

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

ELEVENTH REPORT

Shri Pramathanath Banerjee
(Contai): Sir, I beg to move:

"That this House agrees with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th December, 1957."

Mr. Deputy-Speaker: I shall put this motion to the vote of the House.

Shri S. M. Banerjee (Kanpur): Sir, I want to make one submission.

Mr. Deputy-Speaker: At this stage, when I am putting the motion to vote?

Shri S. M. Banerjee: I got up earlier Sir, but could not catch your eye.

Mr. Deputy-Speaker: You have caught me by the ear now.

Shri S. M. Banerjee: Sir, my submission is that the time allotted for Shrimati Renu Chakravartty's resolution is too short. My submission is that the time should be extended at least by 30 minutes.

Mr. Deputy-Speaker: The time was allotted last time and it has been approved by the House.

Shri Bimal Ghose (Barrackpore): We shall now ask you, Sir, to consider that and extend the time.

Mr. Deputy-Speaker: That would be a different thing altogether, and that would be for the House again.

The question is:

"That this House agrees with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th December, 1957."

The motion was adopted.

RESOLUTION RE: SECOND FIVE YEAR PLAN

Mr. Deputy-Speaker: The House will now resume further discussion on the resolution moved by Shrimati Renu Chakravartty on the 29th November, 1957, regarding the Second Five Year Plan. Out of one hour allowed for the discussion on the resolution one minute has already been taken up and 59 minutes are left for its further discussion today. Shrimati Renu Chakravartty may continue her speech.

Shri Bimal Ghose (Barrackpore): Is it in order, Sir, now to make my submission about the extension of the time for discussion?

Mr. Deputy-Speaker: Surely, but I may submit here that the Committee had taken into account the debate that we have had only the other day. This subject had been discussed and the Committee was of the opinion that this ought to have been put in there as an amendment or something of that sort, and that it ought not be allowed separate time for discussion here as a separate resolution so soon after we had that debate here in the House. It was, therefore, that we allowed only one hour and that was approved here.

Hon. Members would agree that when we have discussed that subject threadbare here only recently, it is no use repeating the same arguments. Of course, that subject is so vast that even if we now consume another two or three days it would not be finished. It is a continuing business. We can continue that debate sometime afterwards. But this resolution was purposely limited to one hour on that account.

15.34 hrs.

Shrimati Renu Chakravartty (Basirhat): Mr. Deputy-Speaker, Sir, I submit that this resolution of mine has attained importance in view of the disquieting disclosures that have taken place during the last debate on the Five Year Plan as well as the debate on the Finance Minister's tour abroad and his statements there.

The necessity to discuss at top level with all the major political parties the relevant policies and matters guiding the Plan has become a matter of great urgency. The need to review how within one and half years of the Plan the entire balance which was set out in the Plan has been upset to such an extent that today there is a growingly insistent demand to change the Plan has become all important, and that is why I submit that it is important to discuss this resolution.

Furthermore, if one has to save the Plan as well as rouse the enthusiasm of the people, both of which are today unfortunately in jeopardy, one has to think not only of the overwhelming and steam road roller majority of the Congress in this House, but one has also to take a wider vision, a vision which envisages the acceptance of the collective wisdom of all major political parties and their co-operation. And, I must make the statement here that certain very unfortunate statements have been made by the Home Minister, Pandit G. B. Pant, regarding certain documents which the Communist Party is supposed to have made—which he seems to have manufactured from some place—where he says that the Communist Party is trying to actually sabotage the Plan. I think, Sir, that these are examples of shortsightedness of trying to make political capital out of a very grave national crisis.

I should also like to state that except once when we debated the Five Year Plan prior to its being introduced in this House, and once before when the major political parties were asked to submit their memoranda to the Planning Commission, there has been hardly any discussion with the political parties regarding the difficulties which are facing the Plan. Although in the course of the various debates various suggestions have been made, no such discussion has taken place at any time.

Then, there have been certain stages in the evolution of the Plan. First there was the Plan-frame, then there was a memorandum which was presented to all Members of Parliament at a big meeting with the Planning Commission prior to its introduction in this House and, finally, the Five Year Plan. If we follow this fully we will see how cleverly certain balances indicated clearly in the Plan-frame, and which we regard as essential in the planned development of huge under-developed countries like India, were subverted step by step till we have reached a stage of crisis, when they have come to make the country believe the inevitability of changing this Plan. It is against this erosion of this Plan that my resolution seeks to cry a halt.

We have to review how all this has come about, and we have to take effective steps to check effectively the man-made factors which have brought out this state of affairs, and also find out ways and means how to circumvent those factors which are not man-made and which are not within our control.

A concerted cacophony has been raised that the targets of the Second Plan cannot be fulfilled and the main concern seems to be to create an impression that it is all due to wrong financial planning. Here I should like the House to remember that there were certain important balances which were actually inherent in the Plan. One such thing was the question of the rapid industrialisation by particularly laying stress on the development of heavy and basic industries.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

15.37 hrs.

I remember very clearly the speech which was made by the Prime Minister on the occasion when we met in that big meeting of all the parties with the Planning Commission prior to the introduction of the Plan outline to this House. He made certain significant remarks there. One particular remark that he made was that physical targets

[Shrimati Renu Chakravartty]

were essentially the main feature of the Plan. He said that although financial resources are very important physical targets, that is the resources—natural, potential, trained personnel etc.—have also to be taken into account. He also said that we have to keep in mind the assumptions of the objective of a socialist pattern of society which meant the addition of wealth, and which also meant providing an equitable distribution aiming at progressive equality of opportunity.

He then said a very interesting thing and that was about the method to be followed in the production of wealth. How are we to control it? Is it going to bring about growth of monopolies or will it bring about lessening of disparities and gaps in our societies? And he said, that the emphasis has to be on heavy industries. I should like to quote his words because I took it down at that time

"Some demand the growth of consumer goods and they argue that this will lead to capital formation. This is a long drawn-out process. The growth of heavy industry is essential. That is why we have laid such emphasis on iron and steel. The most basic is the machine building industry. This will enable us not to go abroad so much for our machines and capital goods. Lastly, I say that although heavy industry has a very small employment potential we have to make up the lack of consumer goods by balancing it with the development of small scale industries and cottage industries."

