

If it is a hard case, real and deserving case, the loan should be paid, but if the loan is sought through pressure tactics, not a single person is to be advanced a single penny.

Mr. Deputy-Speaker: Shall I put any cut motion separately?

Shri T. B. Vittal Rao: All cut motions may be put together.

Mr. Deputy-Speaker: I shall now put all the cut motions to the vote of the House.

The cut motions were put and negatived.

Mr. Deputy-Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the order paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1960, in respect of the heads of demands entered in the second column thereof against Demands Nos 72, 73 and 128 relating to the Ministry of Rehabilitation."

The motion was adopted

[The motions for Demands for Grants which were adopted by the Lok Sabha are reproduced below—Ed]

DEMAND No 72—MINISTRY OF REHABILITATION

"That a sum not exceeding Rs. 34,21,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Ministry of Rehabilitation'."

DEMAND No 73—EXPENDITURE ON DISPLACED PERSONS AND MINORITIES

"That a sum not exceeding Rs 18,95,00,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending

the 31st day of March, 1960, in respect of 'Expenditure on Displaced Persons and Minorities'.

DEMAND No. 128—CAPITAL OUTLAY OF THE MINISTRY OF REHABILITATION

"That a sum not exceeding Rs. 18,51,87,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Capital Outlay of the Ministry of Rehabilitation'."

Ministry of Community Development and Co-operation

Mr. Deputy-Speaker: The House will now take up discussion on Demands Nos. 6, 7 and 108 relating to the Ministry of Community Development and Co-operation for which eight hours have been allotted. Hon. Members desirous of moving cut motions may hand over at the table within fifteen minutes the numbers of the selected cut motions. I shall treat them as moved if the Members in whose names these cut motions stand are present in the House and the motions are in order

DEMAND No. 6—MINISTRY OF COMMUNITY DEVELOPMENT AND CO-OPERATION

"That a sum not exceeding Rs 25,12,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of 'Ministry of Community Development and Co-operation'."

DEMAND No 7—COMMUNITY DEVELOPMENT PROJECTS, NATIONAL EXTENSION SERVICE AND CO-OPERATION

"That a sum not exceeding Rs 18,88,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March 1960 in respect of 'Community Development Projects, National Extension Service and Co-operation'."

**DEMAND No. 108—CAPITAL OUTLAY OF
THE MINISTRY OF COMMUNITY DEVELOPMENT
AND CO-OPERATION**

"That a sum not exceeding Rs. 3,47,15,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1960, in respect of Capital Outlay of the Ministry of Community Development and Co-operation."

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Mr Deputy-Speaker, I beg to put forward before this House the Demands for the Ministries of Community Development and Co-operation. I do so because the Minister in charge of these Ministries is unfortunately disabled from doing so because of illness—an illness which, I believe, has been brought on him by his excessive enthusiasm and hard work in these Ministries. I am glad that he is getting well now and I hope that he will be back soon to shoulder this tremendous burden.

I should like to say something in these opening remarks about the co-operative movement and not so much about the general community development movement, because much has been said about community development and much will no doubt be said in the course of this debate. The co-operative movement is not a new movement in India, or the world. It is a very old movement even in India—I do not know for how long a time—with greater or lesser success. We have a fair amount of experience about co-operatives and all that. Nevertheless, the broad approach that is now being made in the country has something of a novelty about it, at any rate, for us. This approach has not come out suddenly but has been the result of a great deal of earnest thought and consideration. After a good deal of such thought at various stages in the Planning Commission, a reference was made in the reports of the Five Year Plans which unfortunately people

seem to forget and they imagine that something new has come up. There is a great deal of evidence of the thinking given to this in these reports.

15 hrs.

Then, many months ago, there was the meeting of the National Development Council, and they laid down unanimously that we should go ahead with a programme of having village co-operatives in every village in India, and others too. That particular thing came, perhaps as a surprise to people who had not been thinking about this subject. Nevertheless, nothing much happened. Then, a little later, the National Congress meeting at Nagpur not only approved of this because, indeed, it was a part of its original programme, but laid a great stress upon it and special stress on the ultimate objective, the ultimate objective being joint or collective farming. But, for the moment and for the next three years it has said that we must concentrate on service co-operatives.

Now, after that, you will remember, Sir, there was a measure of excitement about this decision as if some disastrous step had been taken. Even in this House speeches were delivered which showed that measure of excitement and opposition in so far as the makers of those speeches were concerned.

