

[Secretary]

such proceeding or award relates to the rates of wages payable to all the employees in the scheduled employment, no minimum rates of wages shall be fixed or revised in respect of that employment during the said period'

of Agricultural Research vice Shri T. Sanganna resigned from Lok Sabha."

The motion was adopted.

RE:CALLING ATTENTION NOTICE

Shri Braj Raj Singh—Absent.
matter of urgent public importance.
Shri Braj Raj Singh—Absent.
Motion for Election Committee, Shri S. K. Patil.

The Minister of Food and Agriculture (Shri S. K. Patil): I beg to move.

Shri S. M. Benerjee (Kanpur): This may be taken up.

Mr. Speaker: It would not be. The hon. Member who is interested does not come.

ELECTION TO COMMITTEE

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

The Minister of Food and Agriculture (Shri S. K. Patil): Sir, I beg to move:

"That in pursuance of Rule 2(6) of the Rules of the Indian Council of Agriculture Research, read with Rule 6(6) thereof, the Members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, one member from among themselves to serve as a member of the Indian Council of Agricultural Research vice Shri T. Sanganna resigned from Lok Sabha.

Mr. Speaker: The question is:

"That in pursuance of Rule 2(6) of the Rules of the Indian Council of Agricultural Research, read with Rule 6(6) thereof, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, one member from among themselves to serve as a member of the Indian Council

12.10 hrs.

MOTION RE: THIRD FIVE YEAR PLAN

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Mr. Speaker, Sir, I beg to move:

"That the Third Five Year Plan laid on the Table of the House on the 7th August, 1961, be taken into consideration".

It was almost exactly a year ago, on August 22nd, 1960 that I moved the motion for consideration of the Draft Outline of the Third Plan, and this House was pleased to give its approval to it. Previous to that, it fell to my lot to place before this House the First Five Year Plan, in December, 1952, and the Second Plan in May, 1956.

I am moving this motion for consideration, not on behalf of the Planning Commission, of which I have the honour to be chairman; but, as a matter of fact, this is not the work of the Planning Commission only; it has had naturally the full co-operation and support of the Central Government and their Departments and Ministries, of the State Governments, the Chief Ministers and their governmental apparatus and a large number of other organisations and specialist individuals, who are included in various panels, and organisations, even going down in many cases to pachayats and the like, so that, this is very much a joint effort, and I should like it to be considered as that joint effort and not the work of a few eminent persons who have given a good deal of thought and labour to its preparation. Many hon. Members of this House have been associated with the consi-

deration of this or parts of it, in various stages. I put it forward, therefore, as this joint effort, not as a party programme, but, I hope, representing, if not everybody, a very large number of individuals and groups in this House and outside.

Indeed, ever since this has been published in the press, the reactions thus far have been very largely in its favour; it has been approved of; naturally and rightly, there have been criticisms. