[Shri Kanungo]

from India and the traders at Bombay were reported to be unable to make effective use of the Cochin market to any appreciable extent. With the emergence of the U.S.S.R. and other East European countries in recent years as important buyers of pepper, export deals were entered into in big lots and as the Cochin market had a limited absorbing capacity for such large orders, there was a need for the establishment of a second market. There was also need for broad-basing the market and strengthening its risk-taking capacity. A second market in Bombay might also tend to give a measure of strength and stability to the Cochin market by providing operators in Cochin an avenue to cover their extra risks and thus enabling them to absorb larger orders.

3. In the light of these facts, Government are inclined to accept the views of the Forward Markets Commission and to establish a market at Bombay on a trial basis for one year. No recognition has yet been granted to any association to start forward trading in pepper at Bombay.

Shri A. K. Gopalan: May I know how this will affect the producers in Kerala and also fluctuation in the price of black pepper?

Shri Kanungo: The Forward Markets Commission's recommendations are that the establishment of a market in Bombay will reduce the fluctuations in prices.

12.19 hrs.

EVACUEE INTEREST (SEPARATION) AMENDMENT BILL

Mr. Speaker: The House will now take up further consideration of the following motion moved by Shri Mehr Chand Khanna on the 20th August, 1960, namely:

"That the Bill to amend the Evacuee Interest (Separation) Act, 1951, as passed by Rajya Sabha, be taken into consideration."

Shri Mehr Chand Khanna may now continue his speech.

The Minister of Rehabilitation and Minority Affairs (Shri Mehr Chand Khanna): I understand that Members are anxious to discuss the Draft of the Third Five Year Plan. In that case, I have no objection to this Bill being allowed to stand over till that discussion is over. I leave it to the House.

Shri Tangamani (Madurai): The time fixed for it is only half an hour.

Mr. Speaker: Is it the pleasure of the House that this Bill may stand over to some other time?

Hon. Members: Yes.

Mr. Speaker: Then, let us take up the next item.

12.21 hrs.

MOTION *RE*: DRAFT OUTLINE OF THIRD FIVE YEAR PLAN

Mr. Speaker: Shri Nanda may move the motion standing in his name.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Mr. Speaker Sir, May I move that motion?

I beg to move:

"That the Third Five Year Plan—A Draft Outline laid on the Table of the House on the 1st August, 1960, be taken into consideration."

I confess that I feel as if I was carrying rather a heavy burden in moving this motion for consideration by the House. Even this Draft Outline is an outline only, but it covers

a multitude of activities in India; it covers, in fact, the whole progress of the Indian nation. It is a continuation of the Second Plan, and for me to deal with this matter in a brief or even a long speech can hardly do justice to it in that sense.

Hon. Members are presumed to have read this Draft Outline. It will serve little purpose for me to go into the large number of figures which are given in the book, and which can perhaps be grasped more easily by reading it than by my saying anything about it. I shall, therefore, try to deal with some major aspects of this Plan, what I would call the strategy of the Plan, and invite the consideration of the House to those particular matters as well as others.

I may mention that although a great deal of thought has been given to it by the Planning Commission, and the Commission has consulted all manner of folk, certainly in India, and hon. Members in Parliament here too, but advisers, experts and others in this country and from outside, although all this has been done, we do not approach this question or this report with any sense of finality or with any desire to appear rigid in our approach to this problem.

There is, in some of us, so far as some of us are concerned, certainly a sense of rigidity about the ideals we aim it, because there must be some fixity; they may change—it is a different matter,—on account of the changes in the changing world. If we want India to progress, and if we want India to be prosperous, and if we want to raise the standards of India, if we want a socialist society in India, we are strong in that; there is no weakness; there is no lack of firmness in that. I do not mean to say that I want to impose that idea on hon. Members who do not like the word 'socialism'. That is for hon. Members to determine. I am talking about those on behalf of whom I am speaking. We do aim at a certain thing which can be described in many ways, but most briefly, we aim at socialism in this country. Let there be no doubt about it, because, sometimes, we are told that this word or this idea is merely for show-purposes or is put aside from time to time. But we do not aim at any rigid or doctrinaire form of socialism, and, therefore, we describe more or less the things that we are aiming at.

So far as this particular Plan is concerned, it flows from the Second Plan which came after the First. It is a projection of that. The Second Plan was roughly double the First Plan. This, again, is much bigger. Most of the objectives mentioned in this Plan will-be found to be mentioned in the Second Plan. Therefore, so far as our objectives are concerned, they have been consistently placed before this House and the public.

Very briefly, I shall read them as they are repeated in this Draft Plan. They are:—a rise in national income of over 5 per cent per annum, to achieve self-sufficiency in foodgrains, and increase agricultural production for industry and export; to expand basic industries like steel, fuel, power and machine-building; to utilise the man-power resources of the country and expand the employment opportunities; the reduction of inequalities in income and wealth and a more even distribution of economic power. All these, in somewhat different language, were mentioned in our Second Plan.

