement, and in fact oddly enough the very enthusiasm of the officials in charge of it on the one hand had good effect and on the other a bad effect because they tried to do everything themselves and the others, that is, the community waited for them to do it which was not our objective. We want the community to do it, and so all that it did. I think, it has done wonderful work, the community development movement, and it will continue to do that work. It is easy for us to criticise it and our criticisms are justified often. Nevertheless, looking at it as a whole, as a picture, and

thinking of this vast problem of moving hundreds of millions of people out of their rut of thought and action, I think it has done fine work. Nevertheless, it began to slow down, I think, slow down in its creative energy and creative impulse. That is the position we have had to face in the last year or two. Then came the stress on two or three things, going on to what is called by those horrid words . . .

SOME HON." MEMBERS: Democratic decentralisation.

SHRI JAWAHARLAL NEHRU:.... democratic decentralisation'. I have said it. It is almost a test. However, we have always talked about panchayati raj. Of course, that has no particular meaning, but the content of it was throwing the burden on the panchayats, giving them resources, giving them authority, telling them to go to God or to the devil, as they chose. It is always essential in such matters to have liberty to go to the devil, because if you do not give that liberty, the fellow does not go to God either. He does not do anything. Somebody else is in charge. Therefore, it is essential to give them power and authority, even taking the risk that they will misuse it. Only that way they can learn. Now, I cannot say we have had too much experience of this. Certainly we've have some experience, and some good experience in two or three States, notably Rajasthan and Andhra Pradesh. In Madras and elsewhere in several other States, it is coming. I have no doubt in my mind that this experiment, this new change, this panchayati raj business, taken together with some other things, is a revolutionary change in India. With the full meaning of the word I used, it has changed, it is changing and it will change the whole texture of our society, of our thinking, of our acting. It is an exciting thing to see: among these people, these *Pan-chas* and *Sarpanchas*, who have been charged with this work, and listen to

their questions and criticisms and all that. You see a mind work, a mind grappling with new problems, a mind which had never thought that there was any problem except to go to the big *Sarkar* or the big 'Lord-Saheb', whatever it is, for something. Now, he knows that he has to do it. He does not run up to anybody. He does not run up even to the Minister or the Deputy Commissioner. Once or twice he tried to do so. He was told: "Why do you come to me? You can do it." He went back saying that he had to do it. It is an enormous change. There is this change coming over hundreds of millions of people. It is the biggest revolution you can imagine and it is a peaceful revolution. That is all kinds of changes are taking place everywhere, changing their functioning as we see it. And that is more important from the point of view of food production than all the fertilisers that you can give. If you can give them fertilisers, of course, by all means produce them, but the main thing is this awareness, this receptiveness of the farmer that is coming, and that is a thing which nobody who goes to him can miss, not even the foreigner who comes here. Looking at the work we do and the reports they have written, they were surprised at this new receptiveness of the Indian farmer which is coming. It is a basic change and I would like particularly to draw the attention of the House to this, because out of that comes this change-over to better techniques from an active, receptive mind. Look at the exhibition last year, the World Agricultural Fair. Tens of thousands of farmers came here and it was a pleasure to me that many of them came to my house. I do not know how many came, but thousands of them came to me every morning and they were telling me this: "Oh! we saw that machine, that small thing." They were not too much interested in the big machines—they are beyond their comprehension—but the small things, which they could use, and they asked questions about them. They wanted to understand them.

They told me about them. It was really a most exciting thing to talk to them. Normally, to talk to a peasant is not exciting, because if I may say so, he is rather dull. There is nothing new about it, but there was this element of excitement about their talk which they conveyed to me. There was a very interesting, I think, pub-He opinion survey as it is called of those people who came here, not all the thousands, but I think, nevertheless, a sufficient number of them. It is a very close survey, it is a very interesting survey, how the mentality of the peasant in India is changing. Of course, there is no doubt that the people who came here represented rather the higher type of peasant. That is true of the 20,000 or 30,000 who came here. So, this basic change is happening and this is important from the point of view of food production, because we are diverting all this thinking towards more food production, utilising better techniques. And it really means changing rural society, this new thinking plus the new education that is going to them. All this, of course, is changing the whole picture.

Now, looking back over these ten years—I shall be quite frank with this House—I feel disappointed in many ways, because we have always tried to look up, aim high, to go faster and faster and the disappointment comes for a variety of reasons, many of these reasons being not directly connected with planning. They are extraneous to planning, but affect our work, all our conflicts which are there. Provincialism, casteism, linguisim, and what not come in the way of planning and break up a united approach. Of course, this is a problem of united approach. This is not—at least we do not conceive it to be—a party approach or a purely governmental approach. It is essentially a problem in which there should be, broadly speaking, a united approach, maybe with differences here and there. So, I have felt often enough rather disappointed, rather dejected, be-

[Shri Jawaharlal Nehru.] cause things had not happened exactly as we wanted them to happen, constantly difficulties, unexpected ones, coming up. And yet looking ba

ck over these ten years and looking at the picture as it is today in India, I do not feel dejected or disappointed, because the picture that one sees as a whole in spite of these troubles, the picture that one reads as a whole, i.e. of the nation, of the people, throbbing with activity, moving forward, making mistakes, stumbling, falling, getting up and moving forward, whether it is in agriculture or whether it is in industry. I have only just said something about agriculture. Taking industry, industry has made a much more spectacular advance and I use the word 'spectacular' advisedly. It is spectacular. It is not a solid advance, but it is a very big advance. On the one side, we see the firm foundation of heavy industry has been built up, on which future progress so much depends. On the other side, innumerable small industries, factories, are growing up all over the place. You can feel the air is throbbing with industrial activity. Apart from this, you can measure the indices of production, etc. They are very extraordinarily encouraging

Talking about statistics, whether of food production or other production, broadly speaking, apart from here and there, they are very satisfactory. They are not quite satisfactory, as they should be, about food. Yet they show very considerable progress. I hope they will show much more. There is another aspect of these statistics which has rather forcibly come before me in recent weeks. It is now almost universally recognized that our statistics are always understatements. They are on the side of understating the position. We have two sets of statistics for food. They are both scientific approaches. They differ so much that I dare not tell the House how much they differ. But take other things, industrial statistics. Even now statisticians, if I may say so with great respect to them, move

in the old ruts. The indices of production are based on jute, cotton, maybe tea, some odd things like these on which we have lived by export for all these long years. All this tremendous expansion of small industries is almost, left out, because there are no figures for it. It is unorganised, nobody knows. You can see the wretched thing but it does not translate itself into statistics. So, experienced people who look at this picture have come to the conclusion that our statistics are gross under-statements of what is being done in India. It is a fact to remember, and I hope our statisticians will widen their vision and look round a little more arid not live in an atmosphere of jute and cotton and tea only. Other things happen in India, and that applies of course to our Ministries, the Commerce and Industry Ministry. We talk about exports, and export has become a vital thing for us, obviously. But it is difficult to move out of that circle of cotton and jute and tea. We are moving out and our Ministries are doing the hardest. But the fact is that we must get out of that rut and explore new avenues, as we are doing in fact about engineering goods and the res*.

Now, take another look at this picture. Take health. In India I believe that the present expectation of life has risen to 40 or 42 which is a fairly big jump. It was in the twenties, I believe, or somewhere there, then gradually it came to thirties. Now, to reach the figure of 42 is a big jump. It shows how the health of the country has improved. Health is not an isolated thing. Health means the general conditions in the country. Health means not swallowing drugs but better food in the country, people eating more, apart from other things.

Another thing, education. Now, we may criticise education, the quality of it, and we are justified. But it is a fact to remember that 45

million boys and girls are going to schools and colleges today in India. It is a substantial number, 45 million, more than the population of most of the countries in the world. And this number is growing fast, and I am told that at the end of the Third Five Year Plan it is likely to be 65 million. Finally, everyone can judge for himself just seeing people, village crowds, city crowds, what they look like. They are better fed, they are better clad, they look better. See the vast number of people who travel by bus, by truck and by railway, and all that. How? All these are signs of growth, of economic growth, of economic prosperity which you see everywhere. Of course, this does not mean that everybody is sharing in it. Some people, large numbers have not shared in it and live on the verge of almost, shall I say, lack of the primary necessities of life and all that. On the other side you see a small group, relatively small group of really affluent people. They have established an affluent society for themselves anyhow, though India may be far from it, and you can see that happening. Examine the recent company floatations. It is an astonishing thing. Imagine a company is floated. Maybe, the capital required for it is, let us say, Rs. 1 crore. But twenty crores of rupees roll in. One case I remember where the capital was about Rs. 1 crore 65 lakhs. The applications were for Rs. 98 crores. For a capital of Rs. 1 crore 65 lakhs the applications to take the shares were for Rs. 98 crores. Of course, it will have to be returned, that is, the 25 per cent, cash, Rs. 24 crores in the bank. See how much it is. In these company floatations you see the state of the money market and the amount of money that is in the country. True, the money is in limited hands but not so very limited. Apart from the members of the narrow affluent society in India there are others today below that scale but in the well-to-do class, much larger numbers than previously. Take shops. They are full of goods and full of purchasers everywhere we go. All these

are signs of economic activity, prosperity, not shared by all I am prepared to admit, some people suffering from all kinds of lack of goods and other things. But we must look at this picture. I admit that this picture may be a lop-sided picture. That is the position the new wealth flowing in a particular direction and not spreading out properly. I think that is so. To some extent that is inevitable in a growing economy. It happens, and in order to avoid that one has to take measures to prevent it. Normally, that happens if you leave things to themselves. Wealth grows into more wealth. "Unto those that have more shall be given", that is the law if you leave things to themselves. And that is the law in which some of our friends believe who do not like any planning, any countervailing measures or anything like that, and they consider that it is the right of the free man to get his wealth. So, it does indicate a certain flow of wealth. Wealth has spread out much more than previously, but it does flow more in a certain direction, and a large section of the population has not profited by this increase of wealth. That is a matter to be looked into and, as you know, we have suggested some kind of enquiry. It is not an individual enquiry. As my colleague said, it is not a witch hunt of individuals but it is rather to see what these tendencies are for wealth to flow in certain directions and how we can check them and prevent monopolies, etc. from arising.

Now, this is the general picture, the general picture of a very great increase in economic activity. In spite of all the troubles and difficulties, in spite of all the distress of many of our people, it is nevertheless there. There is also the fact that a solid foundation has been built up of heavy industry. I attach importance to that because without that heavy industry, I submit there is no industrial growth, real growth.

[Shri Jawaharlal Nehru.] 1 P.M.

And that again brings us to the question of strategies. An honoured Member in the other House asked, "Why don't you just sit down and rest?" He was not referring to the Government. He does not want them to rest, I take it, but he was referring generally to planning. He asked, "Why not stabilise? Why not just let the country take it easy?" Now that conception indicated to me, if I may say so with all respect, that he was not thinking on practical lines. There is no rest. It is an impossible thing. You cannot rest. It is a moving thing; it is a dynamic thing; various dynamic forces are at work. You cannot. You are riding a tiger. You cannot get down. You will be swallowed by it if you get down and rest. There is no rest and you have ever to go faster and faster, not slower, because other things do not rest. Your population does not rest; it goes on increasing, and so many other things, happen. We do not rest. How can you rest? It cannot be done. Therefore, you have to think in terms of an ever more rapid pace of growth. You measure it. Five per cent, per annum or whatever it is, you measure it. Five per cent, we have said. Well, 5 per cent, may be big, may be small. It depends upon how you look at it. But it is the least. There is no help for it. Our population goes up at the rate of 2 per cent. If you produce 2 per cent, only, it means that you remain where you are. That is you work hard and produce 2 per cent, and remain where you are. You have to give some benefits to the people, to those who lack them, and you must have money for future progress, for investment, etc. So, 5 per cent, is the very minimum required by us.

Now again, to come back to this business of strategy. If you have to industrialise, you want new tools, new techniques, new machines. You

cannot depend upon foreign countries for all these. The foreign exchange component, everything, will always remain like that. Therefore, you can only make rapid progress when you have built up a strong foundation of a heavy industry. It means the machine-making industry, the iron and steel industry, the chemical industry, coal, transport, etc. The sooner you build it up, the sooner you get free of this dependence on others. If you do not build it up, it does not matter what you do; you will always be dependent. Therefore, the test of a country's advance in industrialisation is heavy industry, not the small industries that may be put up. That does not mean that small industries should be ignored. They are highly important in themselves for production and for employment. And in fact, I think small industries are going up with remarkable speed in India. Go to Punjab or go to the South or go to other places. It is most heartening to see this tremendous activity in the small industry field. Nevertheless, the basic thing is heavy industry. Therefore, our strategy requires us to concentrate on iron and steel, concentrate on machine-building, concentrate on electricals, this, that and the other, which are the basis of modern growth. Concentrate on power, concentrate on coal. Some of the captains of industry in our country ask, "why do you want more and more steel in this country? You will not be able to absorb it, and therefore it is too much of a burden." Now, that is an extraordinary argument because I say, that does not matter how much steel you produce today—three times, ten times, fifty times—you will always find a use for it. It does not matter how much power you produce; you will always find the use for it in India, as it is today, with a growing economy. Do you imagine that we shall produce steel and not find a use for it? It is looking at these things

in a most restricted and limited way, not realising the dynamics of social growth today. We had a steel plant

in India put up by one very great Indian, Tata, a little over fifty years ago. He had vision, he looked ahead and all that. And yet after fifty years of that plant, we had no capacity to make another plant. We relied on America or Germany or some other country to provide that. That is how industrialism cannot grow. We had a magnificent plant at Jamshedpur which had no offspring. If we want another plant as we did, where have we to go? We have to go to Germany, England, Russia or America. All these we could not build up then. We are dependent all the time on others. We hope that this process of dependence will end in five years, ten years. It is not enough if we merely malre spindles or small things here. But the test of a country lies in its making a steel plant, making these big plants. When it can do that, it can make everything else.

Look at it from another point of view, the point of view of advance. Everyone realises, or should realise, that defence today is mainly a question of defence science, progress in defence science and defence industry. If we have not got that, well, we are to that extent weak. We come back again to heavy industry. It is the base of defence today. And yet people ask, "Why do you have heavy industry? It does not yield quick dividends. It takes a long time. It absorbs money." Anyhow, the strategy we will continue is the strategy of industrialisation for us, that is modern techniques and modernisation which mean the use of modern tools in agriculture, in industry. That leads us to the manufacture of those tools and machines that lead us ultimately to the manufacture of the big machines which manufactures those tools and machines. We come back to the basic thing both from the agricultural point of view and the industrial point of view. That is the strategy.

Now, in giving effect to that strategy, naturally all kinds of practical considerations come in. Our resources, the

capacity of our people, our trained personnel, all these are factors which have to be taken into consideration. In the ultimate analysis, the only thing that counts is the trained man, not money. A man produces money or rather the things that make money. Trained personnel is the most important thing of all. Of course, money helps in the modern world as it is, and we want money. Especially, in the initial stages, every country has wanted money and used it in its initial stages. So, we have to advance on these lines with these limitations, and the trained people are above all because in a measure only the trained people really matter. Well, widespread mass education creates a base for advance and a base for the selected people to come out:—selected people to be counted by the million, not a few selected people, hundreds of thousands of them, if you like—in every specialised branch of activity. That is the basis, and this should apply to agriculture as well as industry. That is a broad strategy. Now you have to fit that thing, as I said, into your resources, into your man-power, into your capacity for hard work, because it is only the measure that we work that will produce things. And then the economic consequence of these prices which is so important for us today, more especially of these very special goods—necessities of life, food, etc. This is of the highest importance. I dealt with it to some extent yesterday. I feel that we should be in a position, we must be in a position to control these basic prices.

I would like to add to this that while we talk so much of inflationary pressures in this country, even now we are much better than most of the countries of the world. Outsiders who have come here are rather surprised at the lack of inflation here; it is surprising. Broadly speaking, there is this tendency as there must be in a growing economy, but outsiders have expressed surprise that we have managed to keep them under some kind of check.

[Shri Jawaharlal Nehru.]

So, I would beg this House to consider this question in this broad perspective—look at the past ten years and think of the next ten years or so—and see how we have made Indian economy dynamic, progressive, taken it out of the rut, even taken the farmer out of the rut and laid the foundations of more rapid progress in the future.

Now, there are certain matters to which I shall refer somewhat briefly. I think someone mentioned State trading, in foodgrains specially. I think we must progressively investigate more and more avenues of State trading, certainly in foodgrains but others also. There has been some State trading in foodgrains, but broadly speaking, it is true that we have not succeeded in doing what we intended to do, partly for lack of apparatus and partly because we asked the people to do it, the very people who were opposed to it, the petty shopkeepers and others. These are the difficulties. But I think we shall get over them. Of course, it is the development of the co-operative movement that will facilitate all this process of distribution.

SHRI BHUPESH GUPTA: But the Food Minister does not seem to favour it. That is what I gather from his statement.

SHRI JAWAHARLAL NEHRU: You might have read the Food Minister's statement in regard to some particular aspect of the matter

Then, someone expressed some doubt as to our broad industrial policy. I should like to say that we adhere firmly to that policy. In certain matters it may appear that we have perhaps relaxed. Take, for example, fertilisers. A criticism is made that we are allowing private firms to put up a fertiliser plant. Yes, we are going to allow them, for the simple reason that we want as much fertilisers as possible and we are putting up our own public sector plants—many of them up to the limit of their capacity,—and we

thought it better to have more fertiliser even at the expense of some relaxation in this matter than be rigidly orthodox in it.

Then, some hon. Member talked about defence. Of course, this Plan does not refer to defence at all. Except that it takes for granted that certain expenditure on defence, which is more or less the present expenditure, is allowed for, it does not. And it is difficult for this Plan to do so indeed. But this House will appreciate that defence is a matter which is very much before us in itself, and we are spending very considerable sums of money chiefly on road construction and on certain other aspects too.

Recently we have had, as we often have, floods. I hope I will not shock any person by saying that I am not frightened of floods. They are a nuisance. They do injury and they do harm. They create distress. Nevertheless, I am not afraid of floods. We can and we should take measures to meet them. One of the measures that we should not take as far as possible is putting up bunds and embankments. Everybody seems to think that the way to meet a flood is to stop it by a wall. I do not see how you can prevent a flood by a wall; I do not know. In some future age science may advance to that degree, but at the present moment floods cannot be prevented.

AN HON. MEMBER: Stop cutting trees.

SHRI JAWAHARLAL NEHRU: Floods can be utilised, can be diverted or used, as far as possible, for better purposes because each flood brings a better harvest, renews the soil and all that; it is advantageous. Now, our difficulty has been firstly cutting off many trees which, of course, should not be done. Personally, I rather like trees as entities, if I may say so, a part of the economic content. It hurts me to see a tree being cut down, specially a noble tree. I think a person who cuts down a tree should be

sent to prison for a few days. The tree even in his private garden is something more than his private property; it is a national property, and there should be a rule that for every tree cut down, at least two should be planted. That is important.

Sir, other difficulties have arisen because in many areas like Orissa—from where I have come only yesterday—owing to the growth of population people inhabit the low lying areas which used to be uninhabited. There water came and went. Now, people live there and they are swept away when waters come. Anyhow, obviously, there is a tendency—I may say so again with respect—rather to give too much of a sensational turn to these. The news in this morning's papers about the danger to Rohtak appeared to me to be exaggerated very much so. Of course, Rohtak, is in difficulty. I do not deny that and we should do everything. In fact, our Army is functioning there. Big headlines appear every day on the side of exaggeration and sensationalism. So also in Orissa, it was a tremendous flood causing great damage. But oddly enough, I found the people of Orissa much more calm about it than the people in Delhi, specially the newspapers. So, we have to deal with this problem in an engineering way, in other ways, whatever they may be. I do not think in the long run, except for the fact that they involve large sums of money which we have to spend on them, this need come in the way of our broad Plans.

I fear I have taken a great deal of time. I am grateful to the House for their patience and understanding.

DR. H. N. KUNZRU (Uttar Pradesh): May I put a question to the Prime Minister? The Prime Minister referred in connection with inflation to what was happening in other countries. There are many countries in* which there is inflation, for instance, England and France. Perhaps there is more inflation there than in any other country. But is the comparison between India and France valid? What

is the wealth of France or, say, of England? Is not the condition of the workers such that they do not bother about inflation? Do you find anybody in England or in France at least who bothers about inflation? But what is the position here. We all bother about inflation and the moment prices go up—the prices of essential commodities—there is an outcry in the country because of the general poverty.

SHRI JAWAHARLAL NEHRU: The hon. Member is completely right.

SHRI BHUPESH GUPTA: May I ask one question about State trading? It does appear from the Third Plan Draft that there is not yet any clear-cut scheme regarding State trading either internally or externally. I do not know whether anything is being done, especially when we know after all this planning in the course pf the last 3 or 4 years, nothing has been done with regard to State trading so far as food is concerned, although the Prime Minister himself in this very House said that he was very serious about it and that he would like to see this done. What steps do the Government propose to take, broadly speaking, with a view to developing State trading?

• SHRI JAWAHARLAL NEHRU: That is too big a question for me to deal with, and frankly, I am not quite sure what we shall do about it because to deal with it broadly is one thing. We have to consider it ourselves. It depends on many things, many factors and many circumstances.

SHRI MOHAN LAL SAKSENA (Nominated): Mr. Chairman, Sir, I find myself in a little difficult position having been called to speak after the long instructive and informative speech or shall I say, discourse, by the Prime Minister.

[MR. DEPUTY CHAIRMAN in the Chair].

In the other House the Prime Minister himself had said that it was not possible to do justice to the Plan in the course of one or two speeches. If that

[Shri Mohan Lal Saksena.] is so in his case, with all his ability, with his vast experience, and with his intimate knowledge of planning and also of the document before us, it is simpl' impossible for us to deal with even some of the salient features of the Plan within the short time that you may be pleased to allow. I have therefore decided to deal with only two important matters, namely implementation and resources. But having to speak after the Prime Minister, I have to refer to some of the points he has made. I may state at the very outset that I do recognise that a great deal of thought has been bestowed on the preparation of Draft Plan, and a lot of time and trouble have been taken over its preparation, and I also admire the patience and optimism of its authors and I can even understand the tone or note "of optimism that runs throughout the document yet I cannot see my way to congratulate them for the document before us. For, after 10 years of functioning of a full-fledged Planning Commission in the country, after the working experience of two plans, I expected a different kind of document, a more realistic and businesslike stock-taking of our efforts in the past—our achievements, failures and also the prospects for the future. The picture, as the Prime Minister said, of the India to come is there but I find that in important parts it is not clear. The lines are not at all distinct and even some of the lines made clear in the previous Plans have been blurred, and they are not intelligible. For instance, certain needs which were described as basic needs of the people have been referred to in this Draft as amenities. I give only one instance. Supply of drinking water for the villages was referred to as a basic need in the Second Plan and in this Plan it has been referred to as an amenity. I do not know what it means. Again, I find that the Draft is not as clear in dealing with the problem of unemployment as was the Second Plan. We have been given certain figures but I do not find an answer to the question, which I think is a great challenge not only to the

Government and the planners but to everyone. It is the unemployed in the villages or in the cities who are willing to work and we cannot offer anything to them. Have they to wait for the implementation of so many plans? Have they to wait for the development of techniques and all that? So I say that this Plan does not give a correct picture of the India to come. I admit that there have been remarkable achievements of which we should be proud but the question is not that we have not made remarkable progress but have we fulfilled the task that was assigned to us? Have we fulfilled the task that we had set for ourselves? Still more, could we not have done better? It should be remembered that the Planning Commission was appointed after the Constitution had been framed. The Constitution had given certain Directive Principles and it was expected that the Planning Commission would come out with a plan for the implementation of those principles. I can give only one illustration. The Prime Minister talked about so many millions of children going to school. But how many millions are there who are not going to school? The Directive Principle lays down that by the end of 1960 all children up to 14 years should be in schools and now we find that even by the end of the Third Plan we will not be able to send all children under 14 to school. We will be able to send children only up to 11. I know that there have been difficulties but then we should be bold enough and honest enough, to say that it was an impossible Directive that was given in the Constitution, that it should be modified and that it should not be there. About the other Directive Principles, I do not want to refer. I do not have the time either.

I may point out that while I appreciate the remarkable achievements made—and I take pride in them—I al^o have to share the blame for what has not been done. In the Second Plan you had fixed certain targets. Of course, the prices went up by 20 per cent. Now, you are going to make

certain investments in the Third Plan. I have the authoritative opinion of an economist—who says that if you want to achieve the targets of national income etc. as envisaged for in the third plan period in the Second Plan you will have to invest Rs. 15,000 crores and not less. So we must not be satisfied with that. I say I can understand the note of self-satisfaction on their part because, but for that, they will not be there and they would have left the job long ago. So we have to devise ways and means. The Prime Minister knows that I have given some thought to the problems confronting us and I have sent suggestions to him from time to time and he has passed them on to the Planning Commission. Sir, at the time of the preparation of the Second Plan I had sent some suggestions and one of them was that I wanted to provide work to the unemployed in the villages. It is ^{aid} that we do require better technique but I know that in the villages where you have provided irrigation facilities, better seed and fertilisers and done everything to help the agriculturist, Still the yield per acre has not gone up. There have been prize competitions but that is a delusion. You put so much fertilizers in a piece of land and you can show a bumper crop but the average has gone down. My answer to that was that the land was not getting the proper or full quota of labour that it needed. Even if you have a ceiling of 30 acres, what will happen if the people are not there to put in the required labour on this land? In former days when there was kind economy and not cash economy, if one man wanted more labour he could get it from his neighbour and later on he could share with him some of the harvest. But at present he has got to pay for all this labour in cash and therefore the land is not getting sufficient labour and therefore he employs only as much labour as is absolutely necessary to him. He cannot even lease out the land on the "beti" system as before because of the rent laws. And the result is some 50 lakh acres are left uncultivated, land which is cultivable, in every harvest season

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and in every village. For this also I had drawn up a scheme which has been there for the last six years. I had suggested that there should be labour co-operatives. You are concentrating on land co-operatives and on service co-operatives. But in these only those who have got land stand to benefit. My idea is that everybody who has got hands to work should be a member of the labour-co-operatives. My scheme was that we should have all those as members who were prepared to give one day's labour per week by way of subscription. On the other hand the co-operative was to guarantee five days' work to its members. I will not have to wait for legislation for fixing the ceilings. The co-operatives should see that every piece of land in the village is put to the fullest use and is cultivated properly. I showed that it would be possible to give work to the people and also that it would not cost more than Rs. 3,000 by way of loan and Rs. 2,500 by way of grant to start a labour co-operative with 200 members. I could not be sure about these figures but that was my estimate. I would have liked the Planning Commission to work out the figures after working pilot schemes. Last month I was invited to a meeting at which the Planning Minister was present and I was surprised to learn that he knew nothing about this proposal of mine. I had sent it to the Prime Minister and also it was published in the form of a book. This Plan does not remove my doubts, because the unemployment problem is not likely to be solved and all this labour is going waste. Nobody should be allowed to remain idle.