What has actually happened today. We find that actually we are in the situation where the public sector which was given the job of development of these basic industries has been left far far behind. In the Plan-frame 50 per cent of allocation on industries was on iron and steel, synthetic petrol, heavy machinery to fabricate plants for steel and producer goods and heavy electri-

cal equipment. Synthetic petrol was given up earlier. Although it was said that heavy industries must be developed,—without that we will not be economically independent, however much political independence we may have, unless we produce the machines we will not be actually independent, and we will always be under pressure from other more developed countries who will try to bargain with us politically in order to give us those goods,—when actually the targets came forward we found that even in those big-scale industries a very much greater allocation had been made for the private sector than was actually intended. Finally, we find that the question of forge shops and other heavy industry structurals was considered, but the NIDC allocation for the public sector was much smaller. Almost it was 50-50 distribution between the private and the public sector.

I may quote from what the Finance Minister said at the last meeting of the National Development Council. He said:

"Of the million tons of fabricated produce that we expect to produce, expansion in the private sector accounts for 4,50,000 to 5,00,000 tons, and we—

"we" meaning Government—

"shall be doing somewhere between 5,00,000 to 5,50,000 tons".

This is what he said although in the Industrial Policy Resolution it was pointed out that these items were in Schedule A and that the growth of these industries or any further plants for these industries or industrial units will be exclusively for the public sector.

This, I think, was the ideal, and yet we find that even when the Plan has been rephased from what it was originally—it has been watered down from what it was in the blue-print, in the memorandum and in the revised plan—and when it was discussed here and passed, even there, there is a back-sliding. Why? We find that today, whilst the heavy electrical manu-

facturing industry and heavy machinery still remain with the public sector, the private sector is running away with the bulk of the target for the entire period. I need not quote what Shri Nanda, the Minister of Planning said, I think, in September last, regarding the progress of investment. He said:

"Progress of investment in organised industrial sector—

They do not like to call it the 'private sector'—

"on the basis of foreign exchange released and committed so far, that with further allotment of 40 crores or so about 2/3rds of the industrial plan in the private sector will have been implemented".

So, I feel that unless the targets in the public sector are fulfilled,—those that are there at least in the Plan as it is—the balance of the Plan cannot be tackled and fulfilled. A balance cannot be maintained, and that is why it is so essential that we put our heads together to see that these physical targets at least for the public sector in respect of the heavy machine building industry are adhered to. That is why I regard my resolution as being very important

The funny thing is, today nobody seems to be responsible for this state of affairs, and for this reckless disregard of phasing. Anything that is introduced or imported into our country is important and good, because we are such an underdeveloped country, but the point is that the phasing was of essential importance as it has been pointed out by various economists that the heavy industries machinery for which had to be imported had a very big foreign exchange component in them. It could have been brought in during the first three years of the Plan, and by the end of the fourth or the fifth year, those components could have been reduced. And by that time, we would have been in a position to produce steel, to produce machines which again would have

brought us more foreign exchange in the way of exports. At the same time, we would have not had to cry about for this foreign exchange. That is why I think it is very important to consider this aspect of the problem.

As a matter of fact, it was very interesting to listen to an answer to a question today. The question was about the import of capital goods and heavy electrical equipment plant. I looked into the answer. Unfortunately, it did not come up for supplementaries. There was nothing there about the heavy electrical equipment plant. I suppose it has already been given up or it is in a state of flux or it may be that the Finance Minister or the Planning Minister will get up and tell us one day that "we are in fact trying and trying hard". Maybe that at the last year of the Plan we may start it and after all, we can always think of a third Five Year Plan "Why should we take it over in the second Plan?" They may say like that.

The interesting thing is this. A sum of Rs. 107.67 crores has been given as the value of imports of plant and machinery whether on deferred payment or otherwise, during January-July, 1957. In that, the number of items that have been sanctioned comes to 85 or something like that. Among them, are sugar, textiles, chemicals and pharmaceuticals, paper, engineering, electrical industries, etc. Also, units of cement 3, automobile industries 3, refractories 2, the sum total being about 86. All these come under Schedule B, and the rest of the items like the heavy machine building plants, etc., are not found anywhere in the papers. Therefore, this is a very important indication of the way we are proceeding with the Plan.

Mr. Chairman: I find that only 59 minutes are now available for this resolution. Out of that, 15 minutes have already been taken by the hon. Member. I understand that the hon. Minister is also likely to take about 20 or 25 minutes. So, practically noth-

[Mr. Chairman]

ing is left for the house to discuss. Therefore, I would request the hon. Member kindly to finish her speech so that there may be discussion on it within the time available.

Shrimati Renu Chakravartty: I always feel very hesitant to press for more time. But my feeling is that in an important subject like this, there must be more time. If the Chair wants I can stop just now.

Mr. Chairman: It is not my desire. Ordinarily, half an hour is given to the mover of the resolution. So, I am not restricting the time of the hon. Member. But the difficulty here is that if I give more time for the hon. Member, then there would be no discussion on the resolution. The matter will end as between the hon. Member and the hon. Minister without any more discussion. She could speak for sometime more, and I have no objection. But even then, the House will be deprived of the right of discussion, and there will be no decision by the House. There will be only two speeches. So, I request the hon. Member to finish at least within 20 minutes.

Shrimati Renu Chakravartty: That is why I thought that the allocation of time was very ridiculous. What am I to do?

Mr. Chairman: It is not a matter for me to decide. After all, the House has already accepted the allocation of time.

Shrimati Renu Chakravartty: That is why nobody wanted to discuss it.

Shri D. C. Sharma (Gurdaspur): I suggest that the time may be extended to discuss this resolution.

Mr. Chairman: The point was raised with the hon. Deputy-Speaker while he was here and he did not say that he was going to extend the time. So, I do not think that it will be proper for me to extend the time after the expression of opinion made by him.

Shrimati Renu Chakravartty: A hue and cry has been raised after the private sector has already established its supremacy. And in fact we find that the foreign exchange difficulties are now facing us, and even foreign governments are now dictating to us as to the type of loan which they can give to us. It has now been made very clear that it is the private sector that is going to get the bulk of the loan and that is also quite clear from the answer which was given to us by the Deputy Minister of Finance, Shri B. K. Bhagat, when he said that even in the matter of loans which we have asked for, 50 per cent will be for the private sector and only 50 per cent for the public sector.

I am just skipping through my points owing to want of time. In the Birla report, they have made it very clear that the private sector will get as much loan as they want provided they can raise internal resources. They have made it clear that for the industrial sector, the foreign Governments are not going to finance the public sector.