Broadly speaking, I suppose everybody, almost everybody in this House, will agree to these objectives. They may not perhaps approve of the steps to be taken, or there may be difference of opinion, but broadly speaking, I take it that excepting for a very very few in this House, hon. Members accept the principle of planning, and I do not quite see how even the backward few who do not accept it can do so in any intelligent way which can be understood by intelligent people; for, planning is the exercise of intelligence. It is the exercise of

[Shri Jawaharlal Nehru]

intelligence to deal with facts as they are, situations as they are, and intelligently trying to find a way to solve a problem. Everybody plans, and ought to plan, whether he runs a shop or an industry or a plant or a State.

I am not going to enter into this question because it is rather difficult to make people see something when they are unable to open their eyes. But it is generally accepted that in every country, practically every country, this is the only course. And in this world today, where everything is more and more governed by developments of science and technology, the idea of things happening by themselves, the *laissez-faire* theory etc. is almost considered the verge of absurdity except by a few who profit greatly under it at the cost of the many. Nobody in this House, I hope, stands for the profit of the few at the cost of the many.

Therefore, we have to think today—leave out the word 'planning'—in terms of this tremendously changing and revolutionary phase of human history controlled by science and technological developments. I do not mean to say for an instant that life consists only of science and technological developments; there are many other things too, many things which perhaps science has not dealt with yet, many things which technology cannot touch, call them what you like, spiritual, moral, or ethical, many to which we must attach the greatest importance. So I am not by any means ignoring that phase, but the fact remains that modern life is Governed by science and technology, and as science and technology advance and change, life changes, and will continue to change at a rapid pace, sometimes change for the good, sometimes for the bad. And so, we arrive at the strange state of affairs, science and technology having advanced so much in certain countries as to assure what is called an affluent society, a welfare State providing the good things of life to everybody in that State, and potentially providing the good things of life to everybody in the world, having done that on the one side, also having produced on the other side, conditions which may suddenly destroy all the good in the world.

So in such a situation, even more than in any other, we have to think in a planned and intelligent way how to achieve the results we are aiming at. Thus planning, and this Third Five Year Plan, in fact, become for us not some kind of a book to read but a picture of a vast country, a vast nation, advancing forward in certain pre-determined directions to pre-determined goals. Planning, therefore, is having an objective, not only an immediate objective for tomorrow but a more distant objective, because you cannot plan for tomorrow only; you have to plan for years and in the case of a nation, you have to plan for generations. Therefore, planning means an objective and perspective planning. Then you come nearer to plan for tomorrow and today.

In approaching this question then, we have to take into consideration what steps have to be taken first, what should be considered in the order of preference as second or as third; because a country which wants to progress, wants to progress in a hundred ways. There are so many things we want to do in India, and we want to do those things quickly and passionately. Then we come to the question of resources—and not only resources. There are steps to be taken. We cannot go to a place unless we take a number of steps. So this question of finding the proper way to reach a certain goal becomes important. If you want to build a steel plant, of course, you can buy it; you have to train the people who have got to run it, train the persons and so on. Now, experience teaches us that the affluent society of the west has come into being because of technology, because of improvement in modern

techniques of production, distribution etc. etc. *plus,* of course, the technical personnel who lie behind it, who can do it. This applies to both agriculture and industry, because it should not be thought that technical process are only meant for industry and are not meant for agriculture; modern techniques are meant for agriculture also.

This means that if we have to do this in a big way, we have to change the whole atmosphere in India, whether in the field or the factory, and make it amenable to modern techniques such as are suited to India—I do not say that every modern technique is suited to India—or such as are suited to our conditions. It becomes of the greatest importance to have that atmosphere. I say this because when many people talk glibly of a steel plant or any new technique, really their minds have not got into the climate of new techniques; their minds still live in the climate of ancient usages and ancient ways of doing things. So we have to have that done; we have got to train our personnel in the fields as in other places.

Now, we shall find that this affluent society has come through this advance in technology. If that is so, it would appear essential for us to advance in technology, in order to get it. Advance in technology means a general advance in such training and education as are necessary for the purpose in a widespread way. It is not a question of putting up a plant here or there; it is a question of building up from below a nation used to thinking in terms of technical change and technical advance. It becomes a problem of mass education. Mass education is given in many ways, but I am only venturing to say from the point of view of this industrial progress etc. the mass education becomes essential. The countries which had the Industrial Revolution had *perforce* to go in for free and compulsory education, not that they liked it at all. We like it; they did not; they were forced to go in for it because they could not support that structure of industrialisation without mass education.