Similarly, on the one hand we have so many children who are not going to school and on the other hand there are thousands of educated young men doing nothing. Why can't we just bring them together? Just as we have got thousands of acres of uncultivated land in the villages on the one hand, there are idle labourers and idle educated on the other. I think by the scheme suggested by me and by investing only Rs. 25 crores we will be able

[Shri Mohan Lal Saksena.] to guarantee work to 50 lakh men in the villages. That was one of my suggestions and that has not been seriously considered.

Then again, the implementation of the Plan depends greatly on indirect taxation and also on foreign aids. I shall refer to foreign aid in a few minutes. As far as indirect taxation is concerned, I feel that the limit has been reached. What is the recommendation of the Taxation Enquiry Commission? The other day the Finance Minister said that we will have to raise about; Rs. 1650 crores by additional taxation, that there was very little scope for direct taxation and so it shall have to be raised by means of indirect taxes. He also said that even the rich men consumed articles. For the rich a rise in the prices and these indirect taxes may mean only a flea bite, but for the poor man it may prove the proverbial last straw to break his back. So I do not like to resort to indirect taxation any more. On the other hand I want every adult under the age of 60 to work and give at least two weeks' labour or Rs. 20 in lieu, if for one reason or other he is not prepared to work. I had prepared a scheme and sent it to the Prime Minister and no thought seems to have been given in that direction. I know Gandhiji told us that any plan which tried to exploit natural resources ignoring the most potential power, namely man-power, would be lops'dcd. Unless we are prepared to utilise the human resources, this man-power which is going to waste now, we cannot establish equality and that is why the two plans have failed to make any progress towards that objective. The Prime Minister is worried as to what has become of all this money? There has been so much increase in national wealth, but still there has not been proportionate increase in the *per capita* income. I would like to enquire as to how much of this money has stuck to the fingers through which it had passed.

I know that in December 1958 I had put forward a scheme for putting up orchards. I had been thinking for some time about the utilisation of the railway land which is about 50 lakh acres or more. The late Shri Gopalaswami Ayyangar took up the matter at my instance and had written to the State Governments about utilising this land and the State Governments, no doubt, wrote to their subordinate officers. Still, when I travel on the railways I find these lands lying fallow. Therefore, I had suggested that the land may be utilised for laying out orchards. I had suggested that we may establish a State Horticultural Corporation in U.P. with a capital of Rs. 5 lakhs for laying orchards from Lucknow to Hardoi. That was not taken up. During this time about Rs. 36 lakhs have been spent by the U.P. Government by way of loans for putting up orchards. I do not know how much of this money has been actually utilised for horticulture. The scheme was there and the Prime Minister had written that it would be considered at the time of the Third Plan. But nobody seems to have considered the scheme or about utilising the railway land

I am pointing out these things, but I am not opposed to heavy industries and the development of techniques. As I said on a previous occasion, instead of three steel plants, have two and whatever you save there, you invest on horticulture, housing and such other things which go to meet the basic needs of the people. And then you will get back this money in three or four years and then in the Third Plan you may have three or four or even five steel plants. Then you wiH have no difficulty. You will have the experienced people and you will have other facilities also. If that had been done, we would not have had to pay for this 20 per cent, rife In the prices or to import foodgrains on such a large scale.

Let us bear in mind that even now 50 per cent, of goods or more move

by bullock carts. Fifty per cent, of our villages are not within five miles of railway lines and so I suggested that our bullock carts should be improved. You know when a man has to carry his produce to the market some ten or twelve miles away on his head he is put to great hardship. You know what it means to him. We may have aeroplanes and cars and buses here, but what have we done to this man in the villages? What have we done to improve his bullock carts? I know the Prime Minister took some interest and he liked the suggestion that old pneumatic tyres should be utilised. But as usual, things are going on leisurely and nothing has been done so far in this direction. I do want better techniques. But at the same time we should not forget that idle people should not be allowed to remain idle. If only we could utilise these idle hands and still more those already employed should not be forced to idleness—our problems will be solved to a large extent and the plans implemented. After all, the Plan may be a very good one, but if it is not implemented, then what is the good of having it? And in a democratic set up, a plan can be implemented only with the co-operation of the people and unless we enthuse people and ensure their participation in its implementation, we cannot succeed.

SHRI SHEEL BHADRA YAJEE (Bihar): Is the hon. Member suggesting regimentation or forced labour?

SHRI MOHAN LAL SAKSENA: Pardon?

SHRI AKBAR ALI KHAN (Andhra Pradesh): He asks if you are suggesting regimentation of labour.

SHRI MOHAN LAL SAKSENA: No. I am not suggesting that. But you can have a labour tax and I had given my scheme for it. Even Mr.

Nanda, the Planning Minister, when he prepared the Sarvodaya Plan, had included a labour tax in it. He has forgotten all about it perhaps.

(*Time bell rings.*)

Sir, I will stop here if you like, because I am in your hands, but I have to make a few comments with regard to the sources and about the implementation of the Plan. If you give me more time, I can say a few words more. (*Interruption*). I do not know whether I made a good speech or not; I spoke out what I felt.

MR. DEPUTY CHAIRMAN: Take two or three minutes more and then finish the speech.

SHRI MOHAN LAL SAKSENA: I was talking about implementation. You sit here and estimate the resources, but you do not take into account the villagers who have to be enthused. They will be enthused only either when they have a hand in the framing of the Plan or they stand to benefit directly as a result of the Plan. I will give you one instance. In Madras they have got the school improvement movement and my friend, Mr. Anwar, has got experience about this. There, it was not a question of this party or that, in 625 villages there are two constituencies, one represented by a Communist and the other by the D. M. K. In thirty days, the people gave about Rs. 23 lakhs both in cash and in kind. He did not spend any petrol as our men who go about for raising the small savings do. If that is possible in these 600 odd villages, it should be possible in other villages of India and this way you will raise about Rs. 230 crores. If you have schemes for the improvement of water supply and housing conditions in the villages, we will find the necessary, wherewithal. But we want the money to be invested in bonds. I ask you, and,

[Shri Mohan Lal Saksena.] through you, the Ministers and the others as to how many of us invest in these bonds. Don't we take the earliest opportunity of putting the money in some house or some such thing of which we are in urgent need? I suggest that we can raise more money but it can be done only through the participation of people. If, for instance, you start this school improvement programme in all the villages in India, you will be raising a tremendous amount of money. I had suggested earlier the issue of housing bonds; people would invest in such bonds if they are given some assurance about houses. It was said that Government would build so many houses but nothing substantial has been done so far and the private parties are exploiting the people. For the last five or six years, I have been pleading for the establishment of housing corporations. In the First Plan itself it had been proposed that every State should have a housing board. The Housing Ministers' Conference in 1955 recommended that Housing Finance Corporations should be set up in every State. But nothing has been done so far.

I would also like to suggest that, for augmenting our resources, apart from the labour levy, ways and means should be devised for tapping the black market money. In Pakistan they were able to get about Rs. 450 crores of black market money. In India the sum is said to be in the neighbourhood of Rs. 800 or Rs. 900 crores and this is being used against the Plan. Even as water which goes underground under-mines the foundation of a building, the black market money is working to the detriment of planned economy. We have got to take out that water to make the foundation safe. Likewise, we have to draw out this black money. I had suggested the issue of bearer bonds at a premium of 35 per cent. By this process, the black market, money will be converted into white money and

you will have at least Rs. 600 or Rs. 700 crores.

SHRI M. S. GURUPADA SWAMY (Mysore): Mr. Deputy Chairman, it is a matter of great satisfaction to me that the Prime Minister was frank and forthright about planning. I am glad, he said, that there was no question of a stop or any break or any interregnum in the matter of planning. Planning is a continuing process. The country has passed through a period of planning already for a decade. India has endeavoured to harness her natural resources and the energies of the people to the task of economic and social development. The First Five Year Plan, as was pointed out by the Prime Minister, was just an experiment, a modest effort conceived to solve certain immediate problems. It is often called a pre-plan. It is rightly called so. The Second Five Year Plan, with its long-term objective aimed at rapid industrialisation and employment was based upon certain notions of economic equality and social justice. Some significant strides have been made in various sectors and contour lines have been laid down to proceed in the direction of our goal. In spite of all this, Government has missed certain link* and also has overlooked certain important determinants of economic growth. Sir, it has got to be admitted that whatever the achievement of the two Plans, the most glaring omission in our effort has been our incapacity or failure to enlist the co-operation and support of the people. The economy cannot be self-propelling or self-sustaining however huge the investment may be unless the vast millions actively respond to the challenge of economic development, but it is a pity, ironical and even tragic that the Plan meant for the people has not got the support and encouragement of the people. Perhaps, there has been a lack of intelligent understanding on the part of the people: perhaps also, they had a very limited share in the preparation and execution of the Plan. Apart from this, what is more disturbing and

painful is that an atmosphere of despair and dismay, discontentment and disillusion has been brewing, causing grave concern to all of us. I believe, Sir, that this is mainly due to the fact that the rate of development and social transformation in the last ten years has fallen far short of the needs of the people. It has to be remembered that in spite of a progressive income-tax, the imposition of death duties, capital-gains tax, expenditure-tax and the abolition of zamindari and the rest, the increase of 42 per cent, in national income and the increase in agricultural and industrial production of 35 per cent, and 50 per cent, respectively since 1957 have not meant any real improvement in the conditions of the masses. The two Plans did not provide any planned distribution of income, and I am sorry to say that no information is available as to how this additional income is shared by different sections of the community. In the absence of information, our presumption is that a few economic oligarchs and titans of industry and trade have been mainly benefited from the increase in production and income. In other words, inequalities have increased during the plan period and have been even nourished and the economic strategy has failed to achieve its objective. Sir, development plans have practically done nothing for the landless labourers, poor peasants, artisans and the low-income groups. The villages remain as they were. The panchayats and co-operatives, two new institutions which have to serve as instruments of economic decentralisation, are manned and controlled by a set of social pirates. In the monetary field, the picture is none too rosy. It is disturbing that during the last thirteen years, the purchasing power of money has come down by 20 per cent. The rate of depreciation in the value of the rupee in the second half of the fifties is heavier than in the first half. Thus the net gains of planning have been reduced to very disappointing figures. The Finance Minister said the other day in Lok Sabha that this depreciation of currency

caused by inflation was almost a universal phenomenon. Even today the Prime Minister made out a point that there is nothing strange about this factor of inflation. Obviously, they have taken the most easy line to defend the present monetary and fiscal policies of the Government. Both of them have conveniently forgotten that the capacity of the Indian people to suffer even the inflation that has taken place is not strong enough. Even a modest rise in price levels has a telling effect on the standard of living of the vast majority of the people in the country. So, Sir, the picture given by the Prime Minister as well as his colleague was rather not in relation to realities.

In this context the question of deficit financing in the Third Plan has to be considered. The total quantum of deficit financing in the Third Plan is estimated to be Rs. 550 crores which is about 50 per cent, of the figure in the Second Plan but since the inflationary content in the economy is quite large and the governmental machinery has failed to contain it within limits even this modest dose of deficit financing in the Third Plan may adversely affect the price, cost and wage structure of the community. The Third Plan has no doubt recognised that inflationary financing must be kept down to the very minimum. The same type of reasoning was advanced at the beginning of the Second Plan also but the gap between policy statements and actual performance is such a marked feature of the planning of the last decade that one is doubtful whether further deficit financing will not play up the inflationary potential further. The rise in prices in recent years is very disturbing indeed; there has been almost a continuous rise in price levels since 1950. Up till 1959 the rise in price levels had occurred only in the case of food articles but since then the rise has occurred in industrial raw materials and manufactures also. It is to be particularly noted

[Shri M. S. Gurupada Swamy.] in this context that the progressive step-up in investment which the Third Plan envisages will inevitably exert an upward pressure on prices. Already we are seeing the flight from money to goods. People are more anxious to store articles and goods rather than hold on to money because money is becoming cheap. Unless the price line is stabilised, there will be no smooth course for planning but the Draft Plan does not suggest any concrete price policy. In this connection, it is not out of place for me to suggest that we should take warnings from history. In the past as hon. Members are aware, when Germany was in the midst of monetary and price inflation, when there was a large number of banks creating artificial credit, an opportunity was provided and an excuse was given to Hitler to throttle democracy and freedom in Germany. To quote another instance nearer home, Sir, one of the factors that facilitated the imposition of military dictatorship in Pakistan in October, 1958 was large inflation resulting in the impoverishment of the masses. If we do not take these lessons and warnings of history, we will be doing so at our own peril.

Besides this problem of monetary and price inflation there is another important problem, the problem of unemployment which has contributed no less to the present discontent. The first two Plans did not pay adequate attention to this aspect because the authors thought it is a thing to be desired and not a thing to be achieved.

[THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR BASU) in the Chair.]

Though employment has been stated as one of the objectives of these Plans, it was considered just only as an incidental, ineffectual and incoherent part and not as an essential

and integral part of the Plan. The same pattern is repeated more or less in the Third Five Year Plan also. Village and small-scale industries and transport and communications which are considered to possess greater employment potential are given relatively less percentage of allocation as compared to the allocation made in the Second Plan. According to the estimates, the Third Plan may provide job opportunities to 14 million people and thereby one million from among the new entrants will remain unemployed besides the existing backlog of unemployed. This is indeed a terrible picture to contemplate. I feel, Sir, that unless this dismal and sullen picture is changed, the country cannot rapidly move towards the take-off. This is possible only if the problem of employment is not treated as Cinderella of the Plan and if a concrete and precise policy is made manifest in the Plan.

Sir, further the Draft Plan seems to proceed on certain erroneous assumptions. For instance, the Planning Commission has estimated the domestic savings in the Plan to be at Rs. 7,200 crores and external assistance at Rs. 3,200 crores on the assumption that the national income would increase from Rs. 13,000 crores to Rs. 17,000 crores and the ratio of saving to national income from 8 per cent, to 11 per cent. I am inclined to think that under the existing pattern of savings it is not so easy to raise the savings ratio to 11 per cent unless the per capita income is increased by a sizeable margin. According to the Plan the per capita income can be increased to 13 per cent, on the basis of 1958-59 prices but if the estimated savings ratio is to be achieved the per capita consumption cannot increase by more than 10 per cent, in five years. The Planning Commission on the other hand envisages an increase in consumption at about four per cent, per annum. Secondly, credit has been taken of Rs. 440 crores as surplus available from public enterprises on

the existing basis. This is rather doubtful because the actual profits of the Central Government enterprises having a capital investment of Rs. 550 crores in 1960 have been no more than Rs. 16 crores in 1958-59 and are estimated at the lower figure of Rs. 1-50 crores for 1959-60 and at Rs. 1-31 crores for 1960-61. At best with a complete reorganisation of its pricing policy, this source may yield about Rs. 100 or Rs. 150 crores in a period of five years.

Sir, before I conclude, I may be permitted to say that a decade of planning has not brought into play any forces of social change at the basic or any other level and there is no indication in the structure of the draft Plan that there will be any significant realignment of forces and the processes of social change will be materially accelerated. At present socialism is the preoccupation of only a few political parties and not of educationists, doctors, engineers, writers, artists social workers or the masses. This is so because it is not accepted as an all-embracing objective to which the thoughts and actions of all have to be directed and creatively developed. This applies with more force to the administrators. In our view the administrators are so important to the consummation of the processes of social change that unless their minds and behaviour are in full accord with the social objectives of planning, miscarriage and even distortion of policies will take place.

And howsoever well-conceived the policies may be, they cannot be fruitful if they are implemented by men who have no genuine faith in them.

2 P.M.

In the end, I would say that if economic development of the country has to become a reality, a much larger measure of economic and social equality has to be achieved, a shift of power from the few to the many has to take place, and our policy and

economy have to function in the context of a socialist pattern of society. That has to be the real core of the Plan. That is, socialism should be the basis of the Plan. The foundation of the new economy has to be well and truly laid and the superstructure has to be erected with a clear understanding of the new social purpose and its full implications. Thank you.

SHRI B. K. P. SINHA (Bihar): Sir, after the speech of the Prime Minister little remains unsaid and little remains to be said on the Draft Third Five Year Plan. We have to make up the leeway of a thousand years or more of neglect of our economy. We have made some effort in that direction in the first two Plans. Our planners have planned on a magnificent scale in the Third Plan. Even this Plan, large as it appears to be, to some interested people, in my opinion, falls short of the needs of the country. But then it is realistic in the sense that though it falls short of the needs of the country it is based on the resources that we can afford in the five years of this Plan. This Plan has rightly restored agriculture, after a temporary eclipse, to the position of keystone of the arch of prosperity that we are seeking to build. India even today, after two Plans, lives mainly in the villages. There is appalling poverty, poverty which, though diminished by the first two Plans, continues to be appalling. We can remove that poverty only by paying greater and greater attention to the rural areas and especially to the development of agriculture. For the development of agriculture it is necessary, in my opinion, that the State machinery that has to deal with agriculture should be strengthened. Till late, or even now the department of agriculture in the States is a neglected department. The best talents do not go to the agricultural department or the agriculture Ministry. While the middle levels of administration of agricultural depart-

[Shri B. K. P. Sinha.] ments in the States are well provided for, at the village level the agricultural departments have a very weak or a very poor machinery. There have been so many advances in the field of agriculture. If those advances are carried to the villages, our villagers who are very responsive to new advances, would easily take to them and then we would have the requisite advance in the field of agricultural production. I therefore urge that the machinery of the States in the field of agriculture should be strengthened both at the top and at the lowest levels. If agriculture and rural economy have to advance from a state of backwardness to a state of prosperity, then I am afraid we have to put greater emphasis on higher production in the agricultural sector. Our agricultural economy has been based on the feudal structure. We have come out of that. But then, we are gradually drifting to a system of peasant-proprietorship, small patches of land which belong to peasants who cannot, in the nature of things, put in the required capital, the required knowledge or the required resources for the full development of their fields. It is necessary, therefore, in my opinion, that in the interests of larger production we should project our agricultural economy to a higher system of economic organisation. The Nagpur Resolution of the All India Congress Committee, which put cooperative farming on the order of the day, is what is required today. We tried to implement that, but I am sorry to say that of late in practice at least, though not in theory and in profession, there has been a retreat from the philosophy of Nagpur. While still professing faith in co-operative agriculture, we are not taking steps to advance towards that. I am not one of those who would urge that we should introduce co-operative farming today and at once, because before we introduce co-operative farming, there has to be a lot of planning. The people's initiative has to be roused. We must have service co-operatives. But

then the goal and the direction must be always present before our mind. I therefore feel that our planners should keep this aspect of the question in mind. Moreover, there is chronic under-employment and unemployment in the rural areas. There is vast manpower which, if we can find ways of utilising, can change the shape of rural India. In this connection, I would support the suggestion made by one of the previous speakers that we must establish something like pioneer land units which would help in creating a sense of confidence, help in creating initiative in the rural population, which would work on the land and thereby help in transforming the character of our rural economy. This emphasis on agriculture, on higher agricultural production, should not lead us to ignore one aspect. That is, in an agricultural economy, prosperity is based on a proper balance between forests and grazing and pasture-land and land meant for food production. In our search for larger and larger food production we should not disturb this balance. If we have this picture before our mind, then we are led to the conclusion that the scope for raising agricultural production in India is not unlimited. It is rather limited. Our population is increasing and rising at a tremendous pace. With the advance in social and health services, that rise is likely to be greater still. There is no land where we can send our surplus population. Therefore, the only solution to this rise in population is to devise means to put a limit to this rise. We have introduced family planning. But the results, in my opinion, are not very satisfactory so far. And to devise measures to control the rise in population, we must have proper population or demographic statistics—in which areas the population rise is the highest, whether in rural or urban areas, whether among middle classes or poorer classes or among the highest classes. These are figures which we must collect and after collecting these figures we must devise measures to control the abnormal rise in our population.

May I suggest for the consideration of the hon. Minister and his Government whether it would not be proper in the context of our rising population to make abortion legal? Moreover we must provide disincentives to prevent the rapid growth in the number of families. We have to raise our agricultural production, we have to limit our population. But then I find that even our present industrial output is being hampered by the lack of necessary resources. Our foreign exchange reserves have touched the very bottom. I am told that they are in the neighbourhood of only Rs. 150 crores now. Our economic and credit system does not allow any further reduction. Whatever aid we get from the foreign countries is tied up with particular projects. In the circumstances for our imports we have to rely on our exports. As our exports are not of the same order as our imports, naturally there is a drain on our foreign reserves. What to do in the circumstances? I feel that we would be justified in putting a larger curb on imports, and then we must adopt a more efficient, a more dynamic and well-planned export policy, because without that I feel that our industrial machinery may come to a standstill.

Many of our important foreign exchange-earners have been subjected to heavy taxation in this country, both by the States and by the Centre, either in the shape of taxes on the movement of goods or in the shape of excise or in the shape of special duties. May I then urge that the planners should consider this aspect of this question and specially bring down the level of taxation on those commodities which are good foreign exchange-earners for us? Moreover, till now cotton and jute have been our best foreign exchange earners. For the next few years they are likely to be our best foreign exchange earners, but because of the rigid attitude that we have adopted towards rationalisation in these industries the cost structure of these industries has become rigid,

the wage structure has become rigid. The result is that the goods we produce are put at a disadvantage in the competitive markets of the world. Would it not be proper then to introduce rationalisation rapidly and effectively in these industries? There will be unemployment because of that, but in an expanding economy it is not difficult to devise measures by which we can absorb those people who are thrown out of employment because of these schemes of rationalisation.

Lastly, I would add that the State Trading Corporation should be made more efficient and it should play a more active part in our export trade. The intervention of the State Trading Corporation

in our export trade has not always been very beneficial. There was a case of manganese-ore export. The State Trading Corporation contracted with some party in the U.S.A. and they desired that their ship should come to Visakhapatnam to get the ore. Before the ship could come there the State Trading Corporation cabled them to send their ship to Bombay. When the ship goes to Bombay, the ore is not ready and the ship has to wait for some time for loading. Because of this rigidity our export of manganese-ore registered a sharp decline. While the world trade in manganese fell by 24 per cent. India's export for the same period fell by 50 per cent. While other nations exporting manganese-ore to the U.S.A. maintained or even in some cases raised their percentage, India's percentage declined. The State Trading Corporation should act more on commercial lines and less on bureaucratic lines.

Lastly, I would urge that there are many small items of import which are very profitable. It is time the State Trading Corporation took up the import of these profitable items, and from the profits that they would make on these they can pursue a more consistent and more dynamic export policy.

I (*Time bell rings.*)

Sir, I feel that it is a Plan of a proper order. It rightly emphasizes agriculture, it rightly emphasizes heavy industries. But then for the achievement of the objects it is necessary that we should rouse and enlist the support of the manpower of this country and pursue a more dynamic export policy.

श्री गुरुदेव गुप्त (मध्य प्रदेश) : उप-सभाध्यक्ष महोदय, तृतीय पंचवर्षीय योजना का प्रारूप जो जनसाधारण के विचार और जनमत के जानने हेतु प्रसारित किया गया है, उस पर आज सदन में विचार हो रहा है। मैं अर्थशास्त्री होने का तो दावा नहीं करता परन्तु फिर भी तृतीय पंचवर्षीय योजना पर विभिन्न दृष्टि विदुओं से अवलोकन करने पर मैं कुछ विषयों पर जो मुझे अत्यन्त वास्तविक और मौलिक समझ पड़ते हैं वे अपने कुछ सुझाव प्रस्तुत करना चाहता हूँ।

तृतीय योजना में हृषि उत्पादन के सम्बन्ध में कुछ कदम उठाये गये हैं जो मुस्ख्यतः दो श्रेणियों में रखे गये हैं। प्रथम है, जोत की भूमि का विस्तार जिसको एक्स-टेन्सिव्ह अग्रीकल्चर कहते हैं। दूसरा, सीमित जोत में विभिन्न क्रियाओं से उत्पादन वृद्धि, अर्थात् इन्टेन्सिव्ह अग्रीकल्चर। मैं इन में से प्रथम को महत्व नहीं देता क्योंकि इसके द्वारा जो भूमि उपलब्ध होगी वह उद्दर अर्थवा अउद्दर की सीमा की भूमि होगी और इस में भी सन्देह नहीं कि उस भूमि पर कृषि करने से वांछित लक्ष्य की प्राप्ति हो सकते हैं कठिनाई होगी। अतएव मैं दूसरी श्रेणी पर बल देता हूँ। इस ढंग से कृषि बढ़ाने के जो सुझाव दिये गये हैं उनमें उन्नत बीज, उन्नत आज्ञार, खाद, फसलों का समावर्तन, सिचाई तथा अन्य ऐसे उपाय जो वैज्ञानिक सौज के पश्चात् सामने आये हैं, उन सब को ध्यान में रखते हुए यह देखना होगा कि किस की व्यापक आवश्यकता है तथा किस को किस के साथ जोड़ने से वांछित फल प्राप्त हो

सकता है। सिचाई उन में से मुझे प्रमुख दिखाई देती है। बारहों महीने जब तक सिचाई की सुविधा प्राप्त नहीं होती तब तक फसलों का समावर्तन नहीं हो सकता। अतएव सिचाई के साधनों का बढ़ाया जाना अत्यवश्यक है। आज देश में सिचाई की भारी कमी है। मध्य प्रदेश राज्य में, जहां से कि मैं आता हूँ, यही स्थिति है और आंकड़ों से यह सिद्ध है कि वहां भूमि से अधिक जल की आवश्यकता है। मध्य प्रदेश में प्रति व्यक्ति जीती हुई भूमि १०३६ एकड़ है जबकि देश में यह औसत ०८२ एकड़ प्रति व्यक्ति है। इसी प्रकार वहां पर प्रति एकड़ कृषि उत्पादन आय १०३ रु० है जबकि देश में औसतन उत्पादन आय प्रति व्यक्ति प्रति एकड़ १३४ रु० है। यह स्थिति वहां केवल जल के अभाव के कारण, सिचाई के अभाव के कारण है, इस में कोई सन्देह नहीं। तृतीय योजना में जब हम सिचाई के ऊपर व्यय को देखते हैं तो हमें यह जान कर बड़ा दुःख होता है कि द्वितीय योजना की अपेक्षा तृतीय योजना में इस पर व्यय के प्रतिशत में कमी की गई है और हम ने खाद्य उत्पादन की वृद्धि के सम्बन्ध में गलत धारणा बना ली है। यह हो सकता है कि सिचाई के साधनों का समुचित उपयोग हम पिछले समय में न कर सके हौं, किन्तु इस से यह अर्थ लगा लेना कि सिचाई की आवश्यकता घट गई है, उचित न होगा। उपसभाध्यक्ष महोदय, मैं आप के द्वारा इस वरिष्ठ सदन को यह विश्वास दिलाना चाहता हूँ कि सिचाई के साधनों का किसानों द्वारा पूरा पूरा उपयोग करने के बाद सिचाई के साधन बढ़ाने की मांग उत्तरोत्तर बढ़ती ही जायगी। अतः इस के लिये अधिक प्राविधान किये जाने की आवश्यकता है।

आद्योगीकरण के प्रकरण में मैं विद्युत् शक्ति को अधिक महत्व देता हूँ। विद्युत् शक्ति में भी जल विद्युत् की उपादेयता अधिक है। इस के उत्पादन में वृद्धि से देश में उद्योगों की और सिचाई की सुविधायें

उपलब्ध हो सकती हैं। इस के क्रियान्वित करने में विदेशी मुद्रा भी बहुत कम लगेगी। मध्य प्रदेश में जल विद्युत की काफी संभावनाएँ हैं। उदाहरणार्थ, टोंस योजना का उन्नेस्ख में कर दूँ केन्द्रीय जल एवं विद्युत् आयोग द्वारा इस योजना की जांच की जा चुकी है और उस ने इसे देश की सब से सस्ती विद्युत् उत्पन्न करने योग्य योजना माना है। यह वस्तुतः भाग्य की एक बड़ी विडंबना होगी यदि इस प्रकार की सस्ती और अच्छी योजनाओं को हम कार्यान्वित न कर सकें। हमारी पंचवर्षीय योजना के व्यय का आधार ऐसा होना चाहिये कि कम से कम लागत में अधिक से अधिक फल की प्राप्ति हो सके। टोंस योजना इस कसौटी में कसने पर भी खरी उत्तरती है। अतएव टोंस सदृश योजना को कार्यान्वित करने का प्राविधान होना चाहिये और उन को प्राथमिकता, जहां कहीं भी देश में इस तरीके की योजनाएँ चालू करने की संभावना पाई जाय, वहां उनको देना चाहिये।

(Time bell rings.)