In the Reserve Bank figures also, we find today that the money supply has increased since a large amount is being given to the private sector by the Government. So, from all these points of view, I feel that it is necessary that we should go into the entire policy that is being pursued in this regard. That is why I have now brought forward this resolution.

Even on the question of State trading, one finds that although State trading is by and large working successfully in the small sphere in which it is functioning, there is a sort of attempt to try and undermine the very idea of having State trading. Even the Export Promotion Committee has accepted the appeal of the private sector that only when the private sector cannot take up the trade, should the public sector enter into the trade. I have no doubt about it that the State Trading Corporation must ex-

pand its trade and take over foreign trade. If it does so much internal resource will come to the States. Today a panic is sought to be created. There is no need to be panicky. That is my opinion.

Regarding foreign exchange, we are in a tight position. There is no doubt about it. Even the gap of Rs. 800 crores which was there earlier has now sprung up to Rs. 1,400 crores and with the implication of the food shortage, it will be even higher. But if we see, our foreign aid has also been higher. I cannot give all the figures, but much if it was not there when we actually planned. There is the unutilised exchange of the first Plan—Rs. 100 crores; there is the International Monetary Fund—Rs. 65 crores and the Export Promotion Committee's recommendations are there. They say that it is quite possible to bring about an increase of about Rs. 100 crores a year, which would come to Rs. 400 crores in four years. They have gone into industry by industry and they have shown how it can be done, if we can really take up State-trading on a proper scale in a proper method. We can also screen the outstanding licences issued and ban all production goods for consumer industries and non-essentials. So, I am sure the uncovered gap is not as widely uncoverable as one makes it out to be.

As for our own internal resources, there is the question of income-tax arrears. I have found from an answer to a question that it amounts to Rs. 209.7 crores. Even if we say that the bad debts come to about Rs. 20 crores, even then it is a very big amount. As far as evasion goes, Kaldor estimated it at Rs. 200 crores and odd. Even if we halve it or even quarter it, we should be able to get something.

Then, there is the question of withdrawals against sterling balances against gold reserve. That has to be explained at greater length and that

will take much time. Lastly, on the question of food, it is absolutely essential for the purpose to discuss the matter. The Foodgrains Inquiry Committee has stated that we have to import two to three million tons of food. Whether bad weather, bad monsoon and drought which has accompanied us this year will prevail again next year is a matter to be seen. It is quite true that we have not carried out the basic land improvements or land reforms. Still, I am sure that if we think about this in greater detail at the level of all the major political parties—this question of procurement whether at the marketing stage or the question of voluntary buying by the Government or the question of price control—we can find some solution. I am sure that this national crisis has to be discussed not with the idea that we have got so many hundred votes in excess of the Opposition, but with the idea that a national crisis and national emergency require a national attitude and that is why I urge for the consideration of this House my resolution, which calls upon the Government to call all the major political parties for a thorough discussion and before a thorough discussion takes place, no such statements, as have been flung across the country and abroad, should be allowed to be made. That is my submission.

Mr. Chairman: Resolution moved:

"This House is of opinion that notwithstanding the difficulties facing the Second Five Year Plan its physical targets can be fulfilled within the Plan period without any curtailment or pruning.

This House is further of opinion,

(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Central Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and

[Mr. Chairman]

(ii) that pending the convening of such an all-party conference all unilateral declarations by the Government in favour of rephasing and pruning the Plan be stopped in public interest."

There are five substitute motions and two amendments. I would like to know if the hon. Members are moving them. No. 1—Shri Naldurgker; he is not here. No. 2—Shri V. D. Tripathi; he is also not here. The other amendments No. 3 by Shri Bibhuti Mishra, No. 4 by Shri Keshava, No. 5 by Shri Panigrahi, No. 6 by Shri S. M. Banerjee and No. 7 by Shri Bimal Ghose may be moved.

Shri Bibhuti Mishra: I beg to move:

"That for the original Resolution, the following be substituted, namely:—

"Where it is expedient that in view of financial stringency especially of foreign exchange, this House is of opinion, that after reassessment of available resources Government may prune the physical targets of the Second Five Year Plan"

Shri Keshava: I beg to move:

"That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that the Second Five Year Plan be not curtailed or pruned in any manner unless it is inevitable to do so on account of the difficulties facing us and all persons in the country including every political party shall do everything in its power to act in co-operation with the Government and help in every way, particularly in action to implement the plan and achieve the physical targets fixed."

Shri S. M. Banerjee: I beg to move:

"That in the resolution,

for "(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Central Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and", the following be substituted, namely:—

"(i) that in order to ensure successful implementation of the Plan, a conference of all major All India Political Parties and All India Trade Union Organisations be convened by the Central Government and the Planning Commission latest by the 31st January 1958 to discuss the policies and methods guiding the Plan and to devise ways and means as to how internal resources can be mobilised and the masses of people enthused to rally round the Plan."

Shri Bimal Ghose: I beg to move:

"That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that a committee consisting of representatives of the Planning Commission, the Finance Ministry, economists and Members of Parliament be appointed to

(a) estimate the resources, internal and external, that may be available for financing the Second Plan during the plan period;

(b) suggest measures for augmenting these resources; and

(c) recommend such modifications, if any, in the Plan as may be considered necessary."

Shri Panigrahi: I beg to move:

That in the Resolution,—

add at the end:

“(iii) that a committee of the members of Lok Sabha, representing all shades of opinion, be formed for setting up of a broadbased Youth Coordinating Council in order to inspire and mobilise the vast sections of youth in India and harness their energy towards implementing the targets of the Second Five Year Plan.”

Mr. Chairman: All these substitute motions and amendments are before the House.

There are only 35 minutes left and out of that, the mover must get a chance to reply also. Otherwise, the whole purpose of the resolution will be gone. So, I would call upon the hon. Minister to reply.

Shri Bimal Ghose (Barrackpore): We may be given 5 or 10 minutes.

Mr. Chairman: I enquired from the hon. Minister and he says he will require 25 minutes and then according to the rules, I must allow the hon. mover also some time to reply. Therefore, there is no time left. Even if I give 5 minutes to a Member, at least two members I must call.

Shrimati Renu Chakravarty: I beg of you; let us extend the time. Otherwise, we shall make ourselves a laughing stock.

Mr. Chairman: Since my predecessor who was in the Chair did not extend the time when the Members brought it to his notice, I find myself in difficulty. There is no other course open to me.