I am merely saying some obvious things—the House will forgive me for it—just to develop a certain argument. Therefore, we have to industrialise our country from the point of view of industry and from the point of view of agriculture, and introduce new techniques. Now, how are we to do this? We can do it, in a way, by buying the machines from abroad, buying technical experience from abroad and asking them to put up the machines and work them here. That has been the normal individual method. They buy some machines from America or Russia or Germany or somewhere else and they put them up; they buy the technical skill and work them. May be it does some little good. It is the beginning of a process, just like the railway trains which came here a hundred years ago, which was the beginning of a process, which changed the face of India. But if we want to do this rapidly, then that is not good enough. We can only do it rapidly if we can do it ourselves and we do not always have to buy from America or Russia either the skills or the machines. We have to build up the skills and we have to build up the machines here. Therefore, it becomes of primary importance if we are to industrialise that we must have the heavy industries which build machines, which industrialise.

There is an argument that we must not go in for heavy industry but for the lighter one. Of course, we have to go in for the lighter one too. But I venture to suggest that it is not possible—and I rule that out absolutely; I do not say it is less likely; I say it is not possible—to industrialise the country rapidly without concentrating on heavy industries that is to say, the basic industries which produce industrial machines which are utilised in industrial development. This must be borne in mind.

[Shri Jawaharlal Nehru]

I am free to confess, as I have perhaps confessed before, that we lost a good deal by not putting up a steel plant or trying to put up a steel plant, under the First Five Year Plan. It was a heavy thing and we did not have the courage to take that burden then; but if we had shown a little courage then, it would have been well for us in the Second Plan and now. In the Second Plan, therefore, we were forced to have three new plants, very big concerns which have been a tremendous burden for us.. We have borne it and of the three plants, one or two are completed and the other—nearing completion. There are also some other heavy plants that we have put up, more particularly the machine building plant which is gradually taking shape.

The beginning of industrialisation really can now be seen in India. A number of textile mills in Ahmedabad or Bombay or Kanpur is not industrialisation; it is playing with it. It is a good thing to have textile mills. We want textile mills; I have no objection to that. But our idea of industrialisation is limited, cribbed, confined and cabinned, by thinking of these ordinary textile mills and plants and calling it industrialisation. Industrialisation, therefore, is a thing that produces the machines, it is a thing that produces steel, it is a thing that produces power and two or three other things. That is the base. Once you get the base, it is easy to build. It is true, building such a base may be a difficult task, specially for a backward country. We have now—I will not say —finished building the base but we have put a good part of the base and therefore, we can now look forward with some confidence to a more rapid advance which could never have happened without that base, however much we might have built the smaller industries. We would always have to depend on outside without that. Indeed we have had troubles in regard to foreign exchange and we are likely to. We can never get rid of the foreign exchange troubles without heavy industry in this country. So, we have to start from the base. We cannot build a third or fourth storey. We can advance in minor sectors of our economy but if we do not build up the basic structure, it will not make any difference to the hundreds of millions of our people. Therefore, the strategy governing planning in a case like India is to be industrialisation. Without it you may improve here and there but you cannot, on the whole. So, that leads to the basic industries. From that flow other things.

Having laid great stress on industrialisation, immediately, we have to look in the direction of agriculture and find that this industrial progress canot be made without agricultural advance and progress. So, we come back. The fact of the matter is that you cannot isolate the two. They are intimately connected because agricultural progress is not possible without industry, without tools, without the new things, new methods and techniques which modern industrial technique produces and without the man to deal with these tools. We can always advance a little here and there by greater effort. The two are inter-allied—agricultural progress and industrial progress—and they cannot be separated. There is no question—some people say—of giving agriculture priority. There is no question of that. Neither can advance without the other. Of course there may be, internally, some priorities but it is a different matter. Everyone knows that unless we are self-sufficient in agriculture—and more—we cannot get the wherewithal to advance in industries. If we have to import food, then we are doomed, absolutely doomed, so far as progress is concerned. We cannot import both food and machinery and everything; we just cannot get on. Therefore, there is the importance of both, allied together and looked at as helping each other. There are other connected things that come up.

Inevitably, whether it is agriculture or industry, training of personnel—trained personnel—counts. In the ultimate analysis it is the trained human being that makes a nation—not all the machinery in the world. It is he who makes the machines—not the machine, the man. So, we come to widespread training—general training and of course specialised training, technical training etc. We cannot live on iron and steel. We have to produce other commodities. For this purpose, we have to encourage, in every way, the small and medium industry. I am glad to say that inspite of our concentration on basic industries, small and medium industries are spreading fast in India. It is of very considerable importance.