समाप्त करने के पूर्व में दो शब्द औद्योगिक क्षेत्र के सम्बन्ध में भी कहना आवश्यक समझता है। इस देश में मूलभूत और भारी उद्योगों को जो महत्व दिया गया है वह सर्वथा उचित है। इनका महत्व देश के औद्योगिकरण के प्रारम्भ में और देश की आर्थिक नीति को स्वतः पूर्ण और स्वतः प्रेरणा मूलक बनाने में बहुत अधिक है, साथ ही देश की सुरक्षा की दृष्टि से, सुरक्षा मूलक उद्योगों के लिये भी इन का महत्व अपरिहार्य है।

जन सहयोग के सम्बन्ध में भी मैं अपने विचार प्रस्तुत करना चाहता हूँ। योजना कार्यान्वय में जन सहयोग पर जो प्रस्तुत योजना में चर्चा है उस में 'स्वेच्छा' से जन सहयोग पर अधिक बल दिया गया है। भारत एक विशाल देश है। यहां भारी जनसंख्या और बढ़ती हुई जनसंख्या एवं

सीमित साधन ही इस के अर्ध-विकसित होने का कारण हैं। अतएव हमें जनता का और देश के समस्त व्यक्तियों का सहयोग अधिक से अधिक प्राप्त करना होगा, तभी हम अपनी राष्ट्रीय योजनाओं को पूरा कर सकते हैं। इस हेतु मेरा सुझाव है कि चौदह वर्ष से ले कर पचपन वर्ष तक की आय के समरत व्यक्तियों से वर्ष में बारह दिन का अनिवार्य श्रमदान लेने का नियम बनाया जाय और उसमें यह छूट रखी जाय कि जो व्यक्ति अपने को श्रमदान के योग्य न समझे वह श्रम के बदले का मूल्य मुद्रा के रूप में चुका दे। जो व्यक्ति जहां रहता है उस के पांच मील के इंद्र गिर्द श्रमदान का स्थल रखा जाय और इस के लिये विकास खंड अधिकारी द्वारा राज्य नियोजित कार्यक्रम बनाये। इस अनिवार्य श्रमदान में और अधिनायक-वादी देशों द्वारा जो श्रमदान लिया जाता है यह मौलिक भेद होगा कि इस श्रमदान को जो लोग नहीं कर सकते हैं वे अपने श्रम के बदले मुद्रा ले कर उस से छूट पा सकते हैं। अतएव यह एक प्रकार का विकास कर होगा।

श्री शीलभद्र याज्ञी: आप के कहने का मतलब है जुर्माना दें।

श्री गुरुदेव गुप्त: जुर्माने से मतलब नहीं है। यदि आप के पास समय नहीं है और आप श्रमदान के लिये जाना नहीं चाहते हैं तो आप उस के एवज में यह कर दे सकते हैं। यह एक प्रकार का विकास कर होगा जोकि देश का हर चौदह से पचपन वर्ष की आय का व्यक्ति दे सकेगा। धन्यवाद।

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR BASU): Mr. Sapru, Ten minutes.

SHRI P. N. SAPRU (Uttar Pradesh): Mr. Vice-Chairman, I will try to cut short my speech as far as possible.

Sir, in his "Brave New World Revisited", Aldous Huxley says that the greatest danger which faces demo-cracy in underdeveloped countries is

[Shri P. N. Sapru.]

overpopulation which in turn leads to over-centralisation. Now, so far as we are concerned, the position is that overpopulation leads to economic insecurity and social unrest.

"The evidence suggests rather . . ."

I am quoting some American Professors quoted by Aldous Huxley.

"that in most undeveloped countries, the lot of the average individual has worsened appreciably In the last half century."

People have become poorly fed. There is fewer available goods per person, and practically every attempt to improve the situation has been nullified by the ruthless pressure of population."

I am referring to this question of >verpopula'ion as I think it important in considering the size, nature and character of our planning and in asses-ling our achievements during the last ten years that the fact of the pressure of increasing population on our resources should not be ignored.

Alone of all the countries of Asia—I am not sure of Japan—we have been devoting some attention to the question of population control. I know, Sir, that a sum of Rs. 25 crores has been allotted, out of a sum of Rs. 300 crores allotted for health, for family planning, programmes and propaganda. If you look to page 117 of the Report of the Planning Commission you will find the details given there.

Now, let me just explain. We increase our food production. Population increases in the meanwhile and we are not able to catch up with that increase in population. "Population", says Prof. Arnold Toynbee, "is increasing at an inordinate rate now as a result of our having succeeded in reducing the world's death rate without having achieved up to date a proportionate reduction of the birth rate". It is a tribute to our freedom from superstition that

we have undertaken this task of family planning on a nation-wide scale. I think, Sir, the allotment of Rs. 25-crores is much too small. I think research in oral contraceptive methods is necessary and desirable. If we are able to get some oral contraceptives I think we shall have solved many of our problems.

Now, Sir, I would like to say that the sum of Rs. 300 crores which has been allotted for our health purposes is also very meagre. What we need today is the improvement of our water supply arrangements in rural areas.

SHRI JASPAT ROY KAPOOR (Uttar Pradesh): How much mors would you suggest for health purposes?

SHRI P. N. SAPRU: It is not for me to suggest the figures. The Report says that adequate drinking water supplies will be available in a vast majority of villages in the country. We should like to know what these words "vast majority" mean. We should like to have some more specific information regarding the position of water supply in our villages.

Sir, there is a school of thought to which reference was made Oy the Prime Minister in hi^g great speech today. That school of thought thinks that this Planning is no good—our planning should be of a different character. They would leave all this planning to be done by the Forum of Free Enterprise. Now, Sir, the objection to our planning ls that we are attaching far too much importance to heavy Industries. Well, the answer to that is that we want to build up a industrial base. We want to build up a self generating economy, and if we want to have that self-generating economy, we will have to have steel plants. It may hurt our steel corporations but it will not hurt the country.

Sir, let me then develop one or two points about cur objectives. We have set them out at page 12 of the Commission's Report. I find that to the

removal of disparities the last place has been given. I think no priority has been observed in enumerating these objectives because I should be sorry if the removal of economic inequalities was to be our last concern. I think, Sir, the social conscience revolts against the injustices of the present day system. We have no moral right, to continue a society which is functioning in the existing manner. I think the question raised is a moral issue and, therefore, greater importance should be attached to the removal of economic disparities.

I would like, Sir, the institution of inheritance to be attacked boldly. I would like the problem of disparities between rural and urban land values to be attacked courageously and boldly.

We are visualising new taxation of Rs. 1,640 crores. Well, there may be a case for new taxation, but I would not like to add to the burden of the common man. I am not in favour of any indirect taxation. The rich man who has had a good life for a centuries in this country must subordinate his Interest to the interest of the community at large.

Then, Sir, I would like to say a word about inflation. We have fixed the limit of deficit financing at Rs. 550 crores and we are going to adopt in this regard a strict attitude. Much will depend upon our food policy. I hope that we shall have a vigorous drive for food production. That will increase our food production considerably and we shall be able to find ways and means of distributing our food in this country properly.

Sir, we have been told that our national income has gone up by 42 per cent., and that in the next Plan it will go up by about 5 per cent annually. At the end of five years it will have increased by 25 per cent. But I would like to ask: Where has this 42 per cent, increase in the nationa' income gone, in whose pockets? Who has been benefited? Has it benefited the working class? Has it benefited

the middle classes? Has it benefited the lower middle classes? Why is it that we have not been able «a control our prices? Is the rise in prices due to inflation? Well, if it is due to inflation, what have we done to check thi« inflationary tendency? I am glad that the Prime Minister has said that there will be a probe. But I am not in favour of any witch-hunting, although I do want a serious enquiry into the manner in which this 42 per cent, increase in the national income has been distributed. The question of the distribution of the national dividend is an important one.

Lastly, I would like to say .one or two words about social security. The joint family system has broken down, and I am glad that it has broken down. But the joint family system had some advantages too. It gave to the individual a certain amount of social security.

SHRI SHEEL BHADRA YAJEE: It has added to idleness also.

SHRI P. N. SAPRU: I am looking at the bright side too. Uncles used to look after their nephews. They used to think it their duty to marry their nieces properly. Brothers used to care for their sisters. All that is disappearing now. It is well. We are becoming more individualistic. In many ways it is all right, but what is the social security that you are giving to the individual? He cannot look to the family for support. Therefore, the State must come to his aid. There should be some programme of social security. We should have some unemployment insurance, some beginning of it. We should have some health insurance, contributory health insurance schemes, not for Members of Parliament only, not for members of the services only but for the common man also. We should have some schemes of widow's pensions. We should have old-age pensions. People age prematurely in this country and I have known and I have seen cases where the children have treated their parents badly.

SHRI SHEEL BHADRA YAJEE: Are you suggesting marriage allowance?

SHRI P. N. SAPRU: I should like to do away with the institution of marriage for some years in this country. We must ensure that the inflationary pressures do not go beyond a certain point. We must keep a rigid control over our prices. We must be able to devise an administrative machinery which will be able to cope with this problem of rising prices. I must say that I am somewhat disappointed at the fact that State trading has been given more or less a go-by.

SHRI SHEEL BHADRA YAJEE: It is in cold storage.

SHRI P. N. SAPRU: It has been put in cold storage. I am also for an increase in the activities of the State, I have a further suggestion to make in this connection. I do not like a mechanical type of bureaucratic socialism. I think it is necessary for us to think in terms of a socialism which gives the workers a chance of regulating the conditions under which they work. So with regard to this, workers' participation in industry is very important. It is for that reason that I would like the question of copartnership in industry to be seriously taken up. A certain number of shares in every concern—say 33 or 40 per cent.—should be reserved for workers and they should find places in the directorate of the concerns in which they are working. We must make gradual progress towards that socialist Utopia which you and I may not live to see but which our children and children's children will certainly live to see.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR BASU) : Mr. Panikkar

SHRI BHUPESH GUPTA: Sir, I have a submission to make. Just now I understood that the time allotted to the various parties has been uniformly cut, just because the Prime Minister has made a longer speech and the Planning Minister would not be available beyond six. We were given one

hour and fifteen minutes and the P.S.P. was given one hour and thirty minutes. Just because the Prime Minister has made a long speech—let him make long speeches, we do not mind—why should the time of the Opposition, for that reason, be cut? If the Congress Party is not prepared to cut their time, we are prepared to, for their convenience, sit longer and this should be the approach. But unilaterally things are done. We have fixed up our speakers and suddenly we are told that somebody had made a long speech and in order to accommodate somebody who cannot stay longer, the time should be cut. So I submit that our House should sit till seven and the time should not be cut. We are prepared to accommodate the Prime Minister and other speakers. The hon. Members opposite we want to hear. Therefore, we on our part, are prepared to sit till seven in order to settle this matter. It will be difficult for us but still we are prepared. You kindly discuss it with the Secretary and when you call the speakers, you kindly bear this in mind.

SHRI B. K. P. SINHA: We on this side do not mind sitting longer hours but then we feel that the distribution of time does not work very fairly in this House. We are 3 times, or 4 times as many as the Members on the opposite side but still half the time is allotted to them and half is allotted to us. The result is that we suffer.

SHRI BHUPESH GUPTA: He has made this remark. This much of generosity we expect from them. It is being done. If the time is settled according to the number, then you can have all the time and we can sit in the lobby. I know it. That is not at all the point. The point is this. The time was allotted by the Chairman. We were given, according to the normal conventions that we follow, one hour and fifteen minutes and they were given one hour and thirty minutes. The Prime Minister has spoken for a longer time. The time has to be adjusted. There are other

ways of adjustment. One is by sitting longer and we are prepared to sit. We do not want any time of the other side to be cut. This is what I suggest. It is a very reasonable suggestion and I think the hon. Members opposite need not be niggardly.

SHRI RAJENDRA PRATAP SINHA (Bihar): Mr. Vice-Chairman, we welcome the Prime Minister's intervention and we are happy that he spoke long. We were anxious to hear him but that does not mean that the other Members and particularly the Opposition should suffer and so far as the allocation of time is concerned, as has been pointed out by other friends here, the whole time is settled by the Business Advisory Committee of which the Chairman of the House is also the Chairman. There the whole allocation takes place. Please do not forget that we allotted sufficient time for the Ministers, *It* the spokesmen of the Government who are nothing but the spokesmen of the party.

SOME HON. MEMBERS: No.

SHRI RAJENDRA PRATAP SINHA: Certainly. They represent a certain viewpoint represented by the Members of the party and by the Government. You must listen to that. That is equally important. If you want successful functioning of democracy in India, the opposite point of view you should listen to. We are only submitting that we should also have ample opportunities. The hon. Members there are having opportunity. The Ministers are speaking. Now after taking away the Ministers' time, this division takes place. Do not forget that aspect. This was settled in the Business Advisory Committee. I endorse whatever my friend has said. The House should sit longer, up to seven. There is not one Minister but several Ministers who should have attended this House and the Members should be given ample opportunity. Particularly the time

of the Communist Party and that of our party should not be curtailed as it is being proposed.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR BASU) : These request from the Opposition have been noted and some decision will have to be taken on those requests. I have now called upon Mr. Panikkar to make his observations. After he finishes, and when the Deputy Chairman comes to the Chair, all these considerations will be taken into account and a decision taken.

SHRI P. N. SAPRU: Let us begin tomorrow at 10.

SHRI RAJENDRA PRATAP SINHA: We also agree to beginning at 10 tomorrow.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR BASU) : Mr. Panikkar.

SHRI K. M. PANIKKAR (Nominated): Sir, I shall not make much of your time to-day though I think the subject deserves full discussion and the discussion should not be cut short due to extraneous circumstances. A great deal of thought and some wisdom have gone into the drafting of this Report. Also the experience of the last two Plans has been drawn upon to formulate these proposals. It is, therefore, but natural that the present Draft Plan represents what may be called the maximum effort that the nation can be asked to put in in order to meet our economic and other problems. There is one thing which is obvious to any person who visits this country after a prolonged absence and that is the extraordinary advance that the country has made in every sphere of economic activity. It is not merely a question of large dams or the acreage of irrigation or the immense plants that have grown up but the more important thing, the essential aspect of this revolution that has happened, is the mental attitude, the attitude towards change that had come among the people. Our

[Shri K. M. Pankkar.] society was, >to a large extent, a static society, a society which was prepared to look upon things as they were, as something good and looked upon change as something undesirable. What has happened during the last 10 or 12 years has made the people realise the necessity of change. The •divine discontent that is supposed to carry a nation forward has been injected into us by these two large schemes of development and the changes that have been introduced by them and as a consequence, there has come about in the nation a desire for better life, a desire for change, a desire for seeing things transformed in such a manner as to enable every man to improve the conditions of his life.

In regard to allocations, priorities and allotments, I do not want to offer any remark because these are the results of prolonged studies and detailed examination of many aspects of the situation by a large number of experts and if it is suggested that something should be added, then it would have to come away from somewhere else where, naturally, after a great deal of discussion and a great deal of thought, the allotments have been made. There are two aspect's of the problem to which I would like to address myself. One relates to this contradiction in the minds of our planners with regard to agriculture. The first point is that we are all anxious that there should be a distribution of agricultural property. That essentially is an aspect of social reform. The idea is to get rid of the survivals of feudalism, of medieval social relationship when we talk of readjustment of land in our country. Obviously, it is not for the purpose of greater production. We hear of slogans like "Land to the tiller." But what does "Land to the tiller" mean? In all countries where land had been given to the tiller, it has been taken back. They took back with one hand what had been given by the other. That is to say, the distribution of land was not on the basis that it will

lead to better production. Wherever land has been distributed to small-scale peasantry, it has been mostly as a matter of social reform and nowhere has better agriculture resulted from peasant-landholding. The experience of all countries has been the same.

SHRI N. R. MALKANI (Nominated): What about Japan?

SHRI K. M. PANIKKAR: I am coming to that. A country which has peasant proprietorship par *excellence* is France. Of all the major countries of Europe the one where agriculture is backward is France with its peasant-proprietorship. I do not know sufficiently about Japan to make any statement about that country, but my own information is that a great deal of governmental and central control goes into the organisation of agriculture there in order to balance the uneconomic character of peasant-proprietorship. Here on the other hand, what we are trying to do is to create a peasant class, no doubt, based on distribution of land. At the same time we suggest for the purpose of production that we should go in for co-operatives, that we should cultivate on a co-operative* basis. What does this co-operation mean? If as it is announced this cooperation is to be on a voluntary basis, then this co-operation as a method for better production does not seem to be a very satisfactory one. The issue with regard to agriculture is that we have to find a method by which the social purpose of land distribution could be combined with the scientific purpose of higher agricultural return. That is possible only by a large-scale combination of the units in order to make scientific agriculture possible. The idea that small-scale production in agriculture can go side by side with large-scale production in industries is one of the contradictions of our time. It is not possible. The idea that fragmented land can help to increase production as a result of intensive

cultivation is similar to saying that instead of large-scale industries it is possible to produce all that we want by handicraft. Peasant-agriculture is really equivalent to handicraft industry and in a society where we try to introduce large-scale industries as the basis of our life the idea of peasant economy to my mind, is a completely reactionary one. The doctrine of "land to the tiller" is very often used as a revolutionary camouflage, because the land that is given to the tiller is immediately collectivised, as you know, in countries where these slogans are utilised. So from the point of view of agricultural production, the proposal seems to me to require much greater thought and a great deal more of careful organisation, because unless agriculture is looked upon as a great industry, there is no possibility of our producing the food that we want. Is it not strange, Sir, that it should be in the most industrially advanced countries like the U.S.A., the U.S.S.R., Japan and Germany, that you have the greatest agricultural yields? That really means that it is only through scientific methods, only by the use of scientific approach to agriculture, that it is possible to produce more in order to meet our problems and to find a proper solution. And that again means that the idea of looking upon agriculture as something different from industry, as something which can be dealt with from a non-scientific point of view, seems to me to be entirely irrational. Agriculture has to be viewed as purely a scientific process, a great industry requiring advanced scientific research and the use of a variety of machinery, the investment of a good deal of finance and so on and unless we look upon it from that point of view, agriculture will never yield the result that we desire it to yield.

I have come by a circuitous route to the subject of science in modern society. I am very happy to see and to hear it stated here that our engineering colleges have increased in

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number some three times that they have gone up to 97 at the present time. Mr. Santhanam said that this meant decrease in efficiency. May be. But what I am interested in is this. I have been told that the percentage of people who take first class in universities is larger now in the science subjects than in the humanistic subjects, a point which is of great importance, because it shows that people endowed with the best brains nowadays go in for science studies. The great change that has come over the world of late is the immense importance that has come to be attached to science and this age of nuclear science is producing political results of a character of which we are not in a position to judge now. As you very well know, Sir, in the eighteenth century or towards the end of that century, there was a revolution in science which brought in what may be called the steam age. The result of it was that the whole of Asia went under European occupation, because a new technique, a new system of knowledge had developed by the use of which peoples of certain nations were able to exercise authority over others. A similar process is coming up in this age of ours and in this nuclear age the difference between the countries which are scientifically advanced and the countries which are scientifically backward is very much greater than it ever had been before. The gulf is both deeper and wider than it has been. Therefore, unless a nation makes a scientific approach to matters, unless it develops its science, it is not possible for it to hold its own in the competition of this world. The idea that imperialism is dead and will not be revived is a very foolish one. Imperialism may take a different form. It is perfectly clear that there are two different types of civilisations in the world, one drawing its power from the latest facts of science, from the latest knowledge. The other is backward in the matter of the use of science. The country which has the latest scientific knowledge and methods at its disposal

[Shri K. M. Pamkkar.]

will certainly, if not rule over, at least will have influence and authority over the other, the more backward ones. The question for us is whether we are in a position to harness science in the same way as the modern nations have done. I heard with great sorrow some veiled allusions to grandiose schemes in science, almost suggesting that the proposals for our developing nuclear power in this country and for developing power based on nuclear energy now being started are something foolish, something 3 P.M. grandiose. All that I want to say is that no country can become great industrially or otherwise through second-hand science. No country has yet been able to build up any great industry on borrowed science. It is only through a process of developing our own industries and our own science and being able to be in a position to utilise the researches of other people of being able to absorb the results, that country can progress so that if more scientific institutions are established, if money is spent on what are called grandiose schemes it only means that the country is being alerted and is taking upon itself the task of crossing the gulf which separates the scientific countries from the non-scientific countries today. India is one of the few countries in Asia which has scientific education, and it is a matter of great satisfaction that this encouragement to scientific work is going on and is provided for in our Plan.

There are two other matters to which I should like to draw attention. One is the question of implementation of our large schemes. We have inherited the British Indian tradition of considering that a general purpose service is good enough to run any kind of administration or any kind of technical service. If a person is a Deputy Secretary, he should be good enough to be the General Manager of

a great organisation, and if he is a Joint Secretary he is better than any General Manager could ever be. This attitude towards the management of great industries is not something which is likely to benefit us. Unless we are in a position to develop great managerial talent in the plants and industrial organisations we set up, we shall come to great grief by depending upon people whose ability, however great in the Secretariat, may not be sufficient to meet the daily problems of great industrial concerns. Ability to control industrial concerns is not the same thing as management of the Secretariat personnel or of understanding the problems on paper. Therefore, it is that the implementation of our programmes has to some extent fallen behind the great schemes, that we had drawn up. In the years to come, this problem would become much more important because with every increase in our industrial potential we have to find personnel not merely from the Government recruited service but direct from the industry and from the general public. This is a major issue which cannot be overlooked and should not be overlooked in our schemes-for the future.

Finally I would venture to draw attention to one aspect of planning which I would say has been overlooked. It is particularly important when it comes to our future developments-* This is what I would call distributive justice in regard to industrial location. It is Aristotle Sir, who said that distributive justice is essential to democracy, that is to-say, it is not possible to have concentration of industries or of great industrial schemes in one area to the neglect of others. The whole of India has to be considered as one and the excuses often put forward that resources are not available in one place that raw material is not available in another and that, therefore, we are confined by these factors *to certain geographical areas, do not seem to me to be very valid. Nobody has ever said that cotton grows in

Manchester, and I have not heard it said that jute is the product of Dundee. So, if the jute industry can be developed in Dundee and Manchester can become the home of the cotton indust

ry, there is no reason why areas which are not amply endowed with natural resources should not also be considered from the point of view of the location of industries. There has been a certain imbalance in this matter undoubtedly not merely from the point of view of great irrigation schemes where the matter of necessity has to be taken into consideration but in the matter of location of important industries. There has been, it is said, neglect of some areas while other areas which are more favourably situated have been given greater consideration. This problem of distribution of industries raises its head all over the world. When once I was in the Scottish Highlands, a committee was meeting there which was protesting very strongly against the neglect of the Highland areas in regard to various economic developments which Britain was evolving. The same position was taken with regard to Aberystwyth and some areas of Wales. In France, it is a general complaint that the south is being neglected and that all industries are located in the north. So, this is not a purely Indian problem but one which is prevalent everywhere. In India, a country with an imperfect integration, a country which is developing on a planned basis, it seems to me very important that the imbalance of State planning should be carefully looked into and every attempt should be made from the beginning to see that there is a general balanced development of all States. The general excuse brought forward that "Coal is not available in such and such place, how do you expect industry to develop there? Such and such raw material is not available at such and such place, how do you expect industries to grow up there?", should not be pushed beyond their normal validity. I am sure that the Central Government, representing as it does, every part of India equally,

would look into this question and see that whatever imbalance exists in the geographical location of industries is carefully set right.