Shri Khadilkar (Ahmednagar): The basis of the resolution is that at this critical juncture, all parties should be invited for co-operation. Even if all parties are not invited for co-operation, at least they must be allowed to express themselves.

Mr. Chairman: The hon. Member wants to convert me; I stand converted. I feel full time has not been allowed. At the same time, there is a demand from this part of the House and there is a reply from that part of the House. What more is required? If Government accepts the demand that all the parties will be called, then there will be discussion.

Shri Bimal Ghose: We have moved the amendments; let us explain them.

Mr. Chairman: I am sorry I cannot extend the time. Otherwise, it means that I will not allow Government full time to reply. Then, I must allow the mover to reply to what the Government says. It is more proper that the others who have moved amendments may not be allowed to speak, but these two parties must be allowed to speak if there has to be a real discussion at all. I am very sorry.

Shri Khadilkar: There is one more difficulty. By implication, you admit that only two major parties exist in this House—the Congress and the Communist. It is said that “Barkis is willing”; but here Peggoty is willing, I do not know whether Barkis is willing or not.

Mr. Chairman: There are really two parties; Government and the opposition. I have called the hon. Minister now.

Shri T. T. Krishnamachari: Mr. Chairman, as the Deputy-Speaker pointed out, we had a very full discussion beginning with the last session and ending with this session, when I had the privilege of speaking on the floor of this House. Again, as the Deputy-Speaker has pointed out, this is a subject which we can discuss for many days. We can take up particular aspects of this subject of the Plan and discuss it, I have no doubt, usefully. But at the present moment, I am afraid that my hon. friend opposite is rather cramped in her style, so that she could not do full justice...

Shrimati Renu Chakravartty: That is quite so . . .

Shri T. T. Krishnamachari: . . . either to the motion that she had with her or to the subject and therefore, had necessarily to branch off into politics.

I remember once when my late lamented friend, Mr. Liaquat Ali Khan was here in this House, he asked me to discuss the budget with him. That was the budget of the British days. I went and spoke to him for about an hour and a half. Quite a competent person, as everybody knew, but at the end of it, he said, "I think I had better not go ahead. I do not think these problems are things which I understand. Let me go back to my subject of partition of India, which would be a good thing to discuss. I do not want to go into all these intricacies of economics and budget." So my hon. friend, Shrimati Renuka—I am sorry, Shrimati Renu Chakravartty—there are too many Renukas in this House—finally decided to cut the Gordian knot and make a direct straight political attack on the party here, rather than dealing with a humdrum matter like the Plan, the Planning Commission, its woes and worries, the need to cut or prune or rephrase the Plan, to find resources for it and so on. These are all things which are somewhat of a terrestrial variety, which I do not think any person who occupies the position of one of the leading figures of the Communist Party need worry herself about. Therefore, the attack started off with a compliment to my senior colleague, the Home Minister of a certain amount of prevarication that he indulged in, when accusing the communist party, by reason of the fact that some records have come into his possession, of playing against the Plan. Well, I am glad that she, out of chivalry, spared the harassed Finance Minister, who could also be bracketted. I suppose for my benefit, if not for my colleague the Home Minister. Well, that is an accusation against Government, which we are quite familiar with and always ready to receive. But that does not

help in furthering the Plan, as they want to further it.

16 hrs.

Then the next attack came from another angle, an angle with which we are quite familiar. Because, the origin of all evil, the origin of the evils in regard to this Plan was the plan frame. What the plan frame was, nobody knows. Apparently, hon. Members opposite know more about it than we do. And the plan frame was an imperfect essay of an imaginative person in projecting his ideas into the future, without being bound by mundane considerations such as finance or shortage of equipment or manpower or resources. The net result was that we had certain very valuable ideas, for which we had to provide a further frame so that it could be contained in something in which it will be visible and tangible. The plan frame was an ethereal thing, and my hon. friend likes to hug to that very ethereal thing called the Plan frame. Again, if we are wrong, you quote the plan frame and say that we have dropped the plan frame.

What did the plan frame do? That is a book undoubtedly. But I would like hon. members, who are very diligent, who have got an economic section, who have a research section, to sit down and put down the cost of various ideas mentioned in the plan frame, and also the cost of other things which the plan frame has not mentioned. The plan frame mentions only one side of the medal. It does not mention the other side. Secondly, the plan frame has to be implemented, for which you must find resources and money. Thirdly, you must implement it in a democratic setting.

There is no use of my saying that people shall not have cloth, they need not have houses, they need not have any of the necessities, but I shall build big machines. Even building big machines takes time. I am very glad, at any rate, that sometimes my hon. friends opposite are a little more

charitable to us than some of our other friends. At any rate, with regard to the public sector, they are prepared to ignore our mistakes.

Shrimati Benu Chakravartty: Not ignore, but forgive.

Shri T. T. Krishnamachari: They are prepared to put up with it. If it is forgiving, that is better. Forgiveness is a very divine quality and I am glad that my hon. friend, at any rate has it, unlike my hon. friend, Mr. Bharucha, who thinks that I must do everything myself; because I have started the public sector, I must carry the load myself. I cannot even make a contract with somebody for selling my iron ore. I have to remind the members that even in the public sector we are not very proficient. We have not been the managers of so many big factories or undertakings. We make mistakes. Sometimes we make contracts which are wrong. Sometimes ships are delayed. Sometimes ships are kept delayed in the Vizag port. Sometimes we have to keep them waiting for three weeks or so. These mistakes are pointed out to us by some of our other friends. I am grateful, at any rate, that so far as our action in regard to the public sector is concerned, my hon. friends opposite are a little more charitable; or, as they say, forgiving.

But then the real fact about the public sector is this. What is it in the public sector that we have not come up to? After all, there is no point in making an attack of the plan. This House did expect a plan frame and we gave it a plan. May I ask my hon. friend whether in the plan she has found that there is any substantial allocation in regard to heavy machine building, excepting through the NIDC.

Shrimati Benu Chakravartty: Even then you are not allocating anything.

Shri T. T. Krishnamachari: For any specific purpose? I can quite understand that they are being rather angry with me personally.

Shrimati Benu Chakravartty: Not personally.

Shri T. T. Krishnamachari: Let me proceed. But I would like them to do me justice anyway. After all, I do not want to make any claims, so far as heavy machine building is concerned. In fact, it is I that pleaded with the Planning Commission to put it under the NIDC, which is a creation of ours, for the purpose of implementing the public sector projects.