If that is the broad strategy, the rest becomes considering each matter in some detail. Take agriculture, for instance. There are not many differences here, I take it, as to the methods for improving agriculture. We all agree. Anybody can put them down as one, two, three, four, five, six; seven and so on. The question is of implementation or the application of these methods in a big way or getting the peasantry to accept those methods and to supply them with the wherewithal, better tools, manure fertilisers, better seeds and the like. In fact if I may say so, we may discuss these as we will no doubt and point out the difficulties and shortcomings. There may be many shortcomings. We do not put forward this as something perfect. We put forward present outcome of such thought and consultations that we have had. It is a tremendous problem—dealing with this mass of human beings in this country at a time of great revolutionary changes in the world and I doubt if anybody can presume to say that he can give the last solution to it. So, we struggle forward with all our efforts and doing our best and hoping and accepting gladly any advice that seems to us suitable.

The Plan should be looked at in this way. I accept that we may change the Plan here and there; it is possible. But in the ultimate analysis it is not that that counts very much and I think in the ultimate analysis the hon. Members here and most people outside accept broadly the strategy of the Plan and even most of the details of the Plan. They may criticise its implementation and say, for instance, that the community development scheme, very good though it is in theory, is not functioning in practice as it should or they may ask: why is not agriculture, on which we spend vast sums of money, not showing results in production as we want or why is there delay in production in our industries? All these are legitimate criticisms. But you will find that broadly speaking, the criticisms are of implementation and we have to face this. The real problem before India is one of implementation and not constantly laying down policies and talking about the subjects, 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. We have often measured it and in this House we have stated that Rs. 6 crores out of the Rs. 10 crores allotted had been spent and hon. Members ask: why Rs. 4 crores has not been spent? Or we may say that the whole of Rs. 10 crores had been spent. But the real thing is not the spending of Rs. 10 crores but what that has produced. That is the whole substance. It becomes an audit of performance. It is important. In doing that, it becomes necessary—for other reasons also—that responsibility should be given to the person who has got to do the job. We have been struggling for years to somehow allot the responsibility and not keep everything concentrated in the centralised way. It is still too much concentrated. It is far better to take risks and face losses and not have this centralisation because in a rapidly moving scheme, delay is

[Shri Jawaharlal Nehru]

the most fatal of all things and it is caused by references from one place to another, from below to up. We have been trying to do that and we have succeeded in some measure. But the point is that responsibility is spreading out. We should hold people who are made responsible and test them and they must be held responsible if they do not do certain things and we may punish them or if they do we may praise them. It is not good enough for us to go on in a loose way that everybody is responsible for everything, which means nobody is responsible for anything. I am laying stress on this because the future seems to me a question of implementation above everything, far less a question of policy-making although policy-making has always to be done.

There is another thing that we have to pursue. We say the record of the first two Plans, even though sometimes it is criticised, is a fairly remarkable record of achievement. It did not come up in some way, in some matters to what we wanted it to be, but it is nevertheless, a very creditable record—whether it is transport, communications, steel, fuel, power, scientific and technological research. In fact, the whole of Indian economy has arrived at a stage, at the threshold of accelerated growth and now can grow much faster if we keep it going and pushing, because in a moment of this type if we slacken at all at any place we do not merely go slowly but we lose the advantage which we have gained by our previous efforts.

Now, as you know, presumably in 1961 our population would have gone up by about 70 millions since 1951. Why has it gone up like that? Because we are a much healthier nation. The expectation of life ten years ago was 32. Today it is 42. It is a big advance in a big country like this, to raise the level of expectation of life by ten years. It has made a big difference in our population figures. And, no doubt, that difference will continue to be made as our society becomes healthier and healthier.

Again, it is said that the national income over the First and Second Plans has gone up by 42 per cent and the *per capita* income by 20 per cent. Now, a legitimate query is made, where has this gone? It is a very legitimate enquiry. To some extent, of course, you can see where it has gone. Apart from statistics, one can see where it has gone. I sometimes do address large gatherings in the villages and I can see that they are better fed, better clothed, they build brick houses and they are generally better. Nevertheless, that does not apply to everybody in India. Some people probably have hardly benefited. Some people may even be facing various difficulties. The fact remains, however, that this advance in our national income, in our *per capita* income has taken place, and I think it is desirable and I am sure it will meet with the pleasure of this House that we should enquire more deeply as to where this has gone and appoint some expert committee to enquire into how exactly this additional income that has come to the country or *per capita* has spread.

The point is, we have to avoid and prevent too much accumulation of wealth, because if after all this additional income that has come to us or the additional national income or *per capita* income that has come only, let us say, 5 per cent or 10 per cent of the population have benefited by it and 90 per cent have not, well, that is not a good way, that is not a good result. We cannot, of course, even it out. That is not possible. But it is desirable to make the benefits spread. There are several ways of spreading. You cannot make it spread evenly because human beings are not the same; a person works harder than the other. A nation works harder than the other and goes further. But I

regret to say that we in India have not learnt the lesson of hard work yet. We can, but we are not mentally thinking in terms of hard work, not realising that it is only through hard work that a country progresses whether it is America or China, whether is is capitalist, communist or socialist. It is only through hard work that a country goes ahead. Here complaints are made if holidays are cut down although India has more holidays than any country in the wide world, probably. Yet complaints are made. So, the countries are not same, individuals are not the same. it depends on their intellectual capacity, their physical capacity, their desire and habit of work. Nevertheless, one has to produce opportunities for all of them to progress or to work.