KUMARI SHANTA VAS1SHT

(Delhi): Mr. Vice-Chairman, this Plan is a ray of hope to the people of our country, and shows us the shape of things to come and what sort of future we would like our people to have. We welcome it very much and we appreciate it deeply. I think our people are happy that there is some sort pf a Plan. The only criticism that does come about the Plan is from certain sections of people who are engaged mostly in business. They plan everything for their own business and for their own homes but do not see as to why there should be any planning where Government is concerned. So, I do not understand as to why they should be so critical. They say that the Plan is a very ambitious one when it does not even meet our daily requirements or the basic requirements to the extent to which we would like it to meet.

There are a few things that I would like to mention here. Our friend, Mr. Swamy, said that the Plan had increased disparities in income. I think it is very obvious to anybody that the disparities have not increased. As a matter of fact, they have been considerably decreased in the last ten years, and the Plan cannot be said to have increased the disparities. His other argument that the peoples' participation is not there is also not valid. Whenever people are informed or whenever the Plan is explained to the people, they understand it; even the primary school children or the villagers understand the Plan and they welcome it. They are also happy that something is being done for them. The Prime Minister said that he was concerned at people cutting trees and he said that if this were to go on, this would affect our tree-wealth. I am glad that he mentioned it. In Delhi, there are some very

[Kumari Shanta Vasisht.] fine orchards and there are some very fine and huge trees but those are under private ownership. Those owners are free to cut them as they like when they need land for housing or for any other purpose. It would be extremely useful if the Government were to consider the question of bringing forward a Bill to prohibit or restrict the cutting down of trees.

For that is also essential to check the spread of deserts, for having rains and for all other reasons that are there to keep the trees and to preserve them apart from the beauty that they add to the place.

I would now mention something about the Plan about which I am very much alarmed and about which I am very unhappy and that is particularly concerning the implementation of the Plan. We have seen now two plans; the Second Plan is almost nearing completion. And you will notice that in our First Plan the agricultural targets were achieved only to the extent of about 70 per cent.; in the matter of community development and national extension service the targets achieved were about 80 per cent.; in the matter of irrigation it was 90 per cent, and in the case of the rest the targets achieved varied from 80 to 95 per cent.

[MR. DEPUTY CHAIRMAN in the Chair.]

When we come to the Second Five Year Plan, in agriculture the targets achieved have only been about 50 per cent.; community development and extension service schemes 50 per cent.; irrigation about 200 per cent, or so. But this is a very major problem and I shall refer later to the question of irrigation in Delhi. In village and small-scale industries, roads etc. the targets achieved have been about 90 per cent, and 65 per cent, respectively. In the matter of education it is said to be 100 per cent, but about this also I would like to explain what makes it 100 per cent.

In health it is 50 per cent, and in the matter of welfare of backward classes etc. it is 90 per cent, but in the matter of labour and labour welfare the target achieved has been only about 9 per cent, and social services also about 9 per cent.

Now, take education which can boast of a 100 per cent, achievement. This was not really 100 per cent, because it included schemes which were not included in the First Five Year Plan or the Second Five Year Plan. It included the expenditure that was incurred on opening new schools for the increasing population of Delhi and that was really not a part of the Plan either first or second. Every year about 15 to 20 schools had to be opened and a large expenditure had to be incurred for that. All these were included in the Plan figures but important schemes for opening child welfare clinics, nursery schools for children, refresher courses for teachers and things like that which would have given a qualitative touch to the Plan were not implemented at all but the normal expenditure incurred to meet the increase in the demand of children seeking admission into schools was included in the Plan figures. And that is how the target came to about 100 per cent.

As far as labour is concerned, you will see that it is only 9 per cent, that has been achieved. I think that labour is a department which cannot be ignored at all and achievement should have been much more in this field. Even the labour welfare centres that have been opened are not in the labour areas. They really cater to people who are not labourers but mostly to people who are relatively well-to-do. They are the people who have taken advantage of these centres and thus we can see that we have really failed in implementing the programmes for the welfare of labour under our Plans.

Now, irrigation is one of the major problems in Delhi. It has a long history and I would only quote one example to show how we have failed to achieve results. There has been a lack of realisation of the urgency for implementation of plans for irrigation. For example, the question of irrigation was taken up between Delhi State Government, the Punjab Government and the Government of India in 1953. Later on it was again taken up in 1954 and it has been taken up consistently during the last three years but not a single drop of water has come to Delhi because the Government of the Punjab and the Government of Delhi could not agree on the price of water to be paid. You want the community projects to succeed, you want that the rural areas should look very prosperous and nourishing but you don't supply the vital blood that is necessary, namely, irrigation, which is absolutely necessary to make your schemes a success. The basic problems of irrigation etc. need to be tackled so that the overall schemes may be successful. The same is the true of water-logging. This has gone on for so many years and the crops are damaged. This question has been hanging on for many years but has not still been tackled. That way you cannot help the rural areas. There is also wastage due to duplication of services which are carried out by the social education department, by the Community Projects Administration and by the health department. They all have health centres; they all have education centres. They all have the same kind of programmes so that three agencies are carrying on the same programmes and naturally they are not getting as much results as they should. All this should be done by one agency.

Then, Delhi never gets its budgets sanctioned in time. The Government of India takes a lot of time to give sanctions.

SHBI TIKARAM PALIWAL (Rajasthan):
Mr. Deputy Chairman, Sir, I

am very thankful to you for these ten minutes also. Sir, much has been said about the various aspects of the Plan and during the short compass of time allowed to me it is not possible for me to enter into any detailed discussion of the subject. I will therefore content myself by making some general observations. I believe, Sir, that the Third Five Year Plan as a whole is well conceived. It brings into relief our hopes and aspirations and it gives a very clear picture of the future before us. As it says, it flows from the last two plans and the objective remains the same but of course at a different level of development. What matters most, Sir, is the importance attached to agriculture and it has been rightly said that during these two plans agriculture has been restored to its rightful place—the key place—though in implementation we have fallen back far behind our targets. Now, the Planning Commission and all concerned have time and again complained of lack of public response to many of the development projects, especially community development and irrigation projects, agriculture, road building, local development works and so on. It would be well if we could try to find out the reasons as to why we have failed to arouse public enthusiasm for works and projects which are meant for the good of the public. Su-e'y, the public is not so irrational but we have to approach them in the right manner and here comes the role of the administration, the day-to-day administration. The Prime Minister has rightly said that the most important question before India is one of implementation. It is not a question of framing policies. Policies, I believe, we have framed. They have been clearly laid down and they have been accepted by the country as a whole. They have been applauded and appreciated abroad. The question remains now of implementation and when we come to implementation it becomes a question of administration, both the day-to-day

[Shri Tikaram Paliwal.] administration which comes into contact with the common man and the administration of the special projects that are undertaken. The main reason to my mind why we have failed to arouse public enthusiasm, to inspire the public with confidence, is the failure of our administration.

We have not been able to give them a fair, impartial, clean, efficient administration in most of the States. That is the main reason why there is no public enthusiasm at all. They take at a discount whatever we say on behalf of the Government. That is the main reason. It may be a very unpleasant thing to say and perhaps more unpleasant to hear it, but this is the feeling which weighs with many people. What about our district administration where We know the Collector occupies a very important place. The Collector occupies a very important place so far at least as the local development works are concerned. But if in a district, within a short period of about two years, five Collectors are there, what are those officers to do? Take the case of a tehsil. If about nine tehsildars are transferred from a tehsil within a short period of eighteen months, what is that administration? Such things go on and people do not have confidence in our administration. Our administration does not inspire confidence. We fail to enthuse them in our work. And then we complain that the people do not come forward. They cannot come forward unless we give them an impartial, efficient and clean administration.

About the administration of our Plan projects, only yesterday an hon. Member of this House, Shri Nawab Singh Chauhan, brought before me an example, an example to see and understand. He came to me with a young man, who was a section officer at a project, namely, the Chambal Project on the National Highway near Dholpur. I was shocked to hear what he said. There the bridge has been built at a cost of about Rs. 41 lakhs.

The contractor is a firm of foreign contractors, an English firm. This youngman was employed there as a section officer or as an overseer, and he was in charge of cement stores. He said that he used to issue cement and he was required to certify for much more. If he issued 300 bags, he was required to certify 500 bags. Sometimes he did it under pressure of his officers—that is what he said—when officers were present. At other times when officers were not present he did not do that. The officers were displeased and he was put to trouble. He reported the matter to the Chief Engineer. The Chief Engineer called him, asked for a report. He gave a detailed report and he was transferred to a different district. After some time, there also he did not fall in line with some of his officers. He was required to certify as good work work which was defective and he quarrelled with his superiors. So, it is said, he was sent to the lunatic asylum. It was said that he had an unbalanced mind, a deranged mind.

SHRIMATI YASHODA REDDY (Andhra Pradesh): It was brought up during the Question hour the other day. It was discussed here.

SHRI TIKARAM PALIWAL: I do not know, but it must not have been discussed.

THE DEPUTY MINISTER OF WORKS, HOUSING AND SUPPLY (SHRI ANIL K. CHANDA) : May I interrupt for one minute, Sir? These two matters, with regard to the allegations made by the section officer on the construction of the Chambal Project and the subject of his being sent to a lunatic asylum, in the course of questions, we have stated Government's case on both these questions.

SHRI TIKARAM PALIWAL: I do not know what was stated. I was not present during the Question hour. But I am afraid the man was sent to a lunatic asylum. Actually, he was detained there for more than a week and released from there.

SHRI DAHYABHAI V. PATEL (Gujarat): Perhaps under the Third Five Year Plan honest people must go only to the lunatic asylum.

SHRI TIKARAM PALRWNL: The -youngman met me and several others. I talked to him for more than hour. I am not an expert, but then I did not find a trace of lunacy in his mind. If it is lunacy, it must be a peculiar sort of lunacy. I think Government should look into these matters very seriously. He has given a very detailed report to the Chief Engineer. (*Time bell rings.*) If my time is up, I must hurry up, though it is very difficult to say what I am going to say, ■especially after hearing the Prime Minister praise the panchayats in very eloquent terms. I am not against panchayats as such. These panchayats are said to be revolutionising the society. But revolutions in their wake sometimes bring destruction also, destruction not only of bad things but also of good things. I am afraid that if the panchayats are allowed to run as they are being run now, unguided and uncontrolled, they may break the whole moral fabric of the society. It is very good if they are entrusted with only development work. . If they are treated as local plann'ng bodies, advisory bodies, then it is all right. But if they are entrusted, as they are being entrusted in some States, with administrative powers and judicial powers, then I am very apprehensive that it will not only be democratic decentralisation, , but it will be disintegration of administration, total disintegration. We will learn at our risk. We wiH come to grief and realise after some time that we have made a very, very serious mistake. I have finished, Sir.

SHRI ROHIT M. DAVE (Gujarat): Sir, I have a submission to make. Some time back a suggestion was made that we should sit beyond six o'clock, but as the hon. Planning Minister was not present here, no decision was taken. Now that he is here, if we can sit for some longer time, it may be possible for more speakers to sspeak.

THE MINISTER OF LABOUR AND EMPLOYMENT AND PLANNING (SHRI GULZARILAL NANDA): So far as I am concerned, the convenience of the House should prevail. I can sit as long as it is required—eight o'clock, nine o'clock, ten o'clock.

Ms. DEPUTY CHAIRMAN: The hon. Minister will reply at six o'clock. The House will sit till 7, if necessary.

SHRI P. RAMAMURTI (Madras): Sir, discussion on planning, particularly on the Draft Third Five Year Pian raises so many fundamental questions, so many aspects of the Draft Plan, aspects with regard to resources, aspects with regard to the social objectives underlying the Plan, aspects with regard to the question of overcoming rapidly the uneven development of the country in different areas, aspects regarding the administrative set up, which will be able to carry out the objectives that we have placed before ourselves, that I think it will not be possible for me to deal with all these various aspects of the question in the short time at my disposal. Therefore, I should confine myself to certain basic questions regarding the whole Plan itself. I do not propose to spend my time on the question of achievements of the Second Plan. About it so many speakers before had spoken and if I do not refer to them, it is not because I do not recognise the achievements, but because I feel that it is redundant to go on talking about them.

Similarly also, and for the same reason I do not think that it is necessary for me to expatiate on the question of the general line of development that has been postulated, namely the question of making India self-sufficient in the capacity to produce producer goods in the next few years which is so very necessary in the modern age for any country to advance. But what I would like to point out here is, as the Prime Minister has stated in the other House some time back, that it is now a question of implementation. With regard to the size of the Plan itself, I would

[Shri P. Ramamurti.] like to point out that there are Members in this House who feel that it is rather oversized, and their slogan, if I may put it so crudely, would be the same old English proverb: "Cut the coat according to the doth." It is a very good proverb "Cut the coat according to the cloth". But after all the coat has got to be worn by the man, and if it does not fit the man, then I do not know what purpose it is going to serve. Therefore, it is no use talking of proverbs. We have got to see whether the size of the Plan is sufficient to satisfy the aspirations of our people. After all it is stated in the Plan itself that at the end of the Third Five Year Plan also there is going to be a backlog of unemployment and that the backlog is going to increase rather than diminish. It is not even going to remain static, it is going to inci-ease. If after 15 years of planning and about 20 years since we attained our independence our people are told that the problem *of* unemployment is still going to remain with them, the question of creating the necessary enthusiasm in them becomes a very serious one. Therefore, I do not agree with all those people who say that this is an over-ambitious Plan. What is this ambition? The word "ambition" has a certain stigma attached to it. Some people are ambitious to become this or that. But is this a question of hankering after office? Our common people want to live a decent life. Does the Plan today give them enough opportunities, enough enthusiasm, in order to see that their normal aspirations are fulfilled? That is the basic and fundamental question. As I told you, Sir, unfortunately the size of the Plan does not suggest that. Let us not be overawed by the fact that Rs. 10,000 crores are being allocated for this Plan. After all, we know that the Second Plan has stated definitely that in order to double the national income by 1966-67, not double the standard of living but double *he national income, it would be necessary to invest Rs. 10,000 crores in the Third Plan in terms of the prices prevailing in 1951-

52. But we are investing Rs. 10,000 crores not in terms of the prices p-i-e-vailing in 1951-52 but in terms of the prices p-evailing today which are certainly at least 20 per cent, more than the prices which prevailed in 1951-52. Therefore, the real size of the Plan today is just about the order of Rs. 7,500 crores and not more than Rs. 8,000 crores in terms of the prices which prevailed in 1951-52. Some of my friend, from the Swatantra party and I think even Dr. Kunzru would say that this may not be possible. Why do they say that this may not be possible? According to them, if you invest so much, then what would happen is that prices will increase and you will not be able to hold the price line. Therefore, they say the whole question has got to be looked at not from the point of view of how the needs of the people have got to be satisfied but from the point of view that if we invest more, then certainly prices will increase. You have got to take measures to see that p-z-ices are not allowed to increase. Instead of asking for energetic measures for surmounting those difficulties they simply say that prices will increase, tha'; inflation will come, that you will not be able to control inflation. If it is said that you will not be able to control inflation, may I ask why it is that the Government is not able to control inflation? After all it is a plan. Planning means that you are able to control the economic forces in the country. Either we are planning or we are not planning. Therefore, if it is a question of planning, we must have control over the economic forces operating in the country. By adopting certain policies you are really not having a grip over the economy of the country, not having a grip over the forces operating in the economy of the country, and therefore, somebody else is having a grip over it. You must put an end to that, if you want to have real planning. Instead of asking for those steps, voices are heard "Let people suffer let them not get employment, what does it matter? Let us continue to have small plans from time to time. Let

the people suffer for some time". If after 20 years of independence and if after three Plans the standard of living of the people is not going to increase and the backlog of unemployment is going to be intensified, then people will lose all faith and you will have to face a situation in which the entire population will feel that there is something wrong in our basic approach. That is all that I would like to warn in this regard.

I am glad that this morning the Prime Minister had also spoken here and reaffirmed that we are for a socialist pattern of society. All very good words, I certainly welcome them. But unfortunately for me it is not just the promises that count. The proof of the pudding is in the eating, and it is there I want to test. The Prime Minister had stated this morning that we stand for a socialist pattern of society. I do not want to go into the various aspects of what socialism is and all that. I am more concerned with the content, with what we are going to do in the next five years, with what the Plan envisages in reference to that during the next five years. I am more concerned with that, and I shall deal mainly with that aspect of the question. People say, particularly people from the ruling party, that first of all there must be increased production and that distribution will come later. When I am given this answer, I want to ask them whether they really stand by what they have written in the Draft Plan or whether they are laying down all sorts of things in the Plan just for the pur^n<= of deception and they mean something else. I ask them this question because of very pertinent reasons. For example, take this Draft of the Plan. In the first chapter what do they say? They say:

"Through the policies it pursues"—that is, the State—

"it has to safeguard the interests of the weaker sections of the community and enable them as speedily as possible to come up to the level of the rest."

No condition is put. Your solution must be such that as speedily as possible the weaker sections must be enabled to come to the level of the other sections. Then what do you say?

"The problems of production cannot be viewed in isolation from wider social considerations."

Yes, do not consider this problem of production in isolation from social considerations. They have got a bearing on that because the harnessing of the enthusiasm of the common people is vitally dependent upon the question of social progress in our country. Just now the previous speaker was speaking of lack of enthusiasm. I am very glad that that statement has come not from my party but from a member of the ruling party. He stressed that in spite of these two Plans people are not enthusiastic. That is his own experience. Ministers might talk anything, but actually the ordinary Members of Parliament who have got to go to their constituencies and meet the common people understand it. The Ministers might say anything getting rosy reports from their Secretaries, it is an entirely different thing. Why is it that this lack of enthusiasm is there? This is the basic question that has got to be answered. Administration has got a bearing on that. But is it just a question of administration? That is only a superficial understanding of the whole problem. The preamble says that the problems of production cannot be viewed in isolation from wider social considerations. I agree. Then how do you proceed? First production and later on distribution—does it say that? It is stated:

"In the short run, there may sometimes be a conflict between the economic and social objectives of developmental planning."

Agreed.

"The claims of economic and social equality and those of increased employment may have to be reconciled with the requirements of production."

[Shri P. Ramamurti] It talks of reconciliation. It does not say "subordinate social objectives, finish with this, don't bother about social objectives". That is not what is stated in the Plan. I hope they mean what is stated. Then the Draft says:

"Experience of the working of the first two Plans suggests that on the whole the most satisfactory results are likely to be achieved by a balanced advance in all these directions."

That is both in the direction of production as well as in the direction of moving towards the social objectives which you have postulated in the Plan. Are we doing that? This is the simple question. Very good words. That is why I liked our Prime Ministers' statement the other day in the other House that today the problem is the question of implementation. Is it just a question of implementation? I would agree with him if it is stated that these objectives which have been set out have got to be actually implemented and then only the people will have the necessary enthusiasm. But if it is thought that it is only the administrative set-up that has been the problem, then I totally disagree with him because it is not a question of the administrative set-up alone, although as I stated earlier, that administration has also a vital bearing on the whole question.

The other day the Prime Minister made this statement in the other House—and our Nandaji stated it in this House also—namely that they are going to institute an inquiry by a high-power body with regard to the distribution of the national income. I am glad about it. Why? Because it is an admission—I say it is an indirect admission—of the fact that the national income, the increase in the national income that has been generated in the country during the last two Five Year Plans, has not been evenly distributed.

On the other hand, that increase in national income has gone into the hands of some richer sections of the people. Why do I say that? I say that because if the Government had any statistics, any figures or any inkling on the basis of which they could tell the people that as a result of the increase in the national income the common people have benefited, I am absolutely certain that they would have paraded throughout the country and from one end of the country to the other, every Congress member and every Congress Minister would have been shouting, "Here it is. We have today increased the standard of living of the common people and our plans have led to that increase."

SHRI N. SRI RAMA REDDY (Mysore): You have been shouting . . .

SHRI P. RAMAMURTI: They would have been shouting and telling that. Today no Minister has asserted that the national income has been distributed in favour of the common people. At any rate, the Government have no statistics to show that it has been done. Sir, our Nandaji's department, the Labour department, recently conducted an inquiry into the distribution of income among the agricultural labourers throughout the country. And we know that the agricultural labourers of our country form nearly 30 to 35 per cent, and as far as those 30 to 35 per cent, are concerned, actually State after State showed that the annual income of the agricultural labourers' families had gone down by nearly 15 to 31 per cent. It varied from State to State. In U.P. it has gone down by 31 per cent. If the normal income of the agricultural family goes down by 31 per cent, and that is paraded before me and I am told that this is the increase in the standard of living of the common people, well, I beg to differ. All that I say is, we differ as to who is the common man. To you the common people may be the Tatas and the Birlas. To us they are not the common people. Therein the difference comes.

Then, Sir, our Nanda ji himself had stated in the other House the other day that as far as the normal industrial worker was concerned, whatever might have been the increase in the real wages in the year 1950-51, after planning started, because of the increase in prices, real wages had gone down. That was the statement that he himself made. So, the industrial worker does not benefit; the agricultural labourer does not benefit and if you take the peasantry, well, the less said about it, the better. Well, some people say that the increase in prices has benefited the peasantry. We know which peasantry has been benefited. Again, another inquiry was conducted by the Labour department if I remember right—I am not sure of that particular department. And there it was pointed out that the marketable surplus of foodgrains in the country amounted to about 30 per cent, of the total production. That is, only 30 per cent of the total production of foodgrains are sold in the market. Therefore, it is only those people who are able to sell them that benefit as a result of the price increase in these agricultural commodities. And who sells them? Is it the one-acre-walla that sells them? Is it the two-acre-walla that sells them? Who sells them? They themselves have stated that 70 per cent, of this marketable surplus comes from landlords who own more than about fifteen, twenty, thirty acres. These are their own figures. Therefore, the increase in prices has benefited this particular class. It has not benefited the common peasantry; it has not benefited the one-acre-walla; it has not benefited the share-cropper. Therefore, directly as a result of this, the common peasantry has not benefited; the agricultural labour has not benefited; the industrial worker has not benefited. But who has benefited by this increase in national income? This must have gone into the hands of somebody. That is why I say that. If those figures had really shown that this increase in the national wealth had gone into the hands of the common people, Ministers would have certainly been parading them.

Then the question arises as to what we are doing about it. That is what I am more concerned with, and what has the Plan to say about it? The Plan states very good postulates. That does not carry us far. If I remember right, it was an ex-President of the Congress who stated, while presiding over the Pragjyotishpur Session of the Indian National Congress, that today the need was to bridge the gulf between the words and the deeds of the Congress party. I agree with that. The need today is to bridge the gulf between words and deeds. It is not my saying; it is the saying of Dhebarbhai. It is in the speech of the Congress President at Pragjyotishpur. It is an admission of the fact. Words are there, but the deeds are different. There is a Chasm. Deeds are divorced from words. I find it in the Plan itself. I will just take one or two things, like reducing inequality in income and wealth. Paragraph 22 on page 12 says:

"The problem of reducing disparities in income and wealth is, in part, one of correcting existing inequalities, but its more important aspect is represented . . ." etc.

"In some of these a greater advance is anticipated during the third plan."

Then they say:

"Thus, within the rural economy, the progress of land reform has been a major factor in reducing inequalities."

I would ask the Planning Minister or I would ask even our Prime Minister to lay his hands on his heart and say whether the land reforms that have been carried out in our country today during the last ten or fifteen years have really resulted in reducing this inequality or whether they have resulted in the intensification of this inequality as a result of the tremendous amount of evictions that have taken place. Millions of peasantry have had to lose the small plots of

[Shri P. Ramamurti.] land that they had. It is a fact that has been admitted in official enquiries in State after State that as a result of the loopholes in these land reforms thousands and thousands of people, peasants, have had to lose their lands and they have been evicted, and still we hear that these land reforms have been implemented in such a wonderful way that they have resulted in the reduction of inequalities. I would ask them the question whether there is any Congress Government in any State which has today implicitly implemented the Land ceiling programme on the basis of the principles enunciated by the Planning Commission? Absolutely not. Things have been muddled; things have been tinkered with and tips have been provided for the landlords even before a Bill has been introduced to make them escape all the provisions of the Bill. Andhra Pradesh has done it; Tamil Nad has done it and every State has done it. The Prime Minister himself has stated either at the session of the Indian National Congress or at the All India Congress Committee's Session, that the vested interests come in the way of the real implementation of these land reforms. That is stated inside the Congress party. But in the Draft you say a different thing.

SHRI SHEEL BHADRA YAJEE: In West Bengal and other States the Land Ceiling Acts, as suggested by the Planning Commission, were enacted.

SHRI P. RAMAMURTI: I know that. I am not yielding because I have not got the time.

That is the position which the Prime Minister has himself stated, and our Nandaji had stated some time ago that vested interests came in the way of the implementation of these land reforms. Then why do you say that we have done these things? Say that they have not been properly implemented and I can understand that.

SHRI GULZARILAL NANDA: Sir, somebody has said that the Labour

Minister has not denied that. Now, I hope, Sir, that while these things are being said about the Labour Ministry, about wages, industrial labour and other things, if out of consideration for the hon. Member I do not get up every moment, let it not be understood that anything of that kind has been acknowledged, admitted or accepted.

SHRI P. RAMAMURTI: After all, there is the quotation in the newspapers.

Then, Sir, what does the Draft Plan say on the question of inequalities? The Report says:

"Fiscal measures, undertaken with a view to finding resources needed for rapid development and based on the principle that burdens shall be equitably distributed, will also greatly assist the process of reducing old inequalities and preventing new ones arising from the very process of growth"

Very good. "Fiscal measures" will have to be undertaken so that the burdens do not fall upon the poorer sections. It is equitably distributed so that further inequality is not created, not only further inequality is not created but old inequalities are reduced. Now it is a very good proposition that has been stated here. But then when it comes to the question of taxation policy, what is stated there? In paragraph 22, on page 50, the Draft Plan says:

"The details of tax measures to be adopted will have to be decided upon in the light of the (-merging economic situation. It is clear, however, that the Third Plan will necessitate increases both in direct and in indirect taxation as also measures to raise the surpluses of public enterprises."

It is also stated in the next para that there is no scope for increasing direct taxation, therefore, indirect taxation will have to be increased.

You say that fiscal measures will have to be adopted so that the common people do not suffer. But when it comes to actual practice, you say it has got to be done and that money cannot be found otherwise. Therein comes the divorce between your words and deeds.