Then there is the question of heavy machine plants. So far as the plant was concerned, even at that time it was expected to come into the third plan period. And what is the time that has been lost in regard to the heavy machine building plant in spite of our own shortcomings? The picture is being sorted out and we do not propose to give up the heavy machine plant. We would like, if possible, to build some of our blast furnaces or coke oven factories for the development of India. I don't think we will be able to build up either the Open-hearth or the rolling mills. That will take a long time. But we do expect to do it in India.

So, my hon. friend was less than charitable in saying that we have given up something. Of course, she asked a question about heavy electricals. About the heavy electrical programme, the question she asked, is not fully answered. Well, it is under way. The question of negotiations in regard to the final stage of payments is there. But, in the mean time, all the work that is necessary for the heavy electrical plant is being done in Bhopal. Even the training of people has been undertaken and we are going ahead with it. We might say that we are not fast enough. But there is one thing which we have to remember. It is easy to speak of heavy machine building, heavy plants and steel factories. But you have actually to be engaged in it to see how difficult it is. And if you let slip one small opportunity somewhere, well, you find yourself slipping back

[Shri T. T. Krishnamachari]

one month or 1½ months or two months.

An hon. friend here asks about the foundation of a kutchha shed coming down. That is the trouble; the trouble in regard to Government functioning in the public sector is that if a kutchha shed comes down, it is taken as a matter of serious consequence, instead of treating it as a small matter so long as it does not hit anybody. If a kutchha shed coming in is a matter of parliamentary enquiry, then no kutchha shed should be put up really. All sheds should be pucca sheds. Then we have to find money for it, and money is scarce.

Therefore, I think my hon. friend is doing less than justice to the Planning Commission and to the Government when she says that we have given up all public sector projects. We have not.

There are projects in the public sector that we are carrying on with. There are the three steel plants that are going on. I think they are the largest contribution that Government can make to the public sector. Their costs are going to be somewhere of the order of Rs. 500 crores. Then there are the Sindri Fertilizer expansion, the Nangal Fertilizer Factory and the heavy water plant. The DDT new plant is under expansion. Then there is the Hindustan Cables and expansion of the Penicillin Factory. Then the lignite scheme, barring fertilizer, the heavy machine building project, and the mining machinery project, for which we are very nearly placing orders.

Regarding the question of heavy machinery we are still in the process of thinking before any foundry is being established. A heavy machine tool plant is being discussed. A plate and vessel factory is also under negotiation. Then there is a heavy structural plant.

Even here, the objection is not so much against what we are doing but

what the private sector is doing, because the private sector has run away with it. Well, they have probably completed their targets or are nearly completing their programme in terms of the target.

But I do think my hon. friend was wrong even when she quoted the Prime Minister. She was not right when she deduced from what the Prime Minister had said that the private sector was to be completely eschewed. That has not been our intention. If she approximated our policy, merely because of the plan frame, as being something which is in tune with the ideas of her party, then I have to tell my hon. friend you are not right. We do want a public sector. We do want a growing public sector. We propose that the public sector should go on growing. But at the same time, we do expect that some of the processing industries will still be in the private sector. We are not thinking in terms of giant corporations. Even when we speak of small-scale industries and medium-sized industries, we speak of the private sector. The processing industries will still be in the hands of the private sector. Nowhere, either in the Plan report or in any of the statements that the Government has made or in the industrial policy statement have we excluded or completely abrogated the private sector. It may be that she does not agree with us, in which case, she has the right not to agree with us. It may be that the private sector is something not worthwhile encouraging. If she says so, I will say, the matter has to be examined. But, to say that we have ever said that the private sector would not be allowed to develop, it would not be allowed to grow in the field set apart for it or in the twilight zone, I am afraid she is wrong. There is no use trying to make political objective that the Finance Minister who today is now the target of all attack and he is therefore a person who is out here to develop the private sector, (Interrup-

tion), because he is there, the private sector is developed. I do not want to ask for the shelter of the Communist party.

So far as I am concerned, I have the privilege being attacked on both fronts. It may be a little amusing and at my age, I can afford to be a little amused.

An Hon. Member: We are paying great compliments.

Shri T. T. Krishnamachari: The point really happens to be, when she says that the private sector has developed. She has not said that the private sector has developed beyond what we have envisaged in the Plan. Nothing seriously wrong has been done. It is a thing which is integrated in the plan of development because in this country, private sector will exist. The point is really in the major industries, the basic industries, the Government will go on expanding very fast. The strategic points in regard to industry and economy, the Government will take over charge, no matter whether people like it or not, not even to please my friends opposite or displease my friends behind. We shall go on because that is the path we have chalked for ourselves for the future.

Then, the hon. Member said, that Finance Minister has said—I do not know where I have said it. In fact, I have learnt one thing as a result of going abroad. I suppose going westward is a little better than going northward. You probably learn the value of reticence. I have not said very much. Whatever I have said has been put down in print. I have not said that the private sector is going to get such a lot of money. It might. It is possible it might get some help. But, the help that the private sector will get will be utilised in this country in so far as it fits in with our plan. Today, what do we say to the private sector? If you want to start a new industry, we cannot afford to pay anything, even an advance until 1961; you have got to

get deferred payment. I do not propose, not does my colleague the Commerce and Industry Minister, to allow the manufacture of something which will not displace so far as imports are concerned or which will not fill a necessity in 1961. Anything for which we undertake future liability must be something which would relieve us of a current liability at that time. Otherwise, we are not allowing that to enter into that agreement, because we have to look to the future that this country cannot bear a burden beyond a particular point. Even if you allow the private sector to get their capital goods on credit, it will have to be something which will save us foreign exchange or earn us foreign exchange by exports. If my hon. friend had asked whether there is any policy, I would have expanded that policy. Even the private sector has got to fulfil those conditions, if it gets any aid at all.

I have not said anywhere that the public sector will get half and the private sector, half. So far as I am concerned, my difficulties and the difficulties of the Planning Commission will only be solved to the extent that we get some direct assistance in regard to the dues that the public sector has. It will help the economy, perhaps, if the private sector gets some assistance and new industries are built. There is no denying that. So far as my troubles are concerned, it will have to be some help directly to me. So, the mere fact that the private sector gets half and the public sector gets half, does not solve my problems. It will solve half of my problems.