Well, some weeks have elapsed since then more than a month I think, and almost everyone in this House and, perhaps, outside, but barring the few incorrigible persons who will not see the light even if it is a bright light, in the country has very largely and very firmly accepted this basic approach. There may be differences about details as there must be in such a tremendous programme, but the basic approach has been accepted and has been welcomed. I think it has been welcomed more especially by the particular population of the rural areas to whom it applies. Now, I do not say, again, that every single person has welcomed it, every single detail has been welcomed or agreed to, but broadly speaking, its broad approach has been welcomed.

Now, I should like, to begin with, to place a certain aspect of this before the House. We talk about the co-operative movement, we talk about village co-operatives or larger co-operatives and all that. But I should like this matter to be considered from an even broader and deeper point of view. It is the point of view of re-organising our vast rural areas, a new structure, a new social structure being built up there, of which the co-operative movement is an important and essential part—there are other parts too. We talk about the *panchayats*, and *panchayats* too being limited, normally speaking, to a village and having greater powers, greater autonomy in its sphere. We talk about the co-operative being limited to a village and exhibiting certain features. How do we define this? I think you will find the definition is the essential characteristic of a co-operative: close contact, social cohesion and mutual obligation.

This should be seen from this point of view of building up gradually a new structure for our rural society and our rural villages. That is an enormous undertaking. Of course, when we started with the community development movement that was our objective, although that objective was not stated in institutional terms. The institutional terms come now through the co-operatives. Previously, of course, community development movement was to make the people living in the rural areas self-reliant, working together, co-operating, building up their villages and generally advancing on every front, more especially the agricultural front because the agricultural front and more food production is of the highest importance. Now the co-operatives come and give it an institutional character—plus also the *Panchayats*.

In other words, this is an attempt on a magnificent scale,—I use the word 'magnificent' because the size of India is magnificent—on an enormous scale, to apply the basic approach, the basic social approach to the land

problem. Having not approved of the other approach of too much individualism in small tiny holdings which prevents progress, having not approved of the collectivist approach on the other side, we put forward this co-operative approach which fits in with the basic ideals we have. No doubt, as we go ahead we shall consider this matter again and again, vary it, change it, adapt it to changing conditions—that is a different matter—because in a thing like this it is quite essential to be flexible. No strict doctrinaire approach, academic approach is desirable for two reasons; firstly, that in a country like India with this great variety it is never wise to be very doctrinaire and rigid, and secondly, because in the nature of things a vast movement like this affecting 300 million people in India coming out of a certain relatively undeveloped state into other stages, rising to higher stages of social and economic development, you cannot be rigid, you have to see from time to time what is necessary. Therefore, I should like this House to consider this from this wide and basic point of view.

Now, while we should be flexible we should also not allow flexibility to go so far as to become, just, nothing definite, just a vague generalisation. That is not good enough. Therefore, one should have fairly clear notions as to the nature of this co-operative movement as we envisage it in our rural areas.

About this, there has been discussion for a long time, two or three years. I believe, in one of the cut motions a reference is made to the Rural Credit Survey. That survey was a very good survey and made many very good suggestions and proposals. But its recommendation in regard to co-operatives of villages was based, I think, on an unfortunate presumption, the unfortunate presumption being that our people in our villages are too backward to be given much responsibility. I do not personally believe in that approach in

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any case. The people are backward. I do not say our people are very forward in that matter, very advanced and so on. But I do not accept that approach because it is only by giving responsibility that you train people better. One has to take risks, if risks are necessary. You can have safeguards and all that. Because of that they laid stress on large co-operatives, the larger the better, because they thought they would have greater resources and the few trained personnel that we have could very easily go round.

Another view point was that the essence of the co-operative movement is a non-official character, a self-dependent and self-reliant character, a character which gives it cohesion, mutual obligation and close contact. If you have a co-operative covering 20, 30 or 40 villages, it ceases to have that close contact and ceases to have that cohesion so that the Rural Credit Survey's recommendation in regard to this one matter—I am not referring to various others—was criticised. May I say that we as Government broadly adopted the Rural Credit Survey's report without really arguing very much about this particular matter, but this matter came up again and again before us in various forms, and people criticised and said that that approach, though good in itself, was certainly not a real co-operative approach and that it was not likely to produce real co-operatives, that what it would produce may be functioning societies, rather pulled and pushed about by officials with money coming from various banks and others, that is to say, it was dependent a good deal on outside agencies. So this argument proceeded for two or three years. Because of the Rural Credit Survey's proposal and because money was forthcoming from our banks, especially the Reserve Bank, the tendency became one of putting up large scale societies, really big societies—I do not say that those large scale societies have not succeeded; they have succeeded—but then opinion gradually

veered round to really small village societies, the village co-operatives, because of the various reasons I have indicated. That was true co-operative, in which you can make the people grow and where people make contacts and where there is mutual obligation and social cohesion. If you want our people to grow and if you want to lay the base of a real co-operative structure, it should be that, and not something very big.