It is further stated:

"For the majority of the people, the additional taxation Mentioned above will still permit a rise in consumption; the sacrifice is thus relative, not absolute."

How are you sure of that when you do not know what exactly is going to be the distribution of the rise in the national income? The Planning Commission does not say in the Draft Outline what fiscal measures they are going to take, what other measures they are going to take. When they do not understand anything about it, how are they entitled to assert that the increase in national income will mean more income for the common man and, therefore, the increased taxation will be "relative"? I would "have welcomed if they had known what the increase in national income was, taken firm measures to realise it and then if they had called upon the people to pay more taxes, I would not have objected to that. My objection arises primarily from this thing that today we have not made any provision for equitable distribution of the national income. On the other hand, what is stated in the Report? "The aspects to which attention has been drawn above", i.e. all these fiscal measures.—

"The aspects to which attention has been drawn above, therefore, call for careful study with a view to evolving policies capable of securing the fulfilment of both the social and the economic objectives of national planning."

After all the experience of the First and the Second Plans all that they can say is that it needs a "careful study". Even now you have not

undertaken that study. You only recognise, "It needs a careful study". What are the fiscal measures that are going to be undertaken? (Time bell rings) I think I have another five minutes.

MR. DEPUTY CHAIRMAN: No, two minutes more. You have already taken 24 minutes.

SHRI P. RAMAMURTI: Similarly, for example, on the question of the growth of monopolies, what does the Report say? In order to curtail monopolies, it is said fiscal measures and all these things will have to be undertaken. What are those fiscal measures? They do not know. The Draft itself admits:

"It is true that in the present phase of development well-established firms have certain advantages in organisation and expertise, better access to the capital market and to sources of foreign collaboration and availability of funds on a larger scale from businesses or industries which are within their control or influence."

It is a well-known fact that if you have to get a licence, you are asked: "Are you able to get foreign collaboration?" If I am able to get foreign collaboration, I will get the huge capital required. You may provide for any fiscal measures, but ultimately the whole question comes to this: who will be able to approach the capital market, the banks would have influence over business and other institutions of finance? Therefore, merely talking of the fiscal measures does not take us anywhere. You want the disparities to be reduced by a few fiscal measures. It simply cannot be done, and you know it. It is basically a different question. It is basically a question of preventing those resources being in their control—these capital markets, the banks and things of that type. It is a question of taking them away from their control and influence. Unless we are prepared to think in terms of that, all these brave promises are useless. Wonderful things are

[Shri P. Ramammti.] I stated. I agree that these objectives must be carried out. I agree that the carrying out of these objectives, will create a tremendous amount of enthusiasm, but in order to be able to do that—I think, it is absolutely essential from the experience of the two Five Year Plans—serious rethinking is called for with regard to certain basic aspects of planning itself. That is all I can say within this time. I can not say anything more.

DR. NIHAR RANJAN RAY (West Bengal): Mr. Deputy Chairman, Sir, for the last two days various aspects of the Draft, Third Five Year Plan have been discussed. Since the time is very limited, I shall address myself to only one point, and that aspect relates itself to questions of social purpose and social ideology. An intellectual egg-head that I am, I do not think that anything else is expected of me.

Everybody knows and we have been told often enough that a great deal of study, thought, technical knowledge and joint effort have gone into the making of this Draft Plan. This morning we had an inspiring address from the Prime Minister. But this spirit of inspiration, the language the Prime Minister used, I am sorry to notice, have not gone into the making of the Draft Third Five Year Plan. The Draft provides a good analysis of the situation. It gives a large amount of statistics; but it is not an inspiring document, because it lacks the ideological and emotional impetus that is so very necessary to build up the social reserves of our people, their faith and confidence.

More than one speaker in the other House and in this has referred to the lack of enthusiasm at the back of the working" of the implementation of our Plans. Everybody knows, materially speaking, that we have launched upon a very great adventure. We have been called upon again and again to make sacrifices. We have been called upon to show courage and determination. We know theoretically that

a big army is on the march, an army that is going to conquer prosperity out of the desert of poverty. But this Draft Plan has not, I am afraid, provided the battle-cry, the slogan for the army put on the march.

The First Plan, the Prime Minister described, was a planless Plan, but the Second Plan had an ideological background. We took more pains to spell out that ideological background. It started at Avadi, went through the Ootacamund Seminar and spelt it clearly and precisely at Nagpur. There we came to know how we were going to transform from a law and order State to a socialist State, to a welfare State.

I have been dismayed, Sir, that the phrase "socialist pattern of society" does nowhere occur in the Draft Plan. At least, even if it does, there is no clear enunciation of what has been achieved in this direction through the First and the Second Five Year Plans and it does not lay down what we are going to achieve in the Third Five Year Plan in terms of a socialist pattern of society. The success or failure of a plan 4 P.M. I would judge, by the standard we have set up before ourselves, the standard of a socialist pattern of society. The most important thing is, we have been told and we know it for certain, that the national income has gone up by 42 per cent. That is a very large increase no doubt but one of our main objectives in a socialist pattern of society was to bring down the inequalities or reduce the inequalities to its minimum. On page 12 of the Draft Plan, amongst the aims and objectives, the bringing about of reduction of inequalities in income and wealth and a more even distribution of economic power, comes last in the list. To my mind it should have been the first in the list. I take it that it is no indication—this laying down of the main aims and objectives of the Plan as 1, 2, 3, 4 and 5—of the priority that we are going to give

Nobody denies that we have achieved a great deal in terms of capital investments, in terms of ratio of investment to

national income. Nobody denies that We have achieved a great deal in terms of increase in the national income, increase in opportunities of employment, etc. Yet it can also not be denied that there is a great deal of frustration all-round, lack of enthusiasm, loss of hope and faith and, to my mind, as a student of history and sociology, a dwindling of the social reserves. In terms of social values, this dwindling of social reserves is a dangerous symptom. Production has increased no doubt but we have not taken care about distribution. Income has increased but it has been more than counter-balanced by the price increase. Employment has increased but it is being more than counter-balanced by the enormous growth in population. We have suffered repeated defeats on the tood front. But the most important of all is that except for the partial abolition of landlordism and the introduction of the panchayat system, there has not been any appreciable change of our social institutions because this change in social institutions, any sociologist would say, are the instruments to bring about a social change. Total planning means not merely economic regeneration. Total planning means a total change of social life and it is only in the change of social institutions that a radical change in social life and social values can take place. Therefore, it is because of these reasons, that the emotions of our people have not been stirred up. Yet, unless these emotions are stirred up, we cannot achieve much. It is not capital that achieves, it is not technical know-how that achieves. One of the Upanishads states:

"Sarvam Prana Ejati Nihshritam".

Whatever is created is the vital activity of *Prana*. We have not done much to feed this vital activity of the source of life. Have you noticed this? Have our Planning masters taken note of this? Our people are not insensitive to changes? They can take changes. Any great national movement—religious or social, political or economic—or any great movement of

a mass of people has led a nation to burst out in songs, in creative arts, in literature, etc. We have lived through 10 years of Plan and it has not given rise to creative community songs. It has not given rise to any good poetry. The Prime Minister is the one person whom we hear speaking of the big dams and the reservoirs as temples, as place's of pilgrimage. Nobody else had fed our emotions, nobody has cared about it and not a single creative fiction or book of poems has been written On these big projects that we have undertaken. This is a great social indication. I am not talking in the air. No, there is no great human activity or movement without leading to the very sources of creative inspiration, without making a nation burst out in songs and lyrics, in dramas and in arts. These ten years of planning have given us no indication of that creative effort and it cannot take place unless something is done to feed the vitality of *Prana*. This has been the major defect in our planning and in this Draft, I am afraid, there is not a single sentence that goes to feed the vitality of *Prana*. Thank you.

SHRI JOSEPH MATHEN (Kerala): Mr. Deputy Chairman, Sir, much has been said about the achievements of the First and Second Five Year Plans and the merits and demerits of the Third Plan have also been discussed in this House. Our achievements were great by the implementation of the First and Second Five Year Plans but they should have been greater by the sustained effort of the people in general and the administration in particular.

I do not wish to go into the details of the activities of the Second Plan but I wish to point out some of the-facts that should engage the attention of this House with regard to the Third Plan. In the Third Plan it seems that much emphasis is given to balanced development. Balanced development is absolutely necessary for the preservation of our unity and for our national integrity. But when we take into consideration the implementation of the Second Plan, I doubt very much

[Shri Joseph Mathen.] whether we had given much importance to this issue when the industries were located. I am quoting an example. Kerala is a State where we cannot expect much development in the agricultural front. If at all we can do something in the agricultural front, we cannot expect an extensive cultivation there in Kerala because of lack of land. The scarcity of land will permit further development of agriculture only by intensive cultivation, and for that too, there is very little possibility. In a State like Kerala the only possibility of development is through industrialisation. But when we see the investment that the Centre has made in the Second Plan for industrialising the nation and the peculiar circumstances by which Kerala is handicapped, we can decide, what has been spent for industrialising Kerala during the Second Plan, is quite inadequate. From the statements and the reports that I have, I see that out of nearly Rs. 770 crores spent by the Centre for establishing industries in the public sector, only Rs. 75 lakhs; that is, one-thousandth part of it has been spent in such a State as Kerala where there is no other possibility of development except through industrialisation. This is how we seem to plan for the balanced development of our whole country. Sir, this is a matter which should engage the serious attention of all who are connected with planning for the development of our country. In a State like Kerala where we have lakhs and lakhs of educated unemployed, industrialisation is the only salvation. Even though we may not find a good number of technically trained persons there for starting industries, it is the responsibility of the Government to see that training institutes are started to impart technical training to those who have undergone some sort of education, say, up to the matriculation or graduate stage who number lakhs there. They could be employed in the State and privately owned industries.

Last time in the Second Plan we had to give much importance for

establishing basic industries like the steel plants and other projects and we had to spend large amounts in various places where the necessary raw materials were available or where there were other peculiar circumstances conducive to the establishing of such industries or projects. That would be one explanation. But these are all lame excuses, for if at all you wanted to start new industries in Kerala, you could have had opportunities of doing so. You started the Heavy Electricals at Bhopal which could easily have been started in Kerala. That needs a lot of electric power. Plenty of water is needed; and we have those. Suitable site was also available.

So, it should have been started in Kerala. I find here in this Plan we are going to start two more projects for heavy electricals and I do not know how much importance will be given to places like Kerala, where industrialisation alone can save the situation, for locating the projects.

Here I see a provision for soil conservation. I agree that soil conservation is absolutely necessary. But it is specifically mentioned that the soil conservation here is meant to meet some of the demands in Uttar Pradesh where erosion is caused by the Jamna, the Chambal and other rivers. But what about the great havoc done to the land in Kerala by sea erosion? Memoranda were submitted to the Government, representations were made to the Central Government by the State Government and every year lakhs and lakhs of coconut trees worth crores of rupees are destroyed by this sea erosion. But now there are controversies going on between the Governments as to whether the expenditure that may be needed to prevent this sea erosion should be met by the State Government or the Central Government. By the time all this issue is decided, I am afraid the entire land would have been washed away and lakhs and lakhs of acres would be under water.

Next, I would like to make mention of the development of fisheries. We

claim that we have more than 3,000 miles of sea coast for our country. But what have we done for the development of fisheries? Whatever has been done, I am afraid, is inadequate and I think that a board should be set up to study carefully the situation of fisheries at the present time and an adequate programme should be drawn up for the development of fisheries in our country.

Thank you, Sir.

PROF. M. B. LAL (Uttar Pradesh): Sir, the party to which I belong stands for planned economy and a socialist society. "We agree with the Prime Minister that in the name of free enterprise a handful of capitalists should not be allowed to 'exploit the nation and establish their monopoly over the economic life of the country. We also agree with him that an acquisitive society is an evil while a socialist society is moral and good. We are for building up socialist economy not only because it is more efficient, but also may I say, primarily because it is more ethical. Sir, we will be happy if the Government proceeds towards socialism with courage and determination. But our regret is that while the Prime Minister claims that his Government stands for building up a socialist society and economy, the Plan lags much behind the declared objective, and unfortunately this leads us to doubt even the professions.

May I invite the attention of the House to certain facts to elucidate our point of view. Sir, in the Second Plan, the reduction of inequalities in income and wealth and a more even distribution of economic power were declared to be necessary for establishing a socialist society. This was also declared to be an important objective of the Second Five Year Plan. But if you carefully study the Second Five Year Plan you will find there was nothing in the Plan to suggest that during the Second Five Year Plan there would be less concentration of 537 RS—8.

economic power in the sector of large-scale industries and there would be reduction in inequalities in income and wealth. Sir, my predecessors have invited the attention of the House to the fact that inequalities have not decreased and on the other hand these inequalities have increased. This statement was questioned. But I have in my hand some estimates of national income published by the Government of India and if we carefully study that statement, we find that while the agriculturists' share in national incom

e has fallen from 50·2 in 1950-51 to 45·5 in 1957-58, and the share of the small enterprises or the small-scale industries has fallen from 9·6 in 1950-51 to 8·8 in 1957-58, the share of the factory establishments, that is to say, the large-scale industries, has increased from 5·8 in 1950-51 to 8·4 in 1957-58. Do these figures not clearly indicate that big industrialists are the chief beneficiaries of the increase, in the national income? Some years ago, there was an agricultural survey and according to that survey there were in the country only 23 per cent, of agriculturists who were in a position to sell grains to the people. I do not know what that percentage today is but I feel that even today the percentage would be near about that. From this, we can gather that only a fraction, not more than one fourth of the agriculturists are benefited by the increase in agricultural prices; three-quarters of the peasants who have no grains to sell and most of whom have to buy grains from the market for their livelihood have not benefited from the increase in agricultural prices; rather, they have suffered from the increase in agricultural prices. Sir, it is reported here that in this year the increase in the national income would only be a nominal one, •5 per cent. It is also pointed out in the papers and in other documents that even this increase will be due to an increase in the income of big industries, and that the national income, so far as the agriculturist is concerned, will be below what it was last year. From all this, it is obvious that

[Prof. M. B. Lal.] the big industrialists are the chief beneficiaries of the increase in the national income. I beg to submit further that there has been an increase in the concentration of economic power in the private sector. In the proposed Third Five Year Plan also, reduction of inequalities in income and wealth and a more even distribution of economic power have been declared important aims of the Plan and yet I beg to submit, Sir, that in the Third Plan also there is nothing to show that during the Plan period any of these two objectives could be achieved. Government's wage policy continues to be as unsatisfactory as before. The attitude of the Planning Commission with regard to the development of village industries and small industries is as unsatisfactory as before. As a matter of fact, their share in public outlay is reduced from 3-9 per cent, in the Second Plan to 3-4 per cent, in the Draft Third Plan. The Planning Commission itself apprehends that the development of private industry may become unduly concentrated in the hands of a few and feels that this will have to be guarded against, and yet, Sir, in the proposed Third Five Year Plan which is before us, there is no definite suggestion for guarding against this concentration of economic power. Even the enactment of anti-trust laws, the abolition of the managing-agency system and of the interlocking of directorates is not proposed. The latest report of the Company Law Administration reveals that the managing-agency system continues to be a great source of evil. It notes a number of cases of improper sale of managing-agency rights, *benami* holdings in managing-agency concerns, investment for purposes of cornering shares of other companies to enable managing agents to gain control over these companies, etc. Sir, it also records the existence of such business trusts as making substantial investment in certain companies and thereby gaining controlling interests in the voting rights attached to the shares

of the company in which the investments are made. This enables a limited number of capitalists to exercise effective control over a large part of the economic rights of the nation. Sir, I have no doubt in my mind that if we mean to implement the directives of the Constitution against the concentration of economic power, we will have to abolish the managing agency system and the interlocking of directorates and pass anti-trust laws. Such trusts and monopolies which cannot be broken will have to be owned by the State unless we want to reach that stage of being owned by economic trusts of the capitalists.

In the Second Five Year Plan and in the Third Five Year Plan, equal advancement and wide dispersal of development projects were regarded as necessary for the establishment of an equalitarian society, for the establishment of a happy social order in our country. But the latest Report of the Company Law Administration reveals that big industries are being increasingly concentrated in certain regions. The results of the Second Plan, it seems, hardly bear any relation to the principle of removing regional disparities. I will just point out the case of Uttar Pradesh to indicate to this House that regional disparities instead of decreasing are increasing during the Plan period-The House would be surprised to know that while the *per capita* national income is reported to have increased from Rs. 246-3 in 1950-51 to Rs. 293-6 in 1958-59, the *per capita* income in Uttar Pradesh stood at Rs. 259-02 in 1958-59 as compared to Rs. 258-26 in 1950-51. In fact, it was as low as Rs. 246-85 in 1957-58, and is less by Rs. 1-50 if the average of eight years is taken. Can this be regarded as a satisfactory state of affairs? Does this not indicate that during the Second Plan period no attention has been paid to the dispersal of development projects all

over the country and that regional disparities instead of decreasing are consequently increasing?

Sir, I shall point out to you again the question of agriculture. Agriculture, as we all know, is the mainstay of our economy. Its development is in no way less urgent and necessary than the development of industries. Without a strong agricultural base, Indian national economy cannot be built up, it can not be a self-sustaining or self-generating economy, and yet, in the Second Five Year Plan, agricultural development was not even regarded as one of the principal objectives of our national economy. While in the First Plan agriculture and irrigation received between them 29 per cent, of the public investment, in the Second Plan they were to receive only 17 per cent. While outlay under all heads of agriculture did increase, allocations for agricultural crops was only Rs. 170 crores in the Second Plan as compared to Rs. 195 crores in the First Plan. The reduction in the outlay on crop development was wholly unwarranted. Sir, our failure on the food front has undoubtedly been a major cause of our foreign exchange difficulties and economic distress. We hoped against all hopes that we would be able to export foodgrains and thereby earn foreign exchange while we had to import foodgrains in huge quantities and be overburdened with foreign debts. I am glad that in the Third Five Year Plan self-sufficiency in food and increase in agricultural production is deemed to be an important aim of the Plan. It is also recognised that along with the development of heavy industries development of agriculture is necessary to ensure to the country a self-sustaining and self-generating economy. The share of agriculture and irrigation in public outlay has also been raised though it is still much less than 29 per cent, allotted in the First Plan. It is also surprising, Sir, that the outlay on irrigation

is reduced from 9-8 per cent, in the Second Plan to 9 per cent, in the Third Plan though the actual amount, of course, has increased. We all know that water is the prime need of agriculture and nothing should be done to retard the growth of irrigation facilities. Sir, in the Appraisal and Prospects of the Second Five Year Plan placed by the Planning Commission before the Council of Industrial Development in May 1958, it is said that progress in the utilisation of the irrigation potential created through major and medium irrigation schemes had not been satisfactory. This was, it is said, due either to the canal system not being completed or to the smaller distributaries and feeder channels not being excavated or to the agriculturist not being adequately assisted in adopting the new crop pattern through demonstration farms and other measures. Sir, unremunerative high irrigation rates are also one of the causes which deter the peasants from making full use of irrigation facilities available to them. Sir, I strongly feel that irrigation rates will have to be so revised that the peasants may be encouraged to make full use of the irrigation facilities. Proper attention will also have to be paid to the construction of the smaller distributaries and feeder channels. Greater attention is also needed in the development and construction of minor irrigation works.

Sir, the Planning Commission laid considerable emphasis on ceilings on land holdings and on other tenancy reforms, but if you study carefully what is done by the various State Governments during the Second Five Year Plan period, you will find that tenancy reforms were not proceeded with proper care and enthusiasm and as a matter of fact in certain places tenancy reforms are so devised that they do not benefit the poorer class of peasants or agricultural labourers. Ceilings on holdings so essential for the proper redistribution of land are kept so high, provisions against transfers and partition are so

[Prof. M. B. Lal.] defective and exemptions from ceiling in most of the States cover such a vast area that the idea of redistributing land rent charged from tenants continues to be much higher than that which is regarded as fair by the Planning Commission and yet the Planning Commission remarks in the Third Five Year Plan draft that the main task during the Third Plan will be to complete as early as possible the implementation of policies evolved during the Second Plan and embodied in the legislation which the States have recently undertaken in pursuance of the accepted policies. Such a decision will make us suffer from complacency in no way justified by hard realities. It is our duty to scrutinise carefully the agrarian legislative measures of the different States in the light of our objectives which are indicated in the Third Plan and which are to remove such impediments to agricultural production as arise from the rural structure inherited from the past and to eliminate all elements of exploitation and social injustice within the agrarian system, to produce security for the tiller of the soil and assure equality of status and opportunity to all sections of the rural population.

Sir, in the end I beg to submit that the Draft Outline of the Third Plan will have to be considerably revised before it becomes a fit instrument of real development of the nation, before it becomes a proper instrument to lead us to an egalitarian social order, to the socialist society which our Prime Minister professes is the aim of his Government.

SHRI JASPAT ROY KAPOOR: Mr. Deputy Chairman, Sir, there can be no doubt, and in fact there is none, in the mind of anybody that during the last ten years or so that the Plans had been in operation we have progressed in almost every direction. I

say in almost every direction because* I am particularly conscious of the fact that in one direction at least, in the direction of morals, we have* beaten a retreat as it were and have even gone in the reverse direction but on every other front we have done very well. There can be no doubt about it and there is none. The total wealth of the country has increased; the national income has increased. There is dispute only about one thing that this increase in national wealth and national income has not been equitably distributed. Sir, I dispute that contention also. It is well, however, that an Enquiry Committee is going to be appointed to investigate into the question as to where this increased wealth has gone for its conclusions will give a lie to this contention. To me the thing is crystal clear. Is there not enough of visual evidence that the masses have benefited? Just for a moment, take the following three or four things into consideration. Our textile production has increased by 50 per cent. Sugar production has increased by 100 per cent, and we are producing cycles to the extent of about 10 lakh cycles* per year. I take only these three articles because these are the three things, two of which are consumed by all alike, rich and the poor, and so far as cycles are concerned, they are used more by the poor than by the rich. Where has this 50 per cent, increase in textiles gone? Where has this 100 per cent, increase in sugar gone? Obviously, it is not the rich who were feeling the shortage of cloth ten years before. The rich had enough money to purchase as much cloth as they liked. The rich surely had enough money to purchase and eat as much sugar as they liked. And surely it cannot be said that the rich people are now eating more sugar than they used to do ten years ago or five years ago. Obviously, then this 50 per cent. increase in textiles and 100 per cent, increase in sugar and all these ten lakhs cycles have gone to the poor people and if they have gone to the poor people, obviously it is because

their income has increased. Sir, I walk about with open eyes and with 1 an open mind on this subject. I do contend that it is absolutely a false cry that the rich have become richer and the poor have become poorer. Maybe a few people, who were rich, have become richer still. That you can never avoid. Surely there are a few families in the country, big industrial families, who may have become richer. But then I think we should not grudge this increased business in those few families, provided the richness has increased by fair means. If anybody has evaded taxation or even avoided taxation, we must condemn it. If these few big industrial families in the country have established quite a large number of new industrial concerns during the last ten years and if they still continue to establish yet more big industrial concerns in the country, I think we ought to be a little grateful to them. I do not belong to these families, nor have I got anything to do with them. But then I want to be fair to them and I do want to say that we should create in the country an impression that those who are prepared to establish industrial concerns are rendering a good service to the country. Some of these big industrial families, I understand, have even been invited by some States. Some of the States have invited some of them to come to their States and establish big industrial concerns. Therefore, I submit that if a few big families have earned a little more, that does not go to prove that the general masses have not benefited. The facts that I have just mentioned are obvious to show that the general masses have benefited and profited. That being so, I think we are proceeding on the right lines and we have no way to see in what manner we should proceed with regard to the implementation of the Third Year.

With regard to this, I shall take up three points. The first is policy, the second is programme and the third is performance or implementation of the programme. I will touch all these three points very briefly. With re-

gard to policy it is now beyond dispute that we are after the establishment of a socialistic society. That we have decided and all our efforts must be directed towards the achievement of this end. That being so, in all our programmes and in all our efforts, we should not only be equitable distribution of wealth amongst various individuals but there should be equitable distribution of wealth and prosperity in the different regions of the country. That being so, I entirely agree with my hon. friend, Mr. Panikkar, who spoke a few minutes ago that we must particularly see to it that the different regions in the country are equally developed. With regard to that I think that the policy which is adopted by the Planning Commission in the matter of allocation of funds is not a proper and correct policy and it is contrary to fundamental socialistic principles. As I understand it and I think it is clear to all of us that funds are allocated to the various States more or less on the basis of their own investing capacity. Now, the poorer a State, the more backward a State, the less is its resource-raising or investing capacity. If merely because of the fact that its investing capacity is not much, your allocation to the state is poor, that only means that always that State will remain backward. The socialistic principle is that one should get according to one's needs and you should get from one according to one's capacity. Now, if the need of a particular State is great and if its contributing capacity is little, then it must be given from the Centre according to its needs and you must expect (from it) according to its contributing capacity. In that connection, merely for the sake of illustration, I would mention the case of Uttar Pradesh incidentally. It is backward in all respects, economically, educationally, etc.

SHRI SHEEL BHADRA YAJEE
Question.

SHRI JASPAT ROY KAPOOR: Only yesterday my hon. friend, Mr. Bisht, quoted specific figures and I am not going to repeat them. I have not enough time at my disposal to do that. But from the figures given to the House by Mr. Bisht, it should be clear how very backward Uttar Pradesh is. And why, even some five or six years ago this fact was prominently brought before the country by Dr. Panikkar in his Note of Dissent which he appended to the States Re-organisation Commission's Report. And we are grateful to him for having said in the Report all those things, though with entirely a different object in view, for advocating the bifurcation of the State of Uttar Pradesh. So, these facts have been before the country for a pretty long time. There might be other States also. My hon. friend from Kerala was also saying something similar to that. Therefore, I submit that so far as backward areas in the country are concerned your policy must be completely changed in that respect. Your allocation must be based on the considerations of the needs of the State and its poor contributing capacity should not be a hindrance in the matter of allocation. So much with regard to policy.