If my hon friend understood me properly, I am primarily concerned in regard to the carrying out of the Plan and seeing the economy out of its present difficulties and therefore, whatever is available, whatever I could get is something which I have to get for the public sector, for the Government, or for sustaining the economy from my point of view, by

[Shri T. T. Krishnamachari]

allowing imports and other things which are necessary to come in. So far as the private sector is concerned, it can make its own arrangements subject to this condition that no liability will rest on the economy.

Shri Panigrahi: Will you give an assurance that the public sector will not be starved?

Shri T. T. Krishnamachari: No liability will rest on the economy in regard to any matter where there will be no foreign exchange saving or where there will be no question of earning foreign exchange.

Let me come to some other questions of the Plan. The other matter mentioned was the State Trading Corporation. My hon. friend Shri B. C. Ghose wants a discussion on the State Trading Corporation. Though it is really not my subject, I would like to be present in the House at that time. I would like to see how hon. Members treat this State Trading Corporation, which, in my view, has done extraordinarily well. For a new organisation, for people who are handling a subject about which they are not familiar, they have done extraordinarily well. I do tell the House that a State Trading Corporation will not always earn profits. In certain sections they might lose. You have to judge the State Trading Corporation from the total effect of its activities rather than from individual activities. It is in this setting that the State Trading Corporation is functioning. It is doing very well. It has saved us a lot of foreign exchange. It has found new markets. It is still being used as an agency in furthering the economy of this country. I am proud of that organisation. If the hon. Member is not satisfied with it, I can't help it. Apparently, she sets a much higher value on the work that the State Trading Corporation could possibly do than we do.

Now, the question of food. The Foodgrains Committee was presided

over by a person who would be one of the eminent Members of this House very soon.

An. Hon. Member: He is already.

Shri T. T. Krishnamachari: I think he has put out an excellent report. I have never seen a more practical report being put out on such a difficult problem. It faces realities with a courage which is certainly exemplary. What is my hon. friend saying about it?

An Hon. Member: The problem is solved.

Shri T. T. Krishnamachari: Can we solve the food problem by merely sitting across and talking to people. We can actually talk at each other: not talk on a common subject.

Shrimati Renu Chakravarty: Come to it. You are not prepared to talk.

Shri T. T. Krishnamachari: I am quite prepared to talk. As a matter of fact, I enjoy talking to my hon. friend.

An. Hon. Member: What is the common ground?

Shri T. T. Krishnamachari: My hon. friend minus communism is an excellent person. The trouble is when communism is injected, my hon. friend probably uses some of her extremely human and humane qualities. (*Interruption*). That is my trouble. What can we talk? We can't. There is no common ground on which we may talk. I am here all the time where something is being put underneath to be sabotaged. Still, the old game goes on. The Prime Minister said so and so; he is our friend. The Home Minister, the Finance Minister, somebody else who is not their friend. I am afraid only the Prime Minister can talk to these people. I do not think he will either. The Prime Minister is far too loyal to his colleagues to leave them alone. What is it that we can talk about? There is no use of

moving a resolution. Let us see, on this food problem, will the hon. Members give a guarantee that they are going to stop this newfangled Kisan Movement? (Interruption) We are all keen in giving land to the tiller. There is nobody here in this House who does not want to give land to the tiller.

An Hon. Member: How much have you given?

Shri T. T. Krishnamachari: It is not going to be done overnight. Oftentimes you have to give land to the landless also and the landless do not happen to be tillers. The trouble about it is that there is no common ground between the Opposition and ourselves. The Opposition chases the plan frame today, something else tomorrow, any floatam any jetsam, just because it is handy to throw it at the Government's head. I can tell the House, in all humility, this Plan because of its magnitude, because of the targets which it has, has created problems which nobody can envisage. In other countries, where they make plans, they do not have to envisage trouble, because they can get over the troubles as and when they arise; we cannot. We cannot get over troubles by ruthlessly dealing with the trouble-makers. We have no trouble-shooters really; we cannot shoot trouble-makers; we have to deal with trouble-makers by persuasion.

Shri Narayanankutty Menon: You tried all these things.

Shri T. T. Krishnamachari: We have to meet their wishes up to a point and if necessary, therefore, since we have to carry them with us, sometimes we have to change our tactics, change our targets.

The Plan, God willing, provided the Communist Party do not gain any more ascendancy in this economy than they have done today, will be achieved, and the target of Rs. 4,800 crores will be achieved. I am not convinced yet that a discussion with my hon. friend will perhaps progress that

achievement or make it exceed the financial targets or reach even the physical targets which, I admit, we would like to have. Nobody wants this Plan to be a small Plan. I would like this Plan to be a bigger Plan. I would like this Plan within its time to give better benefits, to increase the standard of living, to increase the per capita income, to increase the national product not merely to Rs. 13,000 crores but to something more, but I am afraid I want a little more convincing than a speech by my fair friend opposite has done that the Communist Party will co-operate in achieving that very desirable end.

I am afraid I will have to oppose the Resolution. You cannot amend something which is unamendable. It is something like making bricks out of nothing, not even straw, not even sand, but out of nothing. You cannot make a negative resolution a positive one. Therefore, I would suggest to the movers to drop their amendments. I oppose the resolution.

Mr. Chairman: Now there are about 8 to 10 minutes left. The hon. Mover of the Resolution can take five minutes so that I can call some other speaker also. I would like to call one or two others who are very anxious to speak.

Shrimati Renu Chakravartty: Let them speak.

Mr. Chairman: Shri Ghose.

Shri Bimal Ghose: I wish I had spoken, if I had spoken at all, before the hon. Minister had spoken.

Shrimati Renu Chakravartty: So that he may throw a bouquet at you?

Shri Bimal Ghose: He might have also attacked me. When he speaks of the Opposition, I believe he looks only at one spot as the Opposition.

I cannot support the resolution that was moved because it is so contradictory. It says that notwithstanding the difficulties, the physical targets can be fulfilled, but how can they be fulfilled if there are difficulties and we

[Shri Bimal Ghose]

do not know what the difficulties are. Then it goes on to say: "such modifications and changes as are called for". That is again contrary to the main resolution.

I felt that apart from the resolution here, the main question is that of resources. There is the question also of development with stability, of prices—that means inflation—and of food, i.e., the core of the Plan, but I want to say only a few things about the resources, internal and external.