Therefore, it is really the fault of the type of atmosphere one creates. And, that is another b'g thing about this Plan or any Plan—the atmosphere we create in a country. Now, it is our misfortune that in this country—I am not referring to anybody in Parliament for the moment—attempts are constantly made to hamper, obstruct and create a fog all round which prevents hard work being done. The attempt may be sometimes justified I am not going into that, but I am merely point'ng out the fact that constantly in this country some people, of course, directly and patently oppose and obstruct this type of thing. But I am not referring to them, but rather to those who are so wrapped up in local troubles, local problems, local quarrels, where they represent some form of provincialism or linguism or all these other 'isms that come in the way—communalism and the like. They are thing'ng in terms of some narrow objective, which may be good in their view but which comes in the way of the larger objective.

See what is happening, this tragedy, in Assam. It is a deep tragedy. It is a tragedy in itself, but it is a deeper tragedy that such mentality should occur and such conflicts should occur in this country. See the agitation that is going on in the Punjab. It seems to me quite amazing that intelligent people should indulge in these agitations when these mighty problems are before the country.

Can we face these problems with some effort of the mind or is it merely like second-rate individuals who have no minds, who can only shout slogans? It is a big problem for us to consider. If we are to give in to this kind of slogan-raising ideas, whatever the cause behind it may be —because so far as my Government is concerned I hope it will never give into this kind of thing—I am not referring to any particular thing —then it simply shows that we are incapable of facing issues fairly and squarely.

But the House should realise how much we lose in this Plan by this constant diversion of effort, by constantly bringing issues before the country in some form or the other, which may be good or bad but which are secondary, tertiary, whatever the place may be—they are not primary issues—so that that comes in the way and it is an enormous obstruction. It would not matter very much if our Plan said something here or something different there. You may change them or not, but what does matter is the whole climate of thought and activity in the country. If the thought and activities turn to petty quarrels on a provincial basis, on a language basis, on a caste basis, on a communal basis or some other like bas's, then, indeed, we cannot make great progress, because it must be realised that this Third Plan or any Plan that is worthwhile requires the most tremendous effort. If some people ask, "Why make such a big plan? Make a small plan," that is not a good enough answer, because, there are certain minimum objectives that we have to reach. There is no escape from them. As a matter of fact, there used to be some people who used to talk that this is ambitious planning and criticise it. Hardly anybody says that now. As this realisation has gradually come, that inevitably, by the compulsion of events

[Shri Jawaharlal Nehru]

and circumstances and our own needs we must plan in a relatively big way, there is no escape from it. Even the toughest and the most cautious of people in the western world have come to the conclusion that our Plan is not ambitious; it is rather on the low side.

So, though from the point of view of the advancement of India the Plan is not very big, yet, from the point of view of our resources it is big undoubtedly, and it requires a tremendous effort on our part to raise those resources and to work hard to achieve our aims. If all kinds of other conflicts come in the way, then naturally the Plan will suffer.

Now, it is proposed that almost the least that we should have is an advance in the national income, of five to six per cent per annum. It must be over five; if it goes below five, it does not catch up; and the rate of investment should be stepped up from 11 to 14 per cent. All this, as I said, requires some social development. You must not divorce industrial or agricultural improvement from the development of society as a whole, educationally and in many other ways. I repeat this again and again, because it is imagined that money-making is concerned with putting up some steel structure and calling it a Plan. It is the building up of man that it needed. It is true—and I must confess—that some people who have no social sense at all do happen to possess a very strong sense of making money and they do make money. That is true, and I am almost amazed at the kinds of activity of making some money that some individuals have. But, obviously, this House should not like moneymaking activity to be encouraged at the cost of social sense. It is not a good thing for society. Once you do that, you will have to build up the whole society.

Take, for instance, education. It is proposed in the Plan to spread out education—free and compulsory education—to all boys and girls of the age-group 6 to 11. Under our Constitution it should have been much more. It should have been done within the first ten years. Up till now we should have done it and it should have been up to 14 years. But it was an impossible proposition; we have been unable to do that although the spread of education has been vast.

Many people have criticised education here and their criticism is, I think, justified. In fact, in every country almost, there is this criticism of education today in some way or the other. Our schools are not properly equipped and our school-masters are not properly paid or trained. All these criticisms are justified, but really the effort we have made and the success that has come to it is nevertheless very big. At the present moment, there are, I believe, 45 million boys and girls in the schools and colleges in India. It is a very large figure. If at the end of the third Plan, what we intend doing comes off, we shall have 65 million or thereabouts, and if we could do what we intend to do in regard to education in India, we would have 100 million teachers and taught in India. That is about 25 per cent of the total population. See the enormity of the problem: a quarter of the total population being either teachers or the taught. It would have to come in this country sometime or the other so that this advance has to be made at a fairly rapid pace.