Next I come to the programme. The programme enunciated in the Plan, there is no doubt, is an admirable one. You have tried to cover all the various aspects of life in the country. We can only suggest on what particular aspect greater emphasis should be laid, on what particular programme a little more money may be expended. Now, Sir, I would suggest one more important thing for your consideration and that is the Plan cannot succeed substantially unless the prices are kept under control. Secondly, you should be able to provide larger employment opportunities. Keeping these two things in view, I think it is necessary that we must provide for larger production of consumer goods, so that the prices may remain under control. The industries which produce these con-

sumer goods must be able to provide* larger and yet larger opportunities of employment. I submit that if we keep these two things in view, we must allocate a much larger amount for small-scale industries, because it is only the small-scale industries which can easily and rapidly produce a much larger amount of consumer goods, so that the prices may not go on rising. It is just these small-scale industries—and even cottage industries—which will accommodate the largest number of labourers. That being so, I would suggest for the serious consideration of the Planning Commission that instead of providing only Rs. 107 crores for small-scale industries in industrial estates, they may double this amount, if they can, or in any case they must increase it by fifty per cent. It is said that these small-scale industries could provide employment in the current Plan period to three lakh people and about sixty industrial estates have been established.

(Time bell rings.)

MR. DEPUTY CHAIRMAN: I have got a very long list before me.

SHRI JASPAT ROY KAPOOR: Let me only finish this point. I hope you will let me finish it. I always anti-cipated that there would be a very long list for the purpose of participation in this debate and I took every good care to give my name about a fortnight ago and had virtually imposed silence upon myself during this Session.

MR. DEPUTY CHAIRMAN: That is what every other Member also says.

SHRI JASPAT ROY KAPOOR: I am just going to finish. I will not encroach upon others' time. I was submitting that experience had proved that these small-scale industries would be able to provide employment to a very large number of persons.

The proposal to double the allocation will mean that you will be able

to provide employment to 6 lakh new persons and, adding to that 3 lakh old persons, it means that these industries will be able to provide employment to 9 lakh persons. If you double the proposed allocation, it will mean more employment to 15 lakhs of people. You are proposing to establish about 300 more industrial estates during the next Plan period. I submit that your target should be the establishment of about 500 or so industrial estates, at least one industrial estate in each district, and there are some districts where more than one ought to be established. If you do that, you will go a very long way to keep the prices under control, and secondly, you will be able to provide employment to a very much larger number of persons.

Sir, I had something more to say, but I would not do that because I do not want to give you the trouble of ringing the bell. I only want to say in the end that we must propagate among the people the idea of working hard, working honestly and working sincerely. Let us work hard, sincerely and honestly not only for ourselves but more for the generations to come. Let us put before the country the slogan of hard, sincere and honest work. Let us say "We must trust in God and do the right". This spirit of frustration, this spirit of discontent that we have spread, we should try to put a check to it. We must tell the people that we must live a contented life and should not always entertain a spirit of discontent.

ग्रसन्तोषस्य कृतः सुखम्

"We spread enough discontent during the British period and rightly. Now, that time and circumstances have changed, we should spread a feeling of content among the people.

SHRI HARIHAR PATEL (Orissa): Sir, I was listening to the speech of our Prime Minister with great attention, very much inspired and inspiring as the speech seemed to me. I could feel that our Prime Minister was very serious over the question that is raised

today about the necessity of having a plan. It is really a matter which requires one to be serious especially when we have already or have practically completed two plan periods. This question has been raised by a section of Members in this House, but it is a serious question, because this question is also posed by people outside. It makes one thing very clear that our performance during the two Plans or the implementation of the two Plans has been defective somewhere. There have been shortcomings, otherwise there would not have been this question today.

Sir, I was distressed to see that none of the hon. Ministers on the Treasury Benches realised this fact. They never focussed their attention on the shortcomings and failures, but they gloated over the few achievements that we have made in the course of this period. In defence of the necessity of a plan our Prime Minister said in the other House that planning is the exercise of intelligence, that it is the exercise of intelligence to deal with facts as they are, with situations as they are, and intelligently trying to find out the way to solve the problem. Everybody plans and ought to plan whether he runs a show or an industry or a plant or a State. Today in this House he sought to defend the Plan by saying that an underdeveloped country like India cannot move forward without planning. He also said that it was necessary to protect people from exploitation. These are all theoretical reasons in support of having a plan and there can be no opposition to it if these theoretical propositions are put into actual practice. But the real reason regarding the wisdom of our having a planned progress is, as the hon. Minister, Mr. Nanda, stated yesterday, that whatever progress we have achieved has been possible because of our adoption of the techniques of planning. He also said that we have achieved considerable progress by adopting the techniques of planning, but I do not think that our progress has been considerable. It appears always considerable, because, while speaking about

[Shri Harihar Patel.] the achievements, the hon. Ministers never give us the cost of our achievements, and that is why they make the achievements appear very considerable. If we are given the costs of our achievements also, I think it would not be necessary for anybody to explain to the people that they have not been considerable. Anyway, I think this is the most valid reason in support of our having a plan because of the conditions prevailing in this country.

It is a matter of common knowledge that at the time the First Plan was formulated the Congress party was a gigantic party, and there was practically no opposition party in the country. It was very difficult for the opposition parties in the legislatures orⁱⁿ Parliament to successfully fight against any propositions or any policy sought to be adopted by the Congress party, the ruling party. It was a good fortune on the part of the country in this sense that when this Plan was formulated, the gigantic party got committed to a certain plan, and the opposition parties, however small they may be, could get occasion in times of necessity to criticise the ruling party in regard to their own commitments. There was this advantage. Otherwise, I am very doubtful as to what weight or pressure our criticisms or advices would carry with the ruling party. So, I do feel that planning was inevitable in the case of our country, and if is good that it is done.

Next, Sir, our "Prime Minister has already explained that our Plans are related and that in fact one Plan has grown out of the other Plan. He explained that the Third Plan is a growth out of the First and the Second Plans. As we have been advised to take stock of our performance during the two Plans and determine our steps for the Third Plan, I would propose to make a brief review of our two Plans.

Sir, it has already been confessed by our Prime Minister that the First

Plan was formulated rather in darkness. There were no reliable statistics and no data. It was a planless Plan so to say. But another thing which I would like to bring to light is the pervading spirit in the First Plan. If you go through that document, you can realise that Government's attitude during the First Plan was that if a certain amount is invested, the result will automatically follow. That was the attitude adopted in the First Plan. So there was allocation of this much amount for this purpose and that much amount- for that purpose, and the attitude was that if the money was sanctioned and given to persons, the natural result of increase in production, increase in national income and increase in per capita income would automatically follow. That was the attitude. This attitude did work to some extent successfully in the field of industry. In industry the expenditure may be and was extravagant. But the result is bound to come somehow or other, because the machinery is not to rust or the capital invested is not to perish. But this did not work successfully in other fields, for example, the community development projects or other plans, where there was enough scope for bungling, for eating away the money itself completely. The spirit pervading the First Plan was that money should be sanctioned and people should be asked to implement the schemes and derive the benefits out of them.

5 P.M.

But the people were not sufficiently enthused or inspired by the First Plan and the officers also who were there from the British period were not sufficiently imbued with the spirit of bringing welfare to the people or of doing good to them and this machinery was incapable of handling the welfare schemes. What they did in turn was that they dictated the schemes and found out some selected individuals with whom they entered into some agreement for the execution of the schemes and after that, the officers practically controlled everything. They controlled the expenditure. They gave

the money to the individuals according to their whims and caprices. There was red tape, delay and other things and there was not proper implementation of the schemes. If you look into the various appraisals, re-appraisals, the evaluation reports and the addresses of the Deputy Chairman of the Planning Commission, Mr. V. T. Krishnamachari, at the various conferences, you will find a clear admission that the desired results have not been achieved, that the people are not enthusiastic and that people's participation in the schemes is still the cherished desire. The social purpose behind each plan of enlisting the cooperation of the people is not there and it is for this reason that the Five Year Plan documents seem today dull and unattractive, lifeless and uninspiring. There has been too much neglect of this aspect. The agency, that is the community development scheme, which is entrusted with this task or which at least could have inspired the people regarding the purpose of the Plan, the targets to be achieved and the benefits to be derived, has failed. This is what happened during the course of the First Plan and the Planning Commission naturally could feel it. That is why we find in the Second Five Year Plan a sort of positive spirit which was lacking in the First Five Year Plan and the Planning Commission, or rather the Government, came out with a definite attitude to bring out their ideology and actively plunged itself into the task of achievement. That is why we find that they announced their ideal to be the socialistic pattern. When that announcement was made, there was naturally a hope raised in the people that the Government had come to realise their shortcomings and failures in the past and that the administrative machinery would be made sufficiently efficient to handle the task of bringing benefits to the people. There was enough reason to hope like this because on many occasions, the persons responsible for formulating these Plans, and also the top officers of the Government did say that the real task before the country was to gear up the

administrative machinery to make it capable of handling the task. Our Prime Minister himself on an earlier occasion said:

"The primary question before the country is whether it can fashion an administrative machine that will respond to the new impulses of a national government dedicated to the task of improving the lot of the common man."

Again, on another occasion he said:

"It will be a serious error to assume, that policies made at the top will be carried out with and degree of automaticity. The most important steps, therefore, are to make the official class feel that its task is not mere routine but a dedication to the building of a new nation and to see that the administrative machine is really capable of doing its job in letter and spirit."

Then again, our Prime Minister said in the other House:

"The real problem before India is one of implementation and not constantly laying down policies and talking about the subject, talk is often good but it is implementation that is needed. Every man in India, every officer, small or big, must realise that it is a question of implementation and not talking about things that has to be done. So it is important not merely to lay down policies but have satisfactory audits of performance."

This is what our hon. Prime Minister has said only the other day in the other House. It is really fortunate for us and this has roused in us a hope that at least things will improve in future. Sir, with all respect to the Prime Minister, I would say that even though he realises wonderfully, rather marvellously, many things, somehow or other, I find that there is a general incapability to materialise things. I hope that this is not* going to happen this time, at least during the Third Five Year Plan, because the country

[Shri Harihar Patel.] I am passing through a very critical period and if things are not improved with co-operation from all sides, we may face a very dangerous catastrophe which may even endanger our own existence.

Sir, there is criticism in the country that the masses have not been benefited and the people are not enthused over the Plans and this is controverted that this is a false cry, that the masses have been benefited, that they have reaped the benefits of the schemes under the Plan, etc. Our Prime Minister himself, with an objective mind, has suggested that there should be an inquiry as to where this money goes; if the masses are not benefited, where all this money that we invest and spend goes. I would say that the money that is being invested is really not going to the deserving people, the needy people, who work. As an illustration, I will cite one case, the Hirakud Dam Project. For the information of the House, I would say for carrying on the work of digging earth, the prescribed rate of the Orissa P.W.D., was Rs. 18 per 100 eft. In the same State the rate offered by the C.P.W.D., was Rs. 27 for the same work. The contractors were paid at this rate, but they never gave these higher wages to the workers. The workers working under the C.P.W.D., and the Orissa P.W.D. got the same low wages. One can then easily imagine where this extra sum of Rs. 9 went. In minor irrigation projects and many other projects, you will find that only a little work is being done and during the rainy season, the area gets water-logged or washed away. The contractor then comes with a lamentation that he did so much work and it is now washed away. The engineer did not come and take the measurements in time and the work is delayed. In this way, if you make an enquiry, you will find that in all the States, the expenditure on the schemes and projects have gone up

very high. For the information of the House, I would say that in respect of one minor irrigation scheme* in my district, the original estimate was only Rs. 49,000. But Rs. 21 lakhs have already been spent and I am afraid that another Rs. 11 lakhs will be necessary

to complete the scheme. In this way, the expenditure is being increased because of wastage and extravagance and there is nobody to check it. It is wrong to say that th* money is going to the masses.

Coming to the Third Five Year Plan, itself, the aims and objectives of the Plan have been set out on page 11, and they have been read out by one hon. Member before me and I will therefore not repeat them. But in this connection, I would like to say a few things. If we are really serious about achieving the aims and objectives propounded in the Third Five Year Plan, we have to firmly lay down our policies. I feel the fi

rst condition necessary for achieving them is a firm and well-formulated price policy. If the price soars up every day, the worker can never be enthused because he will purchase less and less food stocks and less and less necessities with the wages he earns and he can never earn the benefit of the Plans and schemes. It is necessary to assure him that the price is not going to soar beyond a certain point and that he is not going to suffer in terms of real wages. It is necessary to assure the farmer and others regarding the price that they are going to fetch for their produce.

The next thing necessary is a well thought-out agricultural policy. Other hon. Members, especially Shri H. N. Kunzru, have already stressed this aspect and I think I cannot speak in a better way on that aspect. I would only draw the attention of the Hous* to the fact that by now, that is, between 1950 and 1959 we have imported foodgrains worth about Rs. 1,754 crores and we have now entered into

an agreement with the United States to import foodgrains during the next five years worth about Rs. 600 crores or more. Thus we have totally imported foodgrains worth about Ks. 1800 crores during this period. One can easily imagine the serious strain it has caused on our country. With this amount we could have set up four or five steel plants in our country. So, it is most essential, rather it is imperative to increase our food production without any delay and save this money for investment in our welfare schemes in our own country.

Then, Sir, it is also necessary to tell the common man that the Government is going to pursue a definite policy which will better has lot. That is necessary.

The next thing necessary is that there should be an evaluation machinery which will look at our performance in an objective manner and inform us about our definite achievements and about the way in which we have been really benefited. It will evaluate about the successful implementation of our schemes and projects and not give us misleading and wrong statistics which do not help at all, and which on the other hand rather generate mistrust.

Then, Sir, I would like to say a few things regarding employment.

MR. DEPUTY CHAIRMAN: You have already taken 20 minutes. There are other speakers also.

SHRI HARIHAR PATEL: Then I take my seat. Thank you.

SHRI N. SRI RAMA REDDY: Mr. Deputy Chairman, Sir, I really thanks you for giving me ten mmutes. Sir, we have launched on great Plans for the economic development of the country on a national scale. It is really a matter of great national pride and I am sure nobody in this House

or anywhere outside has ever denied the great national character of these Plans. But the question that was worrying most of the people here as elsewhere in the other House was where this 42 per cent, increase in our national income has gone. Everybody admits that there has been an increase of 42 per cent, in the national income of the country. This income would not have been there had it not been for these two Plans. Here is this virtue of these great Plans. Even the critics admit that this 42 per cent, increase in the national income would not have been there had it not been for these Plans. So, that has been conceded.

Now, what has been worrying some of my friends here and elsewhere is where this 42 per cent, increase Jn our income has gone. Has it gone into the pockets of the rich few or has it been diffused among the people of the country? Though it cannot be very uniform, one cannot deny that the common man is eating better today. Who amongst us can deny that he is clothed better? Who amongst us can deny that in spite of so much increase in passenger trains and other trains, they are overfull. Who amongst us can deny that the buses are overfull? Who amongst can deny that everything is full? In spite of that, everybody is clamouring for more and more, though it is being provided in ever-growing measure. You go to any village; you will find the man consuming more per day, a little more than what he did before 1950. That means even if he consumes one ounce more, it comes to an increase of 4 million tons of foodgrains per year.

Sir, somebody said that it was on the agricultural front that we had taken a defeat. Let us see how far it is correct. In the year 1950 we produced only 51 million tons of foodgrains, but in the year 1959-30 we have produced 73" 5 million tons. Is there no increase? It may not be just as much as we all needed, but all the same, is there not 25 per cent.

[Shri N. Sri Rama Reddy.], increase in the foodgrains? Would it have been there if it had not been for these Plans?

Sir, in this country, as our Prime Minister said this morning, where tradition and custom is the King, we have to get over so many prejudices, and we have been struggling hard to get over them. Certainly, we will do that. Sir, it was not my intention to speak this way but for the trend that has been going on in this House. I admit that on the agricultural front much more has got to be done. We have certainly missed some essential points on the agricultural front. Well, I am haunted by the fear of the time-limit. Seventy per cent, or so of our people are dependent upon agriculture. It is a very vast humanity. Sixty five million households are dependent on agriculture. Therefore, so far as human resources are concerned, there is no dearth of it. We have plenty of it, but the question is whether all this manpower is being effectively harnessed to bring about an increase in production. That is the point. I feel we have not been doing that.

There is still a lot of unemployment and under-employment. In the very nature of things it could not be eliminated overnight. Of course, we have not understood the problems very effectively and, as has been said before, we are still working very hard at it to understand the problems that are facing the 65 million householders in the countryside. Anyway, I want to ask how we have failed also on this agricultural front.

Sir, I have got statistics for the year 1956. They say that the total number of steel ploughs in the country was one million and thirty-six thousand against 65 million householders in the country. If science and technology had gone to the field and the farm, there ought to have been 65 million steel ploughs in the country. It is admitted that the wooden plough is still holding the field. Therefore,

it is these small things that we have missed. Of course, the Plan does not know that such an essential implement as the plough has got to be provided to all these 65 million people. If science and technology meant anything, there should have been this understanding before us.

[THE VICE-CHAIRMAN (SHRI ROHT M. DAVE) in the Chair.]

Similarly, with regard to manure, it is the most important production ingredient required for the greater production of crops. Have we been doing all that is necessary? I say 'no'. Here once again there are figures. There are 306 million head of live stock in the country. Even if each animal produced only one ton of manure per year, if the farm manure had only 1 per cent, nitrogen, there ought to have been 3 million tons of nitrogen put back into the soil year after year. But the Planning Commission itself estimates that there is hardly one million tons of nitrogen put back into the soil, whereas by crop production we are taking out 4 million tons of nitrogen from the soil. Nitrogen is very much required for crop production. We have been putting back into the soil in every form, whether it be as farm-yard manure or vegetable residue or artificial manure, only 2 million tons of nitrogen. That means the soil was getting depleted to the extent of 2 million tons of nitrogen year after year. This has been happening for many years. Even today we have not improved matters. I put this problem as the foremost problem in the country. I request the attention of the Minister of Planning, Shri Nandaji, to this problem. This 305 million head of livestock must produce some manure. Nature has provided in such a way that the essential elements taken away from the soil are reproduced by the cattle in the form of manure. By proper preservation, this 306 million head of livestock will produce 6 million tons of nitrogen per year. Then we will be on the profit side, if you take care of the manure produced by all the livestock. The Sindri Fertilizer Factory

is available at the doorstep of every farmer. We have not taken care of it. So I want this Plan to provide every farmer with a properly built cattle-shed where he can collect dung and urine carefully and preserve them. The technical personnel employed on this job are not equipped with this fundamental knowledge that is necessary. If we only take care of this manure problem, we will double up the production within 5 years' time. There is no doubt about it.

With regard to implementation, our great leader, our illustrious leader, Shri Jawaharlal Nehru, was telling the other House and giving a slogan 'Implement the Plan'. I gave serious thought to this question of implementation. I feel that his name, more than that of anybody else's in the country, is charming to everybody. I want, just as Mr. Churchill, during the Second World War, gave the emblem 'V for Victory, Shri Jawaharlal Nehru to give to this country some emblem. What is needed today is effort—'E' for effort, 'E*' for efficiency and 'E' for economy. Whose effort? Nehru's effort. Whose efficiency? Nehru's efficiency and whose economy? Nehru's economy. If 'N' followed by three 'E's is the emblem that you are going to give to every worker in the national field, if you give this to the people engaged in this task of working out the National Plan, it will mean to everybody that it is Nehru's effort, Nehru's efficiency and Nehru's economy and this will create the charm throughout the countryside and make everyone of us exert our utmost and put forth our utmost and make the country produce twice of what it is doing today not only in the agricultural sector but in every sector. This is my suggestion. Thank you.

SHRI B. D. KHOBARAGADE
(Maharashtra): Mr. Vice Chairman, Sir, it will not be possible for me to deal with all the aspects of this Plan within such a short time at my disposal. While we are considering the Draft Outline of the Third Plan, it will not be out of place if we take

stock of the situation and consider the achievements of the Second Plan. So far as the achievements regarding the social aspects of the Second Plan are concerned, I will speak about them later. But what about the other achievements regarding the increase in the national income, increase in the industrial production and in the agricultural production? A survey has been made by the C.S.O. and it has been very recently published regarding the national income in 1959-60. If we consider this report, it is totally disappointing because the real income in 1959-60 has increased only by 0·5 per cent, in comparison to 1958-59 while the *per capita* income has gone down from Rs. 293⁶ to Rs. 291·3. What about the total Plan period? Originally, it was stated that the national income would rise by 25 per cent. Later on it was reduced to 20 per cent. But what are the achievements? Considering the achievements of the last 4 years, there has been increase in the actual income by 12 per cent. only. The Planning Minister stated that by the end of the Second Plan the income would have risen by 20 per cent. But I do not share the optimism of the Minister. Because during the last year of the Plan it has not increased by 8 per cent. When during the past 4 years, the increase has been only 12 per cent., how can we increase it in the last year of the Plan by 8 per cent? What about the progress in industrial production? Nobody can deny that there has been increase in industrial production but what is the rate of increase in production? We will find that during the last 3 years, the ratio or proportion of increase has been decreasing every year. In 1956 it was 8·2 per cent, over 1955. In 1957 the increase was only 3·5 per cent, over the 1956 production. In 1958, it has decreased to 1·5 per cent. Even though there has been an increase in industrial production, the percentage of increase has been going down every year. Apart from that, what about the social aspect?

Regarding employment, when the First and Second Plans were started

[Shri B. D. Khobaragade.] it was stated that unemployment would be wiped out from the country and that opportunities would be made available for everyone to get a job. But at the end of the First Plan the back-log of unemployed persons was 5 million and now at the end of the Second Plan it has increased to 75 million. What about the reduction in inequalities? Much has been said about it. One hon. Member said just now that we have reduced it with the help of the Second Plan. I am rather astonished and amazed to hear these statements because even the Prime Minister has not denied that the inequalities have increased. I will quote figures from the Report of the Second Pay Commission. At page 83 it is mentioned in what way the inequalities have increased. They have quoted one instance of cotton textile industry in Bombay. In 1948-49 the income of the lowest paid labourer was Rs. 999 whereas the highest paid employee was getting Rs. 77,250. The disparity was 77 times in 1948-49. What do we find in 1956? In 1956-57 the lowest paid employee was getting Rs. 1,185 while the highest paid employee was getting Rs. 2,86,929 per annum. Thus disparity has increased from 77 times to 242 times.

THE VICE-CHAIRMAN (SHRI ROHT M. DAVE): That is prosperity.

SHRI B. D. KHOBARAGADE: Of course, it is prosperity but it is prosperity only for a few. It indicates where the money has evaporated. This morning the Prime Minister was stating that there should be an enquiry instituted regarding the distribution of incomes. Of course, if the Prime Minister or the Planning Minister wants to do it by what they call the scientific methods, I have no objection. But the fact is obvious enough that the increase in the national income has not found its way among the people. It has gone into the pockets

of the big landlords, the monopolist, capitalists and the industrialists. If that is the position, Sir, then I would say that the object of planning will not be achieved. If we want to create enthusiasm amongst masses about plan, then we must make the people feel that planning is in their interest; we must see that the advantages of all this planning should percolate to the lower masses. Sir, this is the Third Plan. At the end of the Third Plan, that is, after the period of 15 years the people must feel that there has been some definite rise in their standard of living. If that is not possible and if in spite of the two Plans and this Third Plan there is no-increase in the standard of living of the masses, then the masses will lose faith in planning and that will be disastrous and detrimental to the interest of the nation. Therefore, it is our responsibility to see that at least during the Third Plan, some benefits of the planning shall go to the pockets of the down-trodden people.

So far as the resources are concerned, I would only make one or two observations. I am in a way glad to know that during the Third Plan deficit financing has been reduced to a minimum. It has been reduced from Rs. 1175 crores in Second Plan to Rs. 550 crores in the Third Plan. I would urge upon the Minister to reduce it still further. Moreover, there should be no indirect taxation, particularly on the necessities of life. The cost of living has increased by 25 per cent, during the last Plan period and therefore, it is necessary to check abnormal rise in prices. In view of this there should not be any indirect taxation which will increase the price of the necessities of life. In view of the very low standard of the masses here it is necessary that the prices of the basic necessities of life should be controlled and that the development in our economy should not cause any inflationary increase in prices of the necessities of life. No additional taxation should be levied

on the necessities of life, and on the low income groups.

This morning a question was raised regarding inflation and the hen. Prime Minister said there was no significant inflation. When Dr. Kunzru pointed out that there had been significant inflation and he compared the situation in India with that in England and France, to my great surprise the Prime Minister could not give any satisfactory reply to the objection raised by Dr. Kunzru and he could only say that it was obvious and it was true. Sir, if we want to check inflation we must adopt proper measures for that purpose. And for that, one of the essentials is that we must produce more of the necessary consumer goods, namely food and cloth. During the last Plan the rate of increase in food production was only 3 per cent. This rate of increase in food production should be increased to 6 per cent. We are increasing our national income by 5 per cent, per year and so the increase in food production should be at least one per cent, more than the average increase in our national income per year. Only then we can check inflation to some extent.

There is another suggestion I would like to make regarding resources. We should increase the amount to be raised by public loans. In the Second Plan, the amount to be raised by public loans was Rs. 800 crores. It is now said that in the Third Plan Rs. 850 crores should be raised by public loans. Sir, I feel this amount can easily be increased. If we consider the figures of the three years of the last Plan we find that we have raised Rs. 462 crores and in 1958-59 Rs. 238 crores were raised. Even if we consider that it is not possible to raise so much amount every year, it will not be difficult to raise on an average Rs. 220 crores a year during the Third Plan and so it should be possible for us to raise a sum of Rs. 1,100 crores in five years.

The next suggestion I would make is to scrap prohibition. Prohibition has

absolutely failed and instead of getting all that revenue into the government coffers, it finds its way into the pockets of the bootleggers. Nobody can deny that prohibition has failed and you can now get any amount of liquor even in places where you have prohibition. You speak of controlling inflation by checking consumption, and therefore try to justify indirect taxation for mopping up surplus money from people. Why not then get the surplus money from the people by scrapping prohibition instead of imposing indirect taxation?