Internally it seems that our calculations are going awry with regard to small savings and also loans. So far as the taxation portion is concerned, I think the Finance Minister is not doing very badly in raising the resources that were expected to be raised in the Plan, but so far as the Rs. 1,200 crores by way of loans and small savings are concerned, I do not think he will realise those targets.

Coming to the external resources, we find that we have gone wrong in that respect but there is one thing that I want to bring to your notice, and that is a very unfortunate statement which I find was made by the Governor of the Reserve Bank in one of his speeches in Washington, where he said that however inpeceable the plans are, they cannot be implemented without massive support from the West. Two things I take objection to. The Prime Minister here said that even though we may not receive any support, we shall go ahead with the Plan; of course we may not achieve so much; but the impression given there was that nothing could be accomplished unless we receive not only support, but massive support. I also take objection to the second part that that massive support must be from the West. That was a very undesirable thing to say.

An Hon. Member: He follows his master.

Shri Bimal Ghose: There is another point which I want to bring to your notice about deferred payment. The Finance Minister said that he is not going to prune the Plan, nor phase the Plan, but what does deferred payment mean? We are doing things today and transferring the responsibilities to a future period. We are mortgaging the future to the present and really the Plan is not in that sense a Five Year Plan, but at least so far as the foreign exchange component is concerned, a six, seven or eight year plan. So my suggestion, therefore, is that it is time now to take stock of our position. Let us have a Five Year Plan again from now on or if necessary have a six or seven-year plan from today. Let us re-examine our resources both internal and external, and see how far we can proceed; because we are now deceiving ourselves by trying to say that we are doing something within the Five Year Plan while actually transferring the responsibilities and obligations to the Third Plan. We are mortgaging our Third Plan to the Second Plan. By a Plan I mean something that we can achieve within a certain period. If we do not have the external resources during the Second Plan and we are taking into account external resources that may arise during the Third Plan to implement something during the Second Plan, then it is not honest to say that we are completing the Second Plan as a Plan within the resources that are available to us.

Therefore, I suggest we should have a committee consisting of representatives of the Planning Commission, the Finance Minister, economist and Members of Parliament to examine this question of our available resources, both internal and external, how we expand them, and then suggest such modifications as may be necessary, and if necessary, we may have the Plan extended from now on to five, six or seven years. Russia, I understand, has given up its Five Year Plan and has a Seven Year Plan. There is no

sanctity in the figure "five". Let us have a Plan which can achieve the object within the Plan period.

Shri Ranga (Tenali): May I put a question? Is it not a fact that just at the time the Plan-frame was being discussed, Government was able to call a number of Members of Parliament into a conference with the Prime Minister and the Planning Minister and others in order to express their views so that they could exchange their views? Would it not be possible for them some time to call a similar meeting of the same group of people so that they can gain the views of all our friends on the opposite side?

Shri T. T. Krishnamachari: As a matter of fact, any time when it is suitable for hon. Members, my colleague and myself would certainly like to meet them and discuss anything across the table.

The Minister of Labour and Employment and Planning (Shri Nanda): We have a consultative committee, and it is meeting very shortly on the 16th and its precise purpose is to discuss all these things. That committee is composed of members of all parties, and if there are others who do not find their names on the list of the committee but are keenly interested, they are invited and they can come and take part.

Shri Mahanty (Dhenkanal): I had attended one consultative committee on planning. May I know from the hon. Minister if the discussions in the consultative committees have any impact on the Government's decision?

Mr. Chairman: Shrimati Renu Chakravarty.

Shri S. M. Banerjee (Kanpur) rose—

Mr. Chairman: I have called the hon. Member to reply.

Shrimati Bena Chakravarty: I am sorry the hon. Finance Minister has become quite so sensitive. I think he is being rubbed on his weak spots too often, and that is why maybe he is licking his wounds.

I would rather that he had attacked the whole question on a political and economic level. I am also grateful to this debate for having shown exactly the value of the professions of Government regarding a national approach. Whether the Finance Minister likes it or not, the Communist Party is not dead; the Communist Party remains. It is more popular than ever before; it controls a Government in this country, and therefore, whether he likes it or not, we are part of the nation, an important part of the nation, may be in a humble way, but still we do enjoy popularity among large sections of the people. We had thought that, may be, let us take them at their word that they would like to have a discussion at a political level. But we are now clear that as far as the Finance Minister goes, and he is very sure that the Prime Minister is going to stick by what his colleague said, there is no common ground of talk between us, and, therefore, we know that by the majority of this House, this resolution is going to be defeated. I am only sorry for the country because we know that the crisis which is facing our country requires a national approach and not the party approach of the Congress.

Unfortunately, he has not actually answered many of the points which I made. He, of course, had his dig at his personal enemy, I should almost say, namely Professor Mahalanobis. I suppose it is a sort of personal enmity between them. I have nothing to say in favour of him, whether he is an imaginative essay-writer or not. That is for them to decide. But this much is true that the basic fact stares us in the face that unless we know how to build machines, we will be always at the mercy of the foreigners, and that is why the main emphasis of the Plan has to be, whether he likes it or not, on developing the machine-building industries. Otherwise, we shall be in the same predicament in which we are today.

The question of foreign exchange component is also there. The prices

[Shrimati Renu Chakravartty]

of heavy machinery, mining machinery and heavy electrical machine-building plant etc. are going up. If that is so, I would like to know how we are going to manage this foreign exchange question. In fact, nobody would be happier than myself if the problem could be met. If the Minister could assure us that these targets are going to remain, then I think, a part of our resolution is being accepted by the Finance Minister, though he would not like to admit it.

Then, the question of our demanding the private sector being eschewed was raised by him. I do not think that point has ever been raised. We know exactly what the role of the private sector is. We know that the private sector has a part to play for a long time to come. That is an admitted fact. It was a fact admitted in the Plan itself. Of course, within twenty minutes, I could not explain all that. The point was about the decentralised sector. That is where the consumer goods should have come from. Then, there should have been utilisation of the full capacity of the factories making consumer goods. Therefore, my point was not the eschewing of the private sector, but of putting it in its own place.

I am afraid that the decentralised sector has not been as effectively dealt with as it should have been. The massive organisation which is required for this cannot be achieved without the help of all parties. This massive structure required for a decentralised sector has in itself been neglected, neglected by Government, and neglected even in our debate itself.

I would say, therefore, that there is no question of eschewing the private sector. The whole emphasis has to be on heavy industry. After all, our foreign exchange component is very limited. In that context, it is the heavy industries which should have been given the main emphasis.