Then we want to spread out this advance, as far as possible, regional and otherwise. It is not easy regionally except in one way. Some things cannot be done regionally; we cannot put up a steel plant everywhere, but there are some things that can be. Many kinds of industry can be put up in almost any region and which can be spread out. But we should try to give certain minimum amenities to every village, that is, to the

rural areas, of course in the shape of food, drinking water, clothing, education, health, sanitation and housing and, progressively, work. Our pattern of investment should be designed to assist the achievement of these objectives.

The question is often raised: you talk about socialism and yet you permit these grave inequalities of income; that you want to limit and put a ceiling on land and you oppose ceiling in urban or other incomes. There is that contradiction, of course. Of course, it is there. But if we try to remove that type of contradiction, we put a stop in many ways to the type of progress we are aiming at. You cannot advance in these lines, industrial lines, by the application of some methods, unless you are prepared completely to change the structure of society. That is a different matter: to change the whole basis of society completely. If you are not prepared to change that suddenly and quickly, you have to leave enough incentive for people to work. You have to give certain amenities for that type of work which may not be necessary for other types of work. You can, even by taxation and otherwise, reduce disparities: have heavy taxation and have many ways of doing it. But putting a ceiling like that may well result in a slowing down of the process of development and it is of the utmost importance that this process of development and production should not come down. After all, production comes first, before any kind of equalisation or division. There is no point in having an equal measure of poverty for all.

Take another thing, which is much talked of and discussed: the private sector and the public sector. Obviously, many persons who believe in a socialist pattern must believe in the public sector growing all the time. But it does not necessarily mean that the private sector is eliminated even at a much later stage. It does not mean that thing at all. I do not know, and I am not a prophet enough to say what will happen 20, 30 or 40 years later. But I can well imagine the private sector functioning, but naturally in limited ways. It does not seem to be necessary that every little shop should be a public sector shop. It does not seem to be necessary that every patch of land should be publicly owned or owned at all by the public. But I do not know—these things depend so much today not on abstract theories but on scientific and technological developments which govern our lives.

Many of us perhaps here in this House think in terms of theoretical advances and theoretical solutions, the fact being that we are conditioned by scientific and technological advance so much that our theories have to undergo change because of it.

13 hrs.

In regard to the private sector and the public sector, I think the criteria should be basically two. One is to have as much production as possible by all means at our disposal and the second is prevention of accumulation of wealth in individual hands and also of economic power in individual hands. If I have only the first one, it may lead subsequently to unsocial, undesirable and harmful consequences. Therefore, we must aim right from the beginning and all the time at the prevention of this accumulation of wealth and economic power. I do not mind how much the private sector spreads out. I want it to spread, subject always to prevention of monopoly. Why? Apart from other reasons, your Constitution says so. Read your Constitution. It says, so precisely that there should be no monopolies and accumulation.

All these may be laid down, but to draw lines may be sometimes difficult. One has to judge in each case, but those two broad facts must be remembered. If by any step that we take, production goes down, then we are cutting at the root of our advance and progress. If, on the other hand those private monopolies are built up,

[Shri Jawaharlal Nehru]

then we are encouraging a process which will come in our way badly which will be harmful now and later, both. Certainly, it will take us away very far from any kind of progress towards socialism.

Raja Mahendra Pratap (Mathura): I want to raise an important point of order. I want to say, use not law, but use those methods which Mahatma Gandhi and Lord Buddha used and people gave away wealth.

Mr. Speaker: There is no point of order. The hon. Member ought not to interrupt.

Shri Jawaharlal Nehru: Therefore, we must encourage production, which is one of greatest importance and encourage the social motive more and more. If anyone tells me that incentives are necessary, I agree. But there are many types of incentives, some incentives that are good to society and some that are bad to society. It may be that we cannot get rid suddenly of all the bad incentives that are today functioning. But anyhow, we should aim to get rid of them, because the acquisitive society, a society in which the main incentive is acquisitiveness at the cost of the other is already getting out of date everywhere, because social urges are coming up and I do not want to encourage acquisitiveness in India beyond a certain measure, because a certain measure of acquisitiveness perhaps many of us have to have in our lives and in our activities. But I do wish that our social policy should be such as not to encourage acquisitiveness. If you keep that in mind, you will see that many of these activities—speculative activities —are bad and poisonous from the point of view of the nation and the social development of the nation. We are wrapped up in many things and we cannot suddenly abolish many of these things. But we must always keep in view that that type of mental approach is bad.