The final point I would like to touch is about the amount that has been allotted for the uplift of the Scheduled Caste, and Scheduled Tribe-people and other backward classes. During the Second Plan Rs. 90 crores were allotted and only Rs. 79 crores were spent. What is the allotment for the Third Plan? It is only Rs. 100 crores. So the increase is only of Rs. 10 crores. The increase in the total outlay is as much as Rs. 2,650 crores and so this increase of Rs. 10 crores is even less than half a per cent. This is not proper. The total outlay for the Second Plan was Rs. 4,600 crores and that for the Third Plan is Rs. 7,250 crores. That is to say, there is an increase of Rs. 2,850 crores or 57 per cent. What about the amounts for the welfare activities? The total amount spent in the Second Plan was Rs. 517 crores and that proposed in the Third Plan is Rs. 825 crores, which means an increase of 59-57 per cent. For education the outlay in the Second Plan was Rs. 273 crores and that in the Third Plan is Rs. 500 crores and that comes to an increase of 83-15 per cent. On health the outlay in the Second Plan was Rs. 225 crores and that in the Third Plan is Rs. 300 crores which comes to an increase of 33-33 per cent. For other social welfare activities the allotment in the Second Plan was Rs. 19 crores and that in the Third Plan is Rs. 25 crores which means an increase of 31-57 per cent. What

[Shri B. D. Khobragade.] about the amounts allotted for the welfare of the Scheduled Castes, the Scheduled Tribes and other backward classes? The increase is only 26-58 per cent, for backward classes. It was Rs. 79 crores in the Second Plan and now we are going to allocate Rs. 100 crores. For the Scheduled Castes in the Second Plan the provision was Rs. 27 crores and in the Third Plan it is Rs. 32 crores which means an increase of only 18.51 per cent. Great injustice is done to the Scheduled Castes. Sir, in that way we shall not be able to raise the standard of the Scheduled Castes and Scheduled Tribes and other backward classes.

Sir, I will only quote from the Draft Outline. On page 2 it is stated:

"In particular, the benefits of economic development should accrue more to the relatively less privileged classes of society, and there should be a progressive reduction in the concentration of incomes, wealth and economic power."

And then again, on page 12 it is stated:

"Programmes relating to the welfare of backward classes—scheduled tribes, scheduled castes and others—are intended to benefit sections of the population who, in the present conditions, are not able to derive all the benefits due to them from the general plans of development."

It is clearly mentioned here that the benefits of the general betterment of the Plan do not accrue to the downtrodden people. Therefore, it is very essential to increase the amount that has been allotted for the welfare of the Scheduled Castes, the Scheduled Tribes and other backward classes. I would suggest that the amount available during the Third Plan should be double than that was given in the Second Plan. If we spent about Rs. 80 or Rs. 90 crores in the Second Plan period, the outlay during the Third Plan should be at least Rs. 1⁰⁰5

crores. Only then we can raise the standard of living of these downtrodden masses.

SHRIMATI YASHODA REDDY: Mr. Vice-Chairman, for the first time in her history, India has launched upon a programme or plan for economic and social upliftment. We have been striving to harness our natural and man-power resources for economic development and national uplift. We have been stressing quite a lot upon the term "socialistic pattern of society", and I want to tell the House as to how much importance we give to this term. I want every Member of this House, belonging to this side or that, to understand the correct impact and import of this term because in the matter of principles we do not quarrel but when it comes to the question of implementation there seems to be so many hurdles in the way. Sometimes we make a lot of propaganda about this which is all right but without any thought of implementing the objectives. After all, Sir, what is a plan? A plan is a balancing of the economic factors of supply and demand and I will deal with both demand and supply in the limited time at my disposal. The source of all supply is resources, internal and external. I will deal only with the internal resources. Internal resources are mainly financial and man-power resources. There have been so many suggestions so far as the financial resources are concerned, for example, a rise in the taxation, fresh taxation, etc. I would like to say that we have not tapped all our resources. There is still any amount of untapped resources left in India, and I would like to place before the hon. Minister one or two suggestions for his favourable consideration. As a woman, I know how much money in the form of gold and jewellery is kept in India. Why should we allow women to please their fancy and vanities? Maybe man may be surprised and woman may be annoyed but I say, as a woman, that when the nation is labouring under great stress and when we are labouring for the bringing down of disparities, we

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should not allow one woman or one man to have so much of gold.

AN HON. MEMBER: Set an example.

SHRIMATI YASHODA REDDY: Yes, I shall. I appeal to women all over to do this. I will ask the Minister to bring in legislation if necessary to ask women not to have more than a certain amount of gold. Coming as it does from a woman, I suppose you appreciate it more.

Secondly, Sir, we have been criticising the Government a

lot but we have Siot shown Government ways of raising more resources. Another thing that I would like to point out is about the raising of loans. So far as the States are concerned, whenever we wanted to have loans, we have been having them. I do not know what the Minister will think but I say that if the interest rate is increased by one or two per cent., there will be greater inducement to give more money for the Plan. Maybe the hon. Minister thinks that Mrs. Reddy does not know. I know it. I am just putting it forward for his favourable consideration. More than all this, there are other small things which I would like to mention but because of the limited time at my disposal I would now touch upon another major subject and that is manpower resources. India, so far as the man-power question is concerned, is in a comparable position with any other country in the world. We have got any amount of man-power, but how is it then that in spite of all that, our per capita income and per capita production is very low? It may be due to lack of educat'on; it may be due to lack of food; it may be due to lack of clothing—it may be due to so many other things—but I say, Sir, that the greatest disadvantage is this and that is the lack of incentives, lack of feeling that they should work harder.

SHRI B. D. KHOBARAGADE: For whom?

537 RS.—9

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SHRIMATI YASHODA REDDY: If you will listen to my speech, you will be sorry for having interrupted me.

I congratulate the Government on the various measures taken; I congratulate the Government on the introducd on of free and compulsory primary education; I also congratulate Government on the provision of better houses, better food and all that. In spite of all this, one very great hurdle still persists and that is the inequality in income. Till the great disparities in income are brought down, till the benefit that has reached only the few reaches the entire mass of our population, till the economic concentration, concentration of wealth, has not been balanced—I do not think anybody, either from this side of the House or from that side, will disagree with me over this—we will not be able to do anything. Government have realised this. It is said as one of the objectives that one of the aims will be to bring down the inequalities in income. We have introduced land reforms in the rural sector but I am sorry to say, Sir, that they have not produced results that were expected by us. Just as 'justice delayed is justice denied', land reforms delayed will mean that you will not get an inch of land after land reforms are introduced. I say this because due to delay in the introduction of land reforms evasions will be there. I am sorry to say this hut it is a fact. Only if we distribute the land to agricultural families, whether it is an economic holding or an uneconomic holding of one acre or two acres or three acres, can we succeed in bringing forward our pet ideal of co-operation. In such circumstances, people with small holdings, uneconomic holdings, will have no other alternative but to join co-operatives, and in that way the problems of agriculture can be solved. Agriculture has been our problem and it is our future also. I do not have much time to dilate on this, but I feel that the disparities existing in th's field should be brought to the urbanside also. Whether it is urban lands or it is emp-

[Shrimati Yashoda Reddy.] loyment or whether it is in the industrial field, these disparities in income should be brought down. Unless the man feels why he is working, unless he knows for what he is working, there will not be any incentive. I was surprised to hear the other day Mr. Gopala Reddi saying that there were only 2,000 people having more than a certain income, and he said that it was not worth while troubling over this. I say, Sir, that if the number is only 2,000 then it is all the more reason why we should bring down the inequalities. You must get at the high incomes of these 2,000 people. The incentives that they might lose will be offset by the incentives created in the 400 million people of India. The psychological effect that this move will have and the incentive that this move will create in the people will more than offset the loss of incentive in the case of these 2,000 people. He brought in artists like Vaijayanthimala and M. S. Subbalakshmi. I can tell you, Sir, that all the artists, all the poets, all the inventors and all our geniuses have been brought up in the lap of poverty. I say that the inequalities of income should be brought down. I am impatient because I and my generation will have to see the despair and disillusionment of our country, not those who sit in air-conditioned rooms. They do not understand this.

I am sorry to have to exceed the time limit, but if you would give me one or two minutes, I will say a few words about demand. Demand is based on population, and unless we check the growth in population no amount of expenditure on other projects will help. Coming from me, I suppose, it may look rather ridiculous and people may laugh. I am young but I am not immature. I may be saying something but; I am saying it after due thought and you have to realise it. You have given Rs. 25 crores, but I may tell you, Sir, that the methods which you are employing are not at all satisfactory. Money is not enough for the contraceptives and

the medicines which are to be supplied. Secondly, education in this respect is not enough. I have met a number of people in the rural areas. It is not that they do not want to have small families. The trouble is that the propaganda that you are doing is not enough. I feel, Sir, that one way of doing this would be to have sterilization and that too compul-sorily. If you want legislation for it, have it by all means. This may be shocking—and people may be shocked—but I tell you that we not only represent public opinion but we are to mould it also. If you give the right to an individual to limit his family, the State should have the right to limit the size of the population of the nation. I was ashamed to read in a paper what an American had said about India. He said that the Indians are born like mice, live like mice and die like mice. I would rather have a small nation, I would rather have a small family, healthy family and a contented family than live and die like mice. People are born and dead before they know what is there to live. Unless you cut down the population, does not matter by whatever drastic methods, you will never be able to progress. This is a grave feature and has got to be met in a grave manner. People may say that this is immoral. I say that on moral grounds it is not objectionable because to have children and not to feed them or not to give them clothing is more sinful than not having children. Man may say that you are cutting out his freedom, but have you not curtailed his freedom in other respects? Have you not said that a man should not marry twice? Have you not curtailed dowry? Why not allow them to have small and contented families?

I am sorry, Sir, I have exceeded the time allotted to me. These are the two important things that I wanted to touch upon, things which I feel Government should look into.

SHRI EBRAHIM SULAIMAN SAIT (Kerala): Mr. Vice-Chairman, Sir, I am thankful to you for giving me an opportunity to express my views at least for a few minutes on the Draft Outline of the Third Five Year Plan. Sir, I am fully conscious of my inability to deal effectively with this Draft Outline of the Third Five Year Plan. No doubt good work has been turned out during the last two Plan periods to improve the condition of the common man and to provide for him the basic necessities of life but I have to say that there have been shortcomings and there have been cases where the targets have not been achieved to the fullest extent. Now, during the Third Five Year Plan we have to work with more confidence and determination, sincerity and honesty, and unity and solidarity, in case we are to achieve our objectives and aims. Sir, in this Draft Plan I feel that more emphasis is laid on industries than on agriculture. Ours, as we all know, is primarily an agricultural country and our country still is not self-sufficient in the matter of food. Our dependence on foreign countries for our food must stop. Our country should not only be made self-sufficient in food but must be made into a surplus country. I, therefore, demand more prominence to be given to agricultural development. The first and foremost concern of the planners in my opinion should be to give, food, clothing and shelter to the people of our great country.

In the field of education I feel that greater attention is necessary at all levels¹ and in particular in the field of scientific and technical education. In spite of general statements on the subject the approach to educational needs, I feel, is very weak. With an expanding economy I feel that the demand for technical and scientific experts will be much more than what the Plan has envisaged.

Sir, I have made bold to take part in this discussion just to point out certain essential facts and place them before the Government of India and the

Planning Commission for their serious consideration, while giving final shape to the proposals of the Third Five Year Plan. I feel that we are having development on vertical lines. As has been pointed out, the regional disparities are on increase during the Plan period. Preferential treatment has been given to certain areas and to certain provinces. I do not grudge this but what I feel is that development of one area or province should not be at the expense of another area or province. Due allotment should be made and just treatment accorded to the areas and provinces which are relatively undeveloped and backward. If certain areas develop rapidly and others are neglected badly, then it is not progress or prosperity. For example, I have to mention here the case of Kerala, the southernmost tiny and densely populated State. It is not only underdeveloped but it has also a very acute unemployment problem and I am very sorry to point out that very little has been done by the planners to improve conditions in this part of our great country, and in particular Malabar areas have been badly neglected. There are no heavy industries located in Kerala; there are no proper communication facilities provided there and no attempt made to find a solution to the problems of this problem State is made. When industries are demanded the excuse that is put forward is that there are no proper communication facilities in the area and if we demand railway lines or communication facilities, then they say that there are no industries located there. Sir, how long can such a state of affairs go on? Will not the planners give attention to this backward area and do something for the development of this backward and uncared for State?

Sir, there is the question of locating the second ship-building yard. Much has been said about it. An Expert Committee has already recommended the location of a ship-building yard at Cochin but we find that still it is in a state of consideration and nothing has

[Shri Ebrahim Sulaiman Sait.] come out finally. People are looking forward with great enthusiasm for the work to start. Therefore, I would urge upon the Planning Commission and the Planning Minister to see that the second ship-building yard is located in Cochin and in the Third Five Year Plan itself so that unemployment could be eradicated in this problem State of Kerala. Eradication of unemployment must definitely receive their serious consideration because that as the basis to remove the miseries of the people. As has been pointed out by many speakers we have not succeeded in solving this problem in spite of two plans and, I feel even the provision made in the Third Five Year Plan is not sufficient.

Sir, I hope that the Planning Minister and the Planning Commission will give attention to the facts that I have placed before them so that all parts of the country may have equal opportunities to develop and a time may come when all people will live in peace and prosperity.

SHRI MAHESH SARAN (Bihar): Mr. Vice-Chairman, Sir, as there is very little time at my disposal I only wish to emphasise one or two points. The Plan is good but the whole point is about its implementation. I am afraid that so far things have not been going on all right so far as implementation is concerned. I do not know about the Five Year Plan but I know that in the different States things are done in a haphazard manner. Therefore, my submission is that special attention should be paid towards implementation. Now, we build a big machine and we get an expert to run it; in the same way an expert committee should be there to see that implementation is properly done. Sir, I was reading the Report of the Commissioner for Scheduled Castes and Scheduled Tribes and I found that the allocation that was there for one year was so badly spent that one felt really ashamed. During the first nine

months of the year about one-tenth of the money was spent and in the last three months a major portion of the allotment was spent. If things happen in this way I am afraid the implementation of the projects will not be properly done. We are having a Plan for Rs. 10,200 crores and each pie of it must be spent properly and that should be our aim. As I said before, I think an expert committee should be there to look into the question of implementation.

Now, another point is that there is no austerity all round. I see big buildings everywhere. I was really amazed that when people are starving and when we are planning to remove poverty, we are also having big buildings. I went to Chandigarh and I saw the big High Court. It may be a very fine edifice and people may admire it but this is not the time when we should go in for such big buildings. As soon as the question of food and clothing is solved, then we can have these buildings and we can feel proud of them then. But at present we should spend very little on these things. Therefore, my submission is that big palatial houses and these big schemes for housing should not be there. We should concentrate on increasing food production, cloth etc.

Now, the people are not plan-minded. The Plans are not very well known to the people. It is very necessary that we should by small pamphlets and things like that let people know what the Plans are so that they may take an active interest in them and so that the Plans may be carried out in a proper way.

The greatest difficulty for the poor people is the prices. Prices are rising and the planners should see that there is a control on the rise in prices; otherwise a time would come when people's mind will not be on the Plan but on how to feed themselves.

There is another question and that is unemployment. Unemployment is

increasing every day and they have to see that this problem is solved; otherwise the country will not progress in the way in which we wish it to progress.

6 P.M.

Then there is taxation. We are told that a heavy amount of taxation will be necessary. We should see that this taxation does not fall on the common man, because he is already heavily taxed. It is with great difficulty that he is able to make both ends meet. Therefore, whatever taxation comes should be such that it does not affect the poor people. The big machines are necessary because they will produce machines in the country and there will be no need to import them from abroad. At the same time the village and small-scale industries have also to be carefully looked after. We are spending Rs. 435 crores in the Third Plan on village and small-scale industries. I think the amount is inadequate. There should be more money spent on village and small-scale industries.

There is one point which I want to emphasise and that is about the land that has to be given to the landless people. I find that it is not being implemented properly. You may be getting a lot of land, but they are in such a condition that they are not worth much. So the land that comes after the ceiling is imposed and the waste land of the Government should first be made into culturable land, and then distributed to landless people. At present all the things that are being done are for the agriculturists. Very little is done for those who have small pieces of land and those who have no land at all. Therefore, my submission is that more care should be given to the weak section of the people who are all the time looking to the day when their condition will also improve, along with the condition of those who have money and who have land and who are in a better position.

than they are. Their case should be carefully considered and a really good plan of giving land to the landless should be taken up. Thank you.

SHRI GULZARILAL NANDA: Mr. Vice-Chairman, I have heard with close attention the observations made by the hon. Members who spoke in the course of this discussion. My task has been very greatly lightened by the fact that there has not been much opposition to the Plan as such, that is, its structure, the priorities...

DR. H. N. KUNZRU: Did you really expect it?

SHRI GULZARILAL NANDA: I did not expect it. I am very glad that it has not come. As I said it has made my task very much lighter. Of course, such opposition as there is, cannot altogether be eliminated. There may be a person here or there who may not agree with us. It is a matter of very great gratification that the House here, practically all the hon. Members—there may be a stray exception—have concurred in the general approach of the Plan and the main direction it gives to the course of economic development in the country during the period of the coming Third Five Year Plan. Naturally, there will be differences about matters of detail, about points of emphasis, and that is altogether to be expected. The Prime Minister dealt with some main issues which had arisen. A number of other points raised in respect of the Plan, various aspects of the Plan, were dealt with by other hon. Members and answered very effectively.

In the first place, I would like to take up one or two points made about the degree of progress made in the course of the period of the First and Second Plans. I believe that it must have been some serious misapprehension that has led to the comment about the rise in the national income being illusory, because of the fact that there

[Shri Gulzarilal Nanda] has been a rise in prices which counterbalanced the rise in national income. Just a little while ago I heard that remark. That shows a complete misunderstanding of the whole basis of national income statistics. The statistics as presented in the Draft Outline relate to increase in national income at constant prices. The 42 per cent or 40 per cent, whatever has been given there, is actually what has been achieved at constant prices. Therefore, it is an entirely wrong and mistaken notion that the rise in prices has counterbalanced, has outstripped the rise in the national income. One hon. Member from the other side said something about agriculture having fallen behind and this conclusion, this deduction is derived, again, from certain statistics. I think that it is a very dangerous pursuit to misread statistics. Now, the actual income derived from agriculture, as a component of the national income, has fallen. That is, its place in the total national income, it was said, was nearly 50 per cent and now it is 47 per cent. Now, the conclusion is that the agriculturists, people engaged in that activity, are now worse off, and on the other hand, the proportion of income derived from industry, manufactures, etc. has increased; therefore, this section is better off.

[MR. DEPUTY CHAIRMAN in the Chair]

Now, it has increased somewhat. But what is the conclusion to be drawn from that? It only means that relatively industrial activity is progressing faster. And that is what we are aiming at. We are aiming at this that while agricultural income should grow certainly, the industrial income, the occupations, the employment opportunities provided by industry and other channels should be much larger. A diversified structure of occupations is what we are aiming at. So, these are things which create wrong impressions. An hon. Member, who is not now here, talked with great zeal and enthusiasm about the past, about Sher

Shah Suri, about some remote ancestors of ours, that they had done wonderful things—things which he remembers now—some roads built and temples built and all that. He asked: What have we done during these ten years? Now, here is the history of hundreds of years being put against us and we are asked not only to answer for ourselves, for these ten years, but against the background of all those roads built and temples built hundreds of years ago. That is what we are called upon to do. I can certainly answer that also, that is regarding this feature of developmental activity in this period. I shall say something about the record in this period of ten years in the matter of roads, because the hon. Members have given a great deal of importance to roads. The roads are important. Before the First Plan the mileage was 2,41,500. At the end of the Second Plan the figure is 4,01,000, that is, nearly 66 ■ per cent increase in ten years. It is nothing to be ashamed of at all. It is something for which we can take a certain amount of satisfaction.

Then come irrigation and power. In regard to power, of course one can easily realise that the development of power occurred in recent years. In fifteen years we have increased the installed capacity by more than five times. Similarly, the total area under irrigation will be nearly doubled in the course of fifteen years. In 1947 the book value of irrigation projects was Rs. 110 crores. It will be now Rs. 1400 crores. These are a few striking illustrations of both the direction and the magnitude of the progress, and I am glad that hon. Members gave me an opportunity of pointing it out. It is incomparably larger than anything during the past many years.

Sir, I would like to say something about certain observations made by some hon. Members on the various programmes that we have undertaken. We were told that we have been ignoring the qualitative aspect. I think the hon. Member, Mr. Santhanam, said

max. These are observations with which one cannot disagree. The qualitative aspect has always to be kept in mind. Of course, in certain respects considerations of quality stand out very much more than in other cases, and I agree that so far as doctors and engineers are concerned quality matters very much. What happened during these years? We must understand that there is no such intention that quality should suffer. But why did it suffer? We want more hospitals and dispensaries. Everybody has asked as to what we have done during these years to meet the health needs of the people of the country. We have to expand the hospitals and dispensaries. And similarly for all these projects of ours we need more engineers. Now, rapid expansion brings with it certain consequences. More engineers and more doctors have to be brought into operational activity which makes them less available for other things. Yet the intake of students increases and a certain amount of dilution occurs. That is nothing peculiar to this country. In any country during the period of its expansion, when great stresses and emergencies arose, this happened. That was our experience. I have referred to other countries on this question of rapid expansion and dilution. Now, it is not intended to justify that. We could not help it. As soon as possible we took precautions to see that the qualitative aspect was looked after adequately. I believe that we are now in that stage when both quality and quantity can improve, can go forward.

SHRI K. SANTHANAM (Madras): May I point out that in that report, on page 108, paragraph 35, it is stated that the engineering colleges are working with staff 33 per cent, short?

SHRI GULZARILAL NANDA: I know, I have got all this information. The shortage has been there. But along with the large increase in the intake and therefore also of the output, the possibility of getting a larger number of people to man those posts also increases, and over a number of

years so many things are being done like the special post-graduate course, special scholarships, persons sent abroad to study and specialise, and so on. I need not take much more time of the House on just this one matter.

There were other things being said, various things have been suggested to us and recommendations made that we should do this and we should do that. With many of those things we are quite in agreement, and we say that we are trying to do them and will do them to a greater extent subject to resources, subject to other possibilities that open up. The Third Plan is going to make a big advance in these directions. Rural drinking water supply is going to be given a very high priority in the local development works. The provision will be very largely devoted to that purpose along with some other provisions.

Then, there is the question of utilisation of the additional manpower. There was a great deal of stress on that point. Certainly we have ourselves in the pages of this Draft Outline made several suggestions, five or six different ways in which the utilisation of additional manpower is going to be promoted and we have given thought to it. We are trying to develop schemes for it. We agree and we can only say that we are glad that you also think as we do. Modernisation and rationalisation are going ahead. The textile industry and the jute industry have gone forward, and we want to modernise them, because we want that our industries, so far as exports are concerned, should be in a competitive position. Inside we want the cost to go down. So far as rationalisation is concerned, even in the narrower sense of rationalisation of the labour in-puts, we have during the last two or three years done well. Although there were disagreements about it before and although there was labour unrest arising out of this question of rationalisation, we have settled all that. Agreements have been reached between the workers'

[Shri Gulzarilal Nanda.] representatives and the employers' organisations, and the principles and methods of rationalisation have been accepted. Rationalisation has gone forward to a considerable extent in many industries. I think that the productivity of the industry has gone up—I cannot be sure of the precise figure, it may be 33 per cent, higher. In some industries it is very much more. So, labour is co-operating in the matter of rationalisation.

Then comes social security. Yes, we have done something about it—the Employees' State Insurance, the provident fund, this and that. A country like ours would like to do much more in that direction, but how much more will depend upon other claims on us. Naturally, this is going to proceed and progress but not necessarily to satisfy all needs at once. It is going to take time. No country did this in the space of ten years, none did it. I think, having regard to the conditions here, we are doing better, not worse. I made a list of the suggestions put forward during the debate. The study of science and technical education were mentioned. This is a question very much before the educational authorities. Educational programmes are being undertaken on science, and very much more so on technical education. I need not repeat the figures, they are there. There has been fourfold or fivefold multiplication of facilities in these various technical directions.

There was the point about the integration of agencies dealing with the corporate sector. Well, it is a very good idea. I think we should do a little more about it. Already something has been done. Well, the one thing about which I do not feel that I am on sure ground—I have noted it down—is the speculative activity. I think we have various laws and we have various methods for dealing with it. But I cannot say, unless I have made a little enquiry, as to whether speculative activity has increased or

diminished or whether we have devised ways of controlling and curbing it. I cannot say but it is certainly a very proper direction in which to move.

I think it was the hon. Mr. Dave who made the suggestion about urbanisation and that greater attention should be paid to municipalities. Well, Sir, much more is being done for the towns. A figure of something like Rs. 150 crores was mentioned about the Delhi Master Plan and mention was made about the *per capita* expenditure, and compared with that how much is being spent in the rural areas. I cannot say how much will be actually got and how much will be spent. But the municipalities do need more attention. Some of our cities are in a very bad plight. The people in the rural areas rush up there because they want more and more opportunities for employment and then there is congestion there. Housing has been one of the things about which I have been personally feeling that it is one of the unsolved problems and it is one direction in which we have not done well enough. Therefore, housing construction has not proceeded in pace with the increase in population and there is the rush into the urban areas. There again the question of how much more attention should be given comes. A city like Calcutta—I am just illustrating—how much more attention does it need so that the people may feel at least a little better, have a better environment and have better social conditions? These conditions prevail in those big cities, but the amenities are far short of the pace of their expansion. These* are the things to which we would like to give more thought and more attention. But within what period we will be able to cope with those problems, I cannot say. It will take more time, at any rate, than we feel that it should. But it cannot be in any one Plan; the Third Five Year Plan is not going to solve all our problems. I am very sorry to say that, but it is a fact.

श्री पां० ना० राजभोज (महाराष्ट्र):
 मैं एक बात पूछना चाहता हूँ कि स्लम
 निलयरेंस का जो प्रोग्राम है उस के लिये बहुत
 कम रुपया रखा गया है, तो क्या उसके लिये
 और ज्यादा रुपया रखने का विचार है ?
 शेड्यूल कास्ट्स के लिये मुझे बोलने को
 नहीं मिला ।

SHRI GULZARILAL NANDA: Sir, the hon. Member wanted some time to say something on this behalf. I tell him that I did not come in his way. Now, he asked the question about the slums. Certainly, we have made a provision for it and it will not be sufficient. It is much more than has ever been done before. The conditions have been very greatly improved, they are more favourable for clearance work and re-housing and that helps the friends in whom the hon. Member is specially interested.