A variation was made or suggested perhaps to bridge the gap. That was, let us have village societies but let us have unions of 10, 12 or 15 village societies so that they could supervise generally and for certain purposes; maybe credit and other, could be dealt with by the banks and others for assistance. That has been the position.

The National Development Council decided in favour of village societies. The National Congress definitely decided in favour of them. The National Development Council which met again recently again went into this matter, the whole matter of co-operatives, and appointed a sub-committee which reported. The position now is that these broad principles are accepted completely. The principle, as I described, was about social cohesion, etc., which leads to the village society; also, the broad principle that these societies should not be official ridden—official help certainly—and also that, as far as possible, they should not be financed in the shape of share capital, etc., by the State.

Having said that, there are exceptions to this. One broad exception and an inevitable exception is with regard to the tribal areas. We do not wish to introduce rigidly something which may suit the rest of India and not the tribal areas, in the tribal areas. Therefore, in the tribal areas we shall have the co-operatives there but in conformity with conditions there, because, they have strong

communal feelings and organisations, and so our co-operatives must fit in there.

Another question arose. Just as tribal areas there are other backward areas in India and the question was whether we should relax the conditions there? Well, opinion varied somewhat and do vary. The emphasis varies as to what is a backward area? In a sense, 90 per cent of India is backward area, or more than that. So, it is difficult. So, ultimately, it is not a question really to be argued theoretically. Somebody has to decide, having laid down and fixed the principles that we should try our utmost to have these small societies and the bigger unions. Inevitably the State Government itself has to be the judge where that principle has to be relaxed. It is right. Theirs is the responsibility and they would be the judges. But in regard to other matters, about State participation, etc., we shall go on considering that, participation, share capital, etc., and as problems arise, we shall be trying to solve them, always with a little measure of flexibility left there and which, in the final analysis, the State authorities will have to consider.

There was another matter in connection with this. I need not say—it has been said many times before—that the co-operative law has to be simplified, and it is being simplified. We have found that while the law has to be simplified what really requires simplification is the working of the law, even more so than the law itself, that is, the person who works it. We are quite convinced that the official character of co-operatives should cease, that is, the co-operatives should be free to make mistakes if they want to but that help should always be available.

Now, a very serious difficulty arises. The working of co-operatives requires training and skill; some training and some skill. Of course, the man, the big organiser, requires a great deal of training and a great

deal of skill. Even the man in the village, the secretary of the village co-operative, requires some training, some way of keeping some simple accounts. That problem is a difficult problem. Sometimes, a village has not got a single person who can do it. We hope to train them in large numbers in various stages. The right thing I imagine, should be to have two persons who should be used for this purpose. One is the Gram Sevak and the other is the village teacher. The Gram Sevak, at the present moment, serves ten villages, and it will be a bit too much for him to be asked to look after 10 or 15 or even six or more societies.

Shri P. E. Patel (Mehsana): The village talati, who is a Government servant.

Mr. Deputy-Speaker: Names would not matter.

Shri Jawaharlal Nehru: I have not exhausted my point.

Mr. Deputy-Speaker: The point is perhaps that the Gram Sevak might be called talati or clerk.

Shri Jawaharlal Nehru: He is not a revenue officer.

Shri P. R. Patel: He is so in Bombay State.

Shri Jawaharlal Nehru: I am not able to argue this point with the hon. Member. Perhaps he knows better about the Bombay State. But anyhow the conception of the Gram Sevak has grown out of the Community Development movement. He is part of the movement and he has been trained. I think about 30,000 to 40,000 have been trained and he is in charge of them. Perhaps his charge is a big one and maybe we might reduce the charge. But finally I imagine that the teacher in the village school should be responsible for this clerical work of the co-operative. But all these things will have to be built up and we would have to explore all possibilities of doing it.

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A problem does arise that in a village like this there is nobody to look after it, nobody with the requisite training or literary capacity, and where there is absolutely no fund at all. How do we get going to begin with, because, on the one hand, we do not want them to start with the wrong foot with all Government help flowing in; they never get self-reliant in that way. On the other hand, there is this difficulty of getting going to begin with. That is not a major point but it does arise and has to be decided. But in regard to help generally, one view-point is that help should be given, but the help should be given for productive schemes, projects, and not really to the co-operative for it then to decide how to spend it, because that again becomes dependent for its normal routine work on the help, while if it is given for productive schemes, then, it is something definite and precise, and the co-operative gets going with that productive scheme.