All this depends upon resources, obviously resources domestic and resources coming from outside. Our whole object in the third Plan is to arrive at a stage when we do not depend upon outside countries for any kind of help, whether financial or mechanical, machines, etc. That is what is called, broadly speaking, the take-off stage. But at this stage, it is always inevitable to have to depend somewhat on supplies from outside, whether they are machines, financial help, loans or credits. We can, I suppose, perhaps in theory, do without them, but practically that will prolong our agony so much, make it so long and so many things may happen before we reach that stage that it is difficult to contemplate and to foresee what might take place.

Therefore, every country, situated as we are, trying to industrialise fairly rapidly, has to depend on outside help. Every country has done so. Every country in Europe or America has had to do so in the past. It is difficult for me to say what measure of outside help we can get. We are grateful for the help we have got from various countries, from the USA most of all, from the Soviet Union a good deal and from a number of other countries. They have been generous. It is not for me to complain that sometimes what loan or credit they have given us has fallen short of our expectations, because our expectations are very very vague at the present juncture and it is loans and credits that we want—not charity.

All I can say is that the prospects are fairly good and we hope to get that. But the other thing which we cannot get and which we should not get is what we have to do in our own country—our domestic resources. They are going to be a very heavy strain on us. There is no escape from it and we have to face it, whether it is heavier taxation, public loans, savings or whatever they may be. One has to face that.

In all these matters, the question of price policy comes up. It is an exceedingly difficult question and an exceedingly important question, both. The price policy is not a matter of this party or that party. In fact, in this whole Plan, our approach is not a party approach, except in so far as you might say that we are committed to a policy aiming at a socialist pattern and socialism. Otherwise, the approach we make is probably a broad approach, which covers nearly all groups in this country. In regard to the price policy also, there may be differences of opinion; there are no doubt, but they are not differences of this type, of a party type, I hope.

It goes without saying that it is of the utmost importance that prices should be under control. It is true that in a developing economy, there is bound to be inflation. In fact, some inflation is good; it is itself a sign of development. We need not be frightened by that. But if it goes beyond that measure, then it is harmful obviously. More especially, it depends on the goods in regard to the essential requirements of the masses of people. If inflation and the rise in prices go too far, it is obviously exceedingly harmful not only to them but to our whole economy. Therefore, the question comes of having a price policy which controls the prices. I am not going to speak of any assurance of having any definite price policy now. I hope that this matter is being given attention and it will no doubt, come up in this House in various ways. But price policy is not something separate from the rest. It is a part which covers the entire range; it should be a part covering the entire range of economic activity—you cannot separate it whether it is fiscal or monetary or commercial investment and all that —and it might well involve controls. We have to face it whether we like it or not. In fact, we had controls on this, that and the other; not that we did not have controls. That is, in certain essential articles, if necessary, it may involve all kinds of approaches including controls. What the articles may be, it is a different matter for us to consider.

Again, as I said, the prices going up, for instance, the prices of luxury articles going up does not make very much difference, but the prices of essential goods going up does make a difference. Therefore, the question of control in prices really applies to the essential commodities for the common man, not for the unessential commodities. So that, even if we have to take some particular measures, they will be directed rather to the chosen articles than to the many. In other words, a kind of, if I might say so, selective control may become necessary.

Shri Ranga (Tenali): For instance, the production of paper money, which is one of the essential commodities.

Shri Jawaharlal Nehru: The hon. member is presumably referring to deficit financing.

Shri Tyagi: (Dehra Dun): Paper money, according to Swatantra party, is an essential commodity.

Shri Ranga: He is producing it.

Shri Jawaharlal Nehru: It is a very necessary and excellent method provided always, as with everything else, it is kept in control.

Shri Ranga: Quite right. Why oppose them?

Shri Jawaharlal Nehru: And that is why at the present juncture of India deficit financing has to be kept in control. May be, at a somewhat later stage we may be able to stretch out a little more.

Now I should like to mention a few words about community development. As the House perhaps knows, I have attached great importance to this and often praised it, not praised its working everywhere but praised the whole conception of it. I have no doubt that in spite of all that has happened, and

[Shri Jawaharlal Nehru]

our numerous slips, the community development scheme has changed and is changing the face of rural India; I have no doubt about it, and that is more important in the final analysis than any number of factories put up for changing the conditions of life of the peasant. More particularly, recent developments in the direction of giving more power to panchayats—what is called *panchayat raj*—I feel, is going to make a revolutionary change and is making it basically. I should like this House to appreciate that, because that is a very important part of our plan, especially in regard to the rural areas and especially in regard to agricultural production. Because, ultimately it will come for the agriculturist himself has advanced to a certain stage of understanding.

Here again there is the question of co-operatives. For some odd reason the word "co-operative" rather frightens some people.

Shri M. R. Masani (Ranchi-East): Not at all.