Sir, one of the points about which some interest has been shown by hon. Members here is the development of ancillary industries. I think the hon. Member there spoke about it. I very much agree with that idea and I can inform the hon. Member that a good deal is now being done about promoting this very healthy and essential development because that enables the Large-scale indust-

ry to grow and the large-scale industry itself assists the smaller units. Every area in which large industries are situated allow a large number of small nuclei to grow. Various types of assistance is being provided for this purpose. Facilities are being given. For example, machinery on a hire-purchase system on a priority basis; there is a lower rate of interest; there is the Government's store-purchase programme favouring that. An industrial estate established at Bangalore will produce components for the Hindustan Machine Tools. The Indian Telephone Industries have also agreed for certain works to be done on that basis. So, special facilities are being given for the development of ancillary industries to produce components for large-scale industries.

This is something which, I believe, has a very large social importance and value.

Then, Sir, something was said about family planning. We have not provided enough for that. I think we have provided Rs. 25 crores. Well, the demand is to make it Rs. 50 crores. I think if by providing a little more money of that size we can have an appreciable investment-output ratio, it will be worthwhile but it is not by giving more money alone that the thing will be done. There will be no difficulty in giving a little more

money if this is going to help. It is a question of organisation and other steps which will be helpful in the development of this particular activity. But then when I think of family planning, I immediately start thinking of employment as someone who is responsible for employment—and they say for 'unemployment' actually—and I must think of this in that relationship also. About employment also, there are very great misconceptions about the figures themselves and about our intentions and ideas. Taking the Draft Outline of the Third Five Year Plan, it is nowhere said that in the Third Five Year Plan the backlog is going to be increased as was stated by a Member. Even in the Second Five Year Plan, the effort is that the backlog should not increase; there would be 15 million new entrants. Our idea, on the present calculations, is that about 14 millions will be provided for on the basis of the investments which have now been envisaged. There is an idea of increasing the investments here and there and that may bring a little more employment. But the special programmes which I made mention of, we hope, will generate employment which may absorb and this one million which has been left out now . . .

SHRI HARIHAR PATEL: I would like to ask one thing. During the Second Five Year Plan, the overall investment was Rs. 6,750 crores and employment was to be provided for 8 million people. But then it was ac-

[Shri Harihar Patel.]

tually estimated that 6:15 million would be provided with employment. Now, in the Third Five Year Plan, the overall employment would be 12 million or so with an outlay of Rs. 10,200 crores. You say that fourteen million jobs will be provided. That means that where will be low wages or low *per capita* productivity.

SHRI GULZARILAL NANDA: Sir I have not quite followed the line of argument. It is 14 million in the Third Five Year Plan, 10.5 million in non-agricultural occupations and 3.5 million in agricultural occupations. In the Second Five Year Plan, it was 6.5 million in non-agricultural occupations and 1.6 million in agricultural occupations. The total is 8.1 million. Now, there is no direct relationship to the size of the financial outlays. It depends on the pattern. The pattern of the First Plan was different from the pattern of the Second Plan. In the Second Plan we moved in the direction of heavy industries and large capital-intensive projects. Well, the employment-yielding capacity of the investments does change. It gets lowered. And so I cannot exactly follow what the hon. Member's difficulty is. But I can answer him later on because I have got a good answer. But I have not followed exactly what he wanted to convey. Now this increase in employment opportunities is there. I would like the hon. Members to see one point. They say that we are not doing enough. The thing is that we are doing more. In the Plans we have had successive increases—in the First Plan it was 7 million; in the Second Plan it was 8.1 million and in the Third Plan it is going to be 14 million. So let us see the rate of increase. That means that we have been able to enlarge our capacity for giving employment, very much more, in the course of the two Plans. The Third Plan aims at giving much more than the Second Plan. The Second Plan gave more than the First Plan.

I would like to ask hon. Members who are not satisfied—well, I am not

satisfied with it—whether they have anything to suggest how we can do more. They know what we are doing. I know the suggestions of hon. Members like Mr. Sakseña and that we have discussed also. One suggestion is that there should be more provision for village industries, etc. We have made a provision for example, of Rs. 180 crores in the Second Plan, and we are thinking of a provision of Rs. 250 crores for these purposes in the Third Plan. But supposing we give a little more. How does it solve the unemployment problem any better? Supposing hundred crores or two hundred crores more are given. Actually, we are going to try and we are trying in other directions also as I have indicated, but it is not going to solve the problem.

As I had occasion to indicate, the processes which generate the surplus which create the opportunities for larger investments and thus create more employment. Such investments are necessary if subsidies have to be given for village industries. There is nothing wrong with subsidies for the sake of employment to an extent because after all these people have now been deprived of employment for no fault of theirs. We are moving ahead in other directions also. But the total capital available is not enough to give employment, through labour-intensive schemes on a much larger scale. Now, some people are left behind. What about them? I think they should be looked after and they will be looked after. Therefore, that can only be to a limited extent. How much more we can do? It is at the expense of other avenues where possibly later on, in the next four or five years the yield in terms of employment is going to be much bigger.

Sir, the hon. Members have not been able to tell me as to what we should do. They do not say "Do not have heavy or large-scale industries." Most of them do not say that. They know what the results of these industries in the next five years will be for employment itself.

SHRI MOHAN LAL SAKSENA: I suggested that you should have more labour-intensive schemes like housing. For that you can raise more funds.

MR. DEPUTY CHAIRMAN: Order, order.

SHRI GULZARILAL NANDA: Yes, if they were lying somewhere unused only waiting to be utilised and tapped, for housing we will immediately set up a special housing organisation for that purpose. We have already taken steps in that direction, namely, setting up housing boards in various States and creating housing finance boards also. But the money is not kept earmarked. It is the whole pool, and if we could get much more just for housing, we will certainly any day enlarge the housing programme.

Sir, I have dealt with this question of employment, but associated with that I would like to deal with some other questions relating to social justice for example. One aspect of social justice is that there should be employment for everybody. I think this is the most essential measure of social justice. Now, some hon. Members—some of them are not here—Dr. Ahmad and another hon. Member . . .

SOME HON. MEMBERS: Mr. Ramamurti.

SHRI GULZARILAL NANDA: . . . yes, Mr. Ramamurti—with their very loud eloquence they pointed out that we were not doing what had been said in the Plan. We were reminded about our words and our deeds and the gulf between the words and the deeds, Shri Dhebar's remarks were mentioned. Sir, we are dealing with a kind of different people, people who will not tolerate even a little gulf between the word and the deed. I am not casting any reflection on anybody. In these people there is that sensitivity about these things that whatever we say we should try to accomplish and not be found lacking. Here it was the question of social justice. That was the matter under reference. We are anxious about that.

Now I come to the question of these disparities not being eliminated. They are not eliminated and they are not going to be eliminated for a long time to come. But we have to see whether they are being narrowed down or not. Whatever I feel I say candidly. I must say I do not know. Only this enquiry will reveal the correct position. Disparities have grown in other countries too where there was total planning. We have not total planning here. Total planning means the centralised direction of all activities of the country by a few people who have the total power. There is no total power here in the hands of a few people. Power is diffused; it cannot be total planning. Therefore, any kind of a swift change towards equality cannot be found here. That is the position.

I remember having talked about wages to all sorts of people coming from even Soviet Russia. When I scrutinised their wage scales I found that there were enormous disparities, very rigid disparities. They said, "Yes, we realise it and we are going to improve it". That could not be done even in a country where the whole power is in the hands of a few people; very large differences had to be maintained. Why? I think it was a part of their creed which was propagated, *viz.* that the whole idea of equality is anti-revolutionary because they wanted their socialism to succeed or become strengthened in course of time. They knew that the idea of everybody getting the same income was wrong till there was such abundance that everybody could have all that was required. Some will have to be given more incentive to produce more, the personnel with talent and experience and all that is scarce. Therefore, just to pick out some passages from the whole volume is not correct. We have ourselves given these passages in the Report. Yes, we have said that because we want to do it. We have also said that we have not been able to do some of the things. We have said that production

[Shri Gulzarilal Nanda.] and social purposes cannot be isolated, cannot be divorced from each other. Quite true. I agree with it. There you cannot allow production and the institutional set-up related to production develop over years in a certain direction, and then expect that at the end of a process of development you will sit up and think of the social changes that have to be brought about in order to ensure justice. I agree with the hon. Members that it does not happen because meanwhile certain vested interests get entrenched and it is very difficult to dislocate them afterwards; therefore we must think and take care of those things from now on. We have thought of it and we have done something already.

About the public sector, we have been blamed that we are pushing ahead on ideological grounds. Well, ideology is there and nobody need taunt us regarding ideological grounds. Ideology is part of life. And, therefore, this is not a matter to be ashamed of. But the complaint can be, the charge can be, that on ideological grounds we are doing certain things which are not giving results in the Plans, which are not taking you forward and you are suffering much more on the production front on that account. But we have taken very great care. Now, what are we doing in the public sector? We do not want to do more than what we are capable of doing. Those who want to push us in that direction—do this, do that and do that—they are the best enemies, or shall we say, the worst enemies of public sector itself, of the whole concept of development in a socialistic way. If we do not secure ourselves, if we do not try to have the proper manpower or the personnel, etc. that is required to make a success of the things, we will be really jeopardising the success of those programmes for the future. So I think, the balanced way in which we are approaching and the short period that we have had to tackle these problems, should give an assurance that all that

is possible is being done. Maybe, a little more can be done and we will consult the House and others and see whether we can proceed more on these lines but with this precaution that we do not overdo those things because I find it is not only the satisfaction or the comfort of having a little bigger public sector but it is the results that we are aiming at through the public sector which are important. So, I think I need not say very much more about the charges made against us on this ground. We were being *Mid* that the word 'socialism' was not there and this was a retreat from socialism. It is nothing of the sort. We are seeing to it that the ground under our feet is firm for any further step that we take. The steps will be there of course.

Dr. Ahmed thought that in one direction we could do more of social justice without hampering our programmes of development. He said 'Give more wages and distribute more money' and said that this would develop a home market. I thought he knew enough of economics to see what it meant. For example, when prices are rising, to be told that we must do something so that there may not be too low prices is not appropriate. That is not the time. Here there is such a great disparity in the supply of goods that we are not able to meet all the demands. So where is the question of giving more in order to build up a home market? I am sorry but I do not want to characterise that way of thinking. It is their very great excess of enthusiasm for making some kind of gestures. We do not understand what the value of those gestures is going to be for anybody. So far as labour is concerned, I hope I am not blamed for at least not trying to look after the interests of the workers but I understand those interests in that wider context of the progress of the nation. Because if the nation, somehow or other, for anything done by the workers or not done, suffers in economic growth, what will happen to them later on? Therefore, it is wrong to say that.

Some figures were given about the real wages not being increased. It is wrong. The real wages increased, between 1951-52 and the latest figures we had, by about 30 per cent. There was some figure given about agricultural wages having fallen by 30 per cent. I do not know where the Member got the figures from. It is true that the agricultural workers are not in good shape or condition. Somehow or other, the whole brunt of the changes that are occurring is falling on them in some ways. In spite of our minimum wage legislation which we are trying to spread out everywhere, I cannot say that their condition has improved appreciably and that is a thing which does cause some great concern but it is very wrong to exaggerate it and say that their condition has deteriorated to the extent of 30 per cent. That is absolutely wrong.

SHRI P. A. SOLOMON (Kerala): Shri Ramamurti quoted merely those figures from Agricultural Enquiry Committee report. Would you contradict them officially?

SHRI GULZARILAL NANDA: Yes, as soon as the tables have been compiled, the report will be there and it will show from what information I possess, that the conditions are not improved through a slight statistical variation is not very significant. But this is perfectly true that there is no improvement in their condition in several ways. We are to go into the reasons for that.

Then, land reforms were mentioned in the same context. Yes. I have been quoted. I am sorry that I lend myself to being quoted against myself because I say the things as I understand and see them but then, when I say the other things, then I should also be believed. I say, yes, the land reforms, as we thought of, in the way in which we thought they should progress, have not progressed but see the great changes that have been made. Over half of the country the zamindari is abolished—the intermediaries. It is nothing small. They are big social changes. They bring in their wake problems also.

DR. A. SUBBA RAO (Kerala): You should have done it better.

SHRI GULZARILAL NANDA: Everything can be done better. Yourself, myself and everybody can do much better than what we are now doing. I was saying about the other changes. In three-fourths of the country, rents have been reduced for the tenants to a level as envisaged in the Plan, to one-fourth or one-fifth of the gross produce. What a very great difference is it from the previous position? How much more are they now being able to retain? It will be said that even now this legislation is not being fully implemented. Maybe so. But things are in the transitional stage. These are the steps. One thing will follow the other.

Regarding the tillers being the owners of the land, as a slogan it may be all right. This is also our aim but what does it mean? When we give the tenants security of tenancy, also very low rents, also enable the tenants to acquire the lands on certain terms which are fairly favourable, we pave the way for the tillers becoming the owners of the land. Maybe, there are difficulties. I was quoted as saying that vested interests were coming in the way. Yes. To ask us to go on pushing things in the face of the objective conditions much more than is possible, cannot do any good. The hon. Member said that because we had the idea of ceilings, there were evictions. Therefore, one deduction will be, do not have ceilings. We are having ceilings. All those difficulties are arising but they will settle themselves.

The social and economic condition in the rural areas, we cannot ignore them. In the face of those traditional relationships, those forces which are working there, the forces which somehow obstruct all these vital, very radical and revolutionary movements, in the face of those, we have to go ahead and we have done so in the course of 10 years. I do not think that this record is such that we need at all feel ashamed of.

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With regard to the social justice aspects, I agree with the idea regarding the importance of the growth of the institutions which are engaged or involved in the productive processes of the country and of the social changes in the institutions which shall accompany it. I have to add also that I am one of those who consider that, as far as the removal of social disparities and creating a feeling in the country among the large mass of the people that social justice is being done, that they are being looked after and the underprivileged are being lifted up, is concerned, these are very great assets to production. It is a very great asset to production because they will know that the benefits are not going only to a few big people but to all the people. That will be a great help in the matter of raising resources and in the matter of increasing production also. This feeling of enthusiasm, a sense of emotional loyalty to the Plans and to the programmes in the country, that is going to be a very great factor in the progress of the economy of our country. Therefore, we cannot ignore it. That is a positive and essential factor which we should keep in view.

There is this question of regional justice and one or two hon. Members spoke about some States not doing well and they asked what was the method or basis of the Planning Commission in making allocations to those States. Are they to remain neglected and only those States which have grown, are they to be catered for better? No, that is not the Dosition. That is not our idea at all. As the time is short. T have to be brief, though so many things were said. This is a very important question, this question of regional justice and balanced development. This is also a primary consideration in our planning. We are trying to see that we have enough data, because we must know where the backwardness or

under-development is and what are the reasons for it and how things are developing. We know that during the last ten years in certain respects this disparity has grown less. There is evidence of it which can be produced. Of course, we are not satisfied with this and we should do very much more in that direction. The plans of the States will be there before us and we will have to see them and also when considering the location of industries, we have to bear in mind all these factors, and those who have been left behind must receive more and preferential attention. And there again, there is the national interest and that is supreme and paramount. We cannot just spread out investments, with our limited resources, in a manner that you do not get the best return. Then you will not help anybody. So it is important that we do it keeping in view the national interests.

Figures were quoted about the national income declining or going up. Unless we view it in relation to some other things, for instance, in relation to agricultural income, we will not see things in their proper perspective. When the income of a region falls, it will not be because of any one big project not being in a particular State or any particular scheme being there. If income falls in a particular State, it is not because we have not done certain things here or there; it must be because agriculture somehow did not develop there; for agriculture is most important.

SHRI JASPAT ROY KAPOOR: The main point is whether you are prepared to give up your policy of insisting on matching grant from areas which are not in a position to give you this matching grant. That is the simple question.

SHRI GULZARILAL NANDA: In the first place, I would submit that this demand or claim of being backward is put forth as if it is a virtue to be backward. Every State will say it is backward. I am backward and everybody is backward.

SHRI SHEEL BHADRA YAJEE: Is Uttar Pradesh also backward?

SHRI GULZARILAL NANDA: I will not specify or single out any State. The whole country is certainly backward and that is really the way in which we have to look at things. There is relative development, there are degrees of development. We cannot deny that. But what is the purpose of this matching grant system? We have to evoke or develop the resources. It cannot be that there are no resources in the State itself and everything has to come from the Centre. How can that be? The system of matching grants, I agree, the structure of it, may not be quite rational and it may have to be reorganised. It may be that in certain cases the thing may be of such high importance that we may have to give up or set aside the idea of matching grant for certain purposes. But we cannot say that generally matching grants need not be there.

SHRI JASPAT ROY KAPOOR: Nobody suggests that.

SHRI GULZARILAL NANDA: That is not the proper approach. After all, the resources of the State also have to come into the Plan. Maybe it is 30 per cent, and the rest 70 per cent, comes from the Central pool for all purposes. And so I do not think this should cause any serious anxiety to the hon. Member. This point will be kept in mind.

I have tried to say something about this question of social justice. There is the question of direct taxes and many other points were raised. It was said that we should have direct taxes and not indirect taxes. It is not as if direct taxes have not increased at all. There has been an increase of some 50 to 60 per cent, during the Plan-period. Of course, indirect taxes have also increased and to a large extent. After all, the base has got to be widened. Direct taxes impinge only on a small base. Let us understand that in a big country it is not enough to have only a small base, the

base has to be widened and to increase the resources you have to spread out your hands far and wide in order to get all the resources needed for a big* Plan like this. I think the sacrifice will have to be almost universal. Therefore, we will have to tap every possible source in order to get resources of this size.

I was about to refer to the subject of agriculture and I am grateful to Dr. Kunzru for stressing this important subject because I feel entirely like himself on this matter. I know the value of industries. But as I said yesterday in my opening speech, so far as agriculture is concerned, it is not a question of its getting a certain priority. It should have everything before the scheme of priorities begins. It is an absolute essential and it must get everything required by way of resources and so on. As was pointed out it is not a matter of only resources but it is very much more a matter of organisation and the organising of the human factors in it, in mobilising the resources and making the people play their full part in the various things that need to be done, to the best of their capacity. The structure is being created in the rural areas. Planning will be there at the block level. There is planning at the level of the village. That is what is being attempted so that the people themselves may take part in these things, so that every family may come into this activity, so that every family may have a plan. These are very high hopes. How much of it is going to be realised is to be seen. That factor is there. Everyone of us is concerned with the aspect of implementation, myself and my colleagues and everybody are concerned. The Prime Minister is always stressing it and everyone here and outside who can have some kind of influence to exercise and some real leadership, has a part to play in this process.

श्री पं० ना० राजभोज : शिड्युल्ल
कास्ट्रस के लिये जो प्लान में रूपया रखा गया
है वह बहुत कम है।

MR. DEPUTY CHAIRMAN: Please sit down, Mr. Rajabhoj. It is already late. Order, order.

श्री पां० ना० राजभोज : Sir, it is very important. सेकेन्ड फाइव ईयर प्लान में उस के लिये बहुत कम खर्च किया गया और पैसा लैप्स हुआ है। इसलिये मैं कहना चाहता हूं कि १०० करोड़ रुपया बहुत कम है, २०० करोड़ रुपया होना चाहिये।

MR. DEPUTY CHAIRMAN: Order, order. You can take some other occasion to ask it. Order, order.

SHRI GULZARILAL NANDA: As he has said, it is a very important thing and he has done his part and we also will do our part in this matter.

Now, I come to another topic and that is resources. The hon. Member Dr. Kunzru invited our attention to the problem of resources. We should not make light of it. Both as regards resources and as regards implementation, I think we have pitched our hopes fairly high. Things will not just happen and raising of resources will need very great effort and all these things will have to be done everywhere. All the advice given to us has to be followed. Waste everywhere has to be eliminated. Somebody mentioned petrol being used for some other purposes. I think numerous things can be done and will have to be done in order to avoid all kinds of waste. Without full economy anywhere you cannot have a big Plan like this worked out. No, that

is not possible. I will come to 7 P.M. the implementation machinery a little later but I shall now say a few words. It will have to be very much strengthened and the administrative procedures have also got to be changed. Implementation is not a question simply of administration; other things also come in, for example, the people's participation and so on. It was asked as to how we can

enthuse the common man. When he comes in contact with the administration, there is lack of sympathy, lack of response and there is even corruption sometimes. You cannot make these things a success without bringing the people in fully. People will not be encouraged by these things and they will not give their full support and contribution unless these things are removed. It is part of a big process, but one thing that will have to be done is this: The small things that affect the small man when he comes into contact with the administration should be set right. There should be no delays. It is a big problem but it will have to be done if we really want the schemes that we have got to be successfully gone through in a big way. When he comes into contact with the people in office, he should have the satisfaction that there are people who care for him. His case is not identical with that of the big man who pays something to someone for getting something done. Possibly this man gets very much more than what he gives but it is not the case with the small man. I do not know what the scale is but it is there and it will have to be removed with strong hands. Strong measures will have to be taken. This is one aspect of implementation.

I said something about the managerial aspect. The administrative tasks have increased enormously and the managerial talent will have to be developed in a regular and systematic manner.

We have said that larger resources can be obtained out of the investments themselves. It is a high hope that we are pinning on investments. People have asked this question, 'If the production does not come in full measure, where from will you get your resources?' We will have to do much more to see that for every rupee" that we spend in our public enterprises we get the fullest return. We must apply efficiency tests and we should see to it that due to lack of efficiency or any such cause the results are not less than what we expect.

I was talking about resources. This is a really big task. In general terms we have come to reckon that it can be done. In general economic aspects, we have said that so much of increase in national income can yield this much of resources. We are taking away only one-fourth of the net increase in the national income. Questions have been

asked as to from whom we will realise this, whether there will be proper distribution and all that. Well, I know that people who have got nothing cannot be called upon to contribute very much. The new employment that will be created will be at a higher level; the new persons who are being employed will get much more than the average level. Those new sections could be called upon to make a small sacrifice. This is the general thing. A question was asked as to how we would jump from 8 to 11 per cent. We could not manage this in the Second Plan and there are certain explanations for it; failure of agriculture, etc. Agriculture is the first item; then alone other things can be ensured. That is granted but the fact that it did not happen over a certain period does not mean that we must be gloomy. Our steps need not be halted by misfortune all the time, and to overtake these misfortunes other things are being done. Our vulnerability to seasons is being gradually overcome. It is drought which matters very much in the matter of agricultural production. That is the most serious thing. To the extent we are developing irrigation, to that extent we are becoming independent of weather also, and I hope that with quick progress in these matters we will be very much better off and will be in a more secure position.

Regarding the individual sectors of revenue, we have, for example, the balance of budgetary resources on the existing basis. Very properly, hon. Members have asked, "In the Second Plan you did expect so much more because of the increase in taxation, but ultimately, instead of getting Rs. 200 or Rs. 300 crores more, you would be in a minus position so far as this

is concerned. How do you now estimate that in the Third Five Year Plan the result will be much "better"? I must make a confession here. When we were making the Second Plan, our attitude towards the States and towards

the Ministries was to beat them down on the matter of the non-development expenditure. We asked them to reduce their non-development expenditure and their committed expenditure. We found that in order to get their plans through they agreed to these things but ultimately the expenditure did come up. We have learnt that lesson. This time we have been very fair in the matter. Every possible expenditure which can be conceived of as necessary expenditure has been included. Whatever is inevitable so far as the non-development expenditure is concerned has been included. Take, for instance, education. The expenditure, on the old level of activity, has increased. There is the question of payment of increased salaries which has to be met. This time, we are taking care to see that all such provisions are made before the Plan is finalised. I feel relieved in my heart after this confession.

SHRI RAJENDRA PRATAP SINHA: They may find some other way of deceiving you.

SHRI GULZARILAL NANDA: It is not a question of deception. It is a question of our over-stiffness. Maybe there was something wrong there and maybe something wrong may still happen now but the proportion will be very small relatively.

I think hon. Members would like to go now. It is getting late. I shall be blamed if I did not meet some of the points which were raised here. As regards the railways, I have to submit that we have taken good care to take into reckoning the increase in expenditure on account of the acceptance of the recommendations of the Pay Commission in arriving at the figure mentioned in the Report. I have checked up the calculation.

[Shri Gulzarilal Nanda]

I have got notes about other points and I can just go on because I have got all these things before me.

SHRI RAJENDRA PRATAP SINHA:
That will take a very long hour.

SHRI GULZARILAL NANDA: I know that some hon. Members spoke so long themselves that they wanted to put this burden or responsibility on me. They said that it would not be possible for me to sit after 6. I said, "No. You can go on as long as you like. I will be here."

SHRI K. SANTHANAM: May I make a suggestion? The hon. Member can prepare a note and circulate it to us, a note covering all the other points.

SHRI GULZARILAL NANDA: I will; if there is any particular point regarding which hon. Members have any special need, that may be done. Sir, I had to say something more about implementation but I won't do it now. I will now try to bring my observations to a close but before I do that I would like to say just a few words. I just mentioned the size of the resources and the great tasks of implementation which are involved and to say that it should all be just Government's responsibility would not take us very far. In the matter of prices, for example, when I mentioned about co-operatives somebody said, 'well, what is the Government doing?' I repeat, Sir, that if you want to have democracy and socialism, that factor of the co-operative organisation is extremely important and the people have to develop it. I say it should become a movement; let us develop consumer co-operatives. It can be done in the country if all take to it and we will see what a change in the whole climate occurs because of that.

Sir, these are big tasks to be done. Many things have to be done and I think the people will all take to it. They are hungering also for this kind of satisfaction that they are playing a very big part and we have to see that we pave the way for that. Sir, these

are mighty tasks before us and great responsibilities not for the Government, but for the Members here, for the people outside and I feel that in view of the fact that the Government is not all and that we have to look after the well-being of all the people of the country, everyone will consider this Plan and the responsibilities arising out of the Plan as his responsibility. After all, it is a question of a sense of responsibility about it and I hope that these divisions of party and other sectional interests will not come in the way of our combining and uniting to see that these big aims are realised. Sir, I have done.

MESSAGES FROM THE LOK SABHA

I. THE DRUGS (AMENDMENT) BILL 1960

II. THE CUSTOMS DUTIES AND CESSES (CONVERSION TO METRIC UNITS) BILL 1960

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: —

"In accordance with the provisions of Rule 120 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to inform you that Lok Sabha, at its sitting held on the 6th September, 1960, agreed without any amendment to the Drugs (Amendment) Bill, 1960, which was passed by Rajya Sabha at its sitting held on the 10th August, 1960."

(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 Customs Duties and Cesses (Conversion to