This is the broad approach to co-operatives. In addition to these village co-operatives, of course, we have to have functional co-operatives for various functions or professions and there has to be this close connection between the *panchayats* and village co-operatives. It is in this context that I should like this House to consider this problem. I venture to say that in spite of the heated arguments that have taken place sometimes, there is no person really who gives dispassionate thought to this matter, who can disagree with this basic approach, because there is no other approach. As I put it recently to this House, what is the alternative to your dealing with large numbers of small holdings? What do you do with them? If you leave them like that, they can never come out of their shell. They may improve a little, but they can never get out of their shell.

As soon as you make this basic, fundamental change in the approach to this land problem, I think, al-

though it will be done voluntarily, this change does lead inevitably to progressive joint cultivation, with their separate shares in land being retained. Theoretically, that is obvious. The difficulties may be not theoretical, but sentimental or just the desire of persons to sit separately on a patch of land. That may be so, but theoretically and from any point of view, joint cultivation, with their shares guaranteed to them, is the right development whenever it comes. For the moment, one has to concentrate on this.

If one looks at this from this larger point of view that I have ventured to place before this House, then one sees this not only as something appertaining to cultivation and agriculture, but something leading to greater aims, greater production, something that gradually changes the whole context of village life. So many things should happen in the village which would never take place if people live separately and without that co-operation; so that, the village enters a higher social phase of existence, as it should. Once you get this dynamism working in our rural society, then progress is fairly rapid. The present difficulty is the static character of that society, the inertia that we have to meet. I think that this inertia has been shaken somewhat by the community development movement and with the coming of the co-operatives, it will be shaken up more and more and we shall see hundreds of millions of our people living in our villages on the march, which will become faster as they develop along these lines. Development along these lines means, large numbers will be trained. Every State should train them in various stages and the real training will come in their work in the co-operatives, which will make them work in a different way, think in a different way and act in a different way; and, this revolutionary change will come over rural India.

I have ventured to place these broad aspects before this House. I do not wish to go into details. Hon Members who may criticise our approach will, no doubt, put forward point which, I hope, will be dealt with adequately by those who follow me.

Shri Vasudevan Nair (Thiruvella)
Mr. Deputy-Speaker, Sir, this Ministry of Community Development and Co-operation is acquiring more and more importance. This Ministry had a very humble and small beginning with only community development under its wings. But now it has got two more items under its control, viz. village panchayats and co-operatives. I shall confine myself mainly to the developments taking place in the field of co-operation. Of course, I would like to refer to the community development movement too, especially the attempts that are being made to get the co-operation of the broad masses of the people in this country in developmental activities. I will give my remarks on community development towards the end of my speech.

Before going over to the hotly discussed topic of joint co-operative farming, I would like to refer to a report published in the papers very recently—report of the study group on co-operation policy. I do not know if it is officially published. I have got *The Hindu* of April 10, where it is reported. I hope the report will come for serious deliberation and discussion both before the Ministry and of course, in this House during this debate. I do not know whether we can have elaborate discussions on this report during this debate, because most probably, many of the Members might not have got time to go through this report in detail. But I would like the Ministry to pay serious attention to this point in that report. Here it is said:

"To increase the membership of co-operatives to the level of 20 million at the end of the second

five Year Plan, the group recommends that efforts should be made to bring into the co-operative fold such people in the village who are relatively better off with surplus funds for investment. Membership of the village societies should be a necessary condition for obtaining the various facilities made available through various Government agencies."

This point is made while dealing with the problem of rural credit. The study group is of the view that if this membership of 20 million is to be achieved during the second Plan period, they would not be satisfied with a lesser amount, say, Rs. 400 million and it seems that Government by itself will not be in a position to provide Rs. 400 million. The study group feels that they can have this money by bringing in the wealthier section of society in the countryside into these societies.

We have to think twice before taking such a decision. We have our experience in this country that in the name of co-operation, there is a lot of exploitation going on. If the co-operative societies are going to be the hunting grounds of richer sections in society, of the wealthier sections in the countryside, I am afraid these societies will not do that kind of benefit that they are intended to do for the poorer sections, who are really in need of credit. There is every chance of these societies being dominated by those richer sections. That is happening today in every part of our country. If we are going to give preference to the wealthier sections in society in enrolling members to the co-operative societies, if we are going to accept it as a policy, we are going to doom this movement. I am not against having such people in the co-operative societies, but .

Mr. Deputy-Speaker: The hon. Member may continue on the next day.