Of course, we have the right to disagree. Nobody can take it away from

us. We have disagreed in the past. We still disagree on many points. But there are certain points which we had agreed to, about the objectives of the Plan and about certain targets in the Plan. But we also believe that the phasing is very important, and the phasing is linked with policies; it is linked with the balance of the Plan, and it is linked with political questions and also the economic independence of our country. That is why essentially it is a political question plus an economic question.

Then, if he would have liked, I could have shown him that in spite of the private sector not being eschewed, such things as rayon, for example, have been allowed to grow. That was in the Plan itself. But as I was reading through the *Programme of Industrial Development* produced by the Minister's secretariat itself and the Planning Commission, I found that it was clearly stated that rayon was such a substance that when there was a foreign exchange component...

Mr. Chairman: The hon. Member is making new points.

Shrimati Renu Chakravartty: I am only answering the points made.

Mr. Chairman: Now, practically, the time for reply is over.

Shrimati Renu Chakravartty: Then, I will not say anything further.

Mr. Chairman: So far as the amendments are concerned, I would like hon. Members to tell me whether they are desirous that any of their amendments should be put to vote separately.

Shrimati Renu Chakravartty: I do not accept any amendment.

Mr. Chairman: Then, I shall put the amendments to vote. The question is:

That for the original Resolution, the following be substituted, namely:—

"Whereas it is expedient that in view of financial stringency

especially of foreign exchange, this House is of opinion, that after reassessment of available resources Government may prune the physical targets of the Second Five Year Plan."

The motion was negatived.

Mr. Chairman: The question is:

That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that the Second Five Year Plan be not curtailed or pruned in any manner unless it is inevitable to do so on account of the difficulties facing us and all persons in the country including every political party shall do everything in its power to act in co-operation with the Government and help in every way, particularly in action to implement the plan and achieve the physical targets fixed."

The motion was negatived.

Mr. Chairman: The question is:

That in the resolution,—

for "(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Central Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and", the following be substituted namely:—

"(i) that in order to ensure successful implementation of the Plan, a conference of all major All India Political Parties and All India Trade Union Organisations be convened by the Central Government and the Planning Commission latest by the 31st January, 1958 to discuss the policies and methods guiding the Plan and to devise ways and means as to how internal resources can be mobilised and the masses of people enthused to rally round the Plan."

The motion was negatived.

Mr. Chairman: The question is:

That for the original Resolution, the following be substituted, namely:—

"This House is of opinion that a Committee consisting of representatives of the Planning Commission, the Finance Ministry, economists and Members of Parliament be appointed to

(a) estimate the resources, internal and external that may be available for financing the Second Plan during the plan period;

(b) suggest measures for augmenting these resources; and

(c) recommend such modifications, if any, in the Plan as may be considered necessary."

The motion was negatived.

Mr. Chairman: The question is:

That in the Resolution,—

add at the end—

"(iii) that a Committee of the members of Lok Sabha, representing all shades of opinion, be formed for setting up of a broad-based Youth Co-ordinating Council in order to inspire and mobilise the vast sections of Youth in India and harness their energy towards implementing the targets of the Second Five Year Plan."

The motion was negatived.

Mr. Chairman: I shall now put the Resolution to vote.

The question is:

"This House is of opinion that notwithstanding their difficulties facing the Second Five Year Plan its physical targets can be fulfilled within the Plan period without any curtailment or pruning.

This House is further of opinion

(i) that in order to ensure such implementation of the Plan, a conference of all major political parties be convened by the Cent-

[Mr. Chairman]

ral Government and the Planning Commission to discuss the relevant policies and methods guiding the Plan with a view to bringing about such modifications and changes as are called for; and

(ii) that pending the convening of such an all-party conference all unilateral declarations by the Government in favour of rephasing and pruning the Plan be stopped in public interest."

The motion was negatived.

RESOLUTION RE: PROVISION FOR MAJOR PORT AT PARADIP

Shri Supakar (Sambalpur): I beg to move:

"This House recommends that Government should provide a major port at Paradip on the Orissa Coast in the Second Five Year Plan period."

The Second Five Year Plan has provided a sum of Rs. 100 crores for improvement and establishment of ports. But, unfortunately, so far as the minor ports are concerned, I am sorry to say that practically only Rs. 64 lakhs have been provided; this sum is meant for investigation in connection with the provision of all-weather harbours at Paradip, Mangalore and Malpy, and of the preliminaries connected with the processing of Sethusamudram schemes, including the development of Tuticorin. I think that for so many projects, the provision of a sum of Rs. 64 lakhs is quite inadequate. Having regard to the requirements of our country in regard to the development of ports and the establishment of new major ports, it is quite inadequate. Especially, having regard to the claims for having a major port at Paradip, the money that is likely to be allotted for Paradip is most disappointing.

In this connection, I shall try to show that the Government of India, in their own interest, should take up

the Paradip project without any further loss of time and convert it into a major port during the tenure of the Second Plan period. I shall also show that the amount of money needed for establishing a major port at Paradip is not only a reasonably small amount but it will also pay a very rich dividend in the shape of a substantial quantity of foreign exchange earning, thereby paying back the investment of Government in a very short period of time. I shall try to prove also that notwithstanding the fact that the Calcutta port on the one side and the Visakhapatnam port on the other are there, still there is enough scope for developing the Paradip port into a major one.

At the outset, I must say that in 1947, when India was partitioned, and Pakistan was separated from India, we lost a very big port, namely the port of Chittagong on the east coast. Since then, the need for a major port, both for development of trade and for the purpose of meeting our national defence needs was felt. Therefore, in 1948, almost immediately after partition, the technical Port Committee recommended that the Government of India should investigate the possibilities of establishing a sheltered deep-sea port between Visakhapatnam and Calcutta. You know that Paradip is at a distance of about 230 miles from Calcutta and 280 miles from Visakhapatnam and is at the mouth of the Mahanadi. Therefore, its location is very good. On the advice of this Committee, the Central Water, Irrigation, Power and Navigation Commission took up survey, investigation and collection of data and opinions of experts. Opinions of experts like Mr. Solno of Societe General D'enterprise of Paris were obtained.

All these experts advised that Paradip at the mouth of Mahanadi is the only suitable site for location of a major port between Calcutta and Visakhapatnam. The Commission recommended that an expert committee be appointed to investigate the possibilities of this port. Accordingly, a