Shri Jawaharlal Nehru: I have tried in all humility to understand it. I always try to understand the other person's point of view and, to some extent, I do succeed and sometimes people accuse me that I look at it from both points of view. That is true. So, I have tried very hard to understand the viewpoint of those people who have suddenly, or sometime back, started expressing themselves in pain and sorrow about the co-operatives. More especially, when co-operative farming was mentioned the pain became intense. Now, I have not been able to understand it in spite of every effort. As a matter of fact, that is acknowledged the world over by every intelligent man. But the vested interests are so great and the limited mental outlook is so limited that it cannot see what stands before it. Co-operation is the one and only way for agriculture in India. There is no other way. This we clearly understood. And this is not my saying every person who has studied agriculture in India says and said that for the last generation or more.

Shri M. R. Masani: Certainly not.

Shri Jawaharlal Nehru: If you talk of co-operative farming, joint farming, again every intelligent approach to it will show to you that is the right method to do it. But it may not be the right method in every case. Conditions of land, this, that and the other come in. It may not be the right method or the necessary method when each holding is a big holding. Then it is a different matter. Where each person has 100 or 200 acres of land it is not so necessary. But where, as in India, the holdings are terrifically small, we are driven to it whatever your policies or convictions might be.

But, then, it is said that this leads to something terrible, communism. If the logic of thinking of some people is governed by this kind of ghosts and hobgoblins it is difficult to reason with them. Communism has nothing to do with this. Whether communism may be good or bad, you can argue it. But to bring in this kind of thing and confuse the issue seems to me quite amusing. Here is something which, if you say that "you must not do it by compulsion", so far as I am concerned, I agree although please remember that there are hundred and one things in a State which are done by compulsion. Taxation is compulsion; if we have controls it will be compulsion. Innumerable things are done by every State by compulsion. You are compelled to go by the left of the road and not by the right. That is the compulsion of the rules of the road. In an organised State so many rules and regulations are there which you have to follow or pay the penalty for not following them. But, so far as this matter is concerned, I do not believe in compulsion, because of certain social aspects of it, because it will not produce results because fundamentally I do not

like compulsion in anything, as far as possible. But the idea of joint farming, co-operative farming is definitely a higher social form in agriculture just like the social approach in any industry or anything is better than the narrow acquisitive approach. Of course, you may say "the people are not good enough for that; therefore, we cannot do it". But try to improve the people. Anyhow, the co-operative method is quite essential for our rural areas. And, for the moment we are not laying stress on co-operative farming. That is to say, we are concentrating on service co-operatives and where people are willing we can have voluntary joint farming. We do not come in the way of people who want to do that. We encourage them. We are prepared to do that, because I do think that is the highest form of effort.

One thing I should like to say a word about is that we have been rather slow, or rather our States have been slow in land reforms. I think that has been harmful to us, to production generally. Fortunately, we are gradually ending the first phase of land reforms.

Raja Mahendra Pratap: The disparity in the time given to us and given to you is very much growing.

Shri Jawaharlal Nehru: I am sorry I did not quite catch it.

Mr. Speaker: He wants as much time for himself as is given to the hon. Prime Minister.

Shri Jawaharlal Nehru: If the hon. Raja was in my position, he would have it, not otherwise.

Anyhow, I shall not take the time of the House much more. But I should again like to repeat that the Planning Commission or the Government of India in this respect do not consider themselves as full of the ultimate wisdom. But they have given a great deal of thought to it and they have produced what they consider good for the country. They invite friendly consideration, and even unfriendly consideration provided it is intelligent because unintelligent consideration is not helpful, so that we might improve this before finalising it. But I would like to say again that we are not living in an isolated way today. We are living in a tremendously changing society—in the world, I mean. See what is happening in Africa and what is happening everywhere else. That partly governs or should govern the pace of change. We dare not slow down or slacken. I am not referring to our own internal problems of the frontier. They are there, but the world problems are such that we have to work hard and we have to see our problems in the context of this changing world.

Mr. Speaker: Motion moved:

> "That the Third Five Year Plan —A Draft Outline laid on the Table of the House on the 1st August, 1960, be taken into consideration."

There are a number of substitute motions. Whoever of the hon. Members who have given notice of them and who are here will kindly rise in their seats and say that they want to move their substitute motions. They are very long ones. Therefore subject to other details and any objections later on they will be treated as moved.

Raja Mahendra Pratap: I shall also send some substitute motion.

Mr. Speaker: No more substitute motions will be allowed. An hon. Member or an hon. Minister, whoever moves a resolution, must have all the amendments before him so that he may anticipate and explain even in his opening speech whether he is in agreement with that or not and explain away those other matters. I will take away the opportunity from the hon. Member and if he is going on I will not allow any more amendments to be moved. I will not accept any further substitute motion unless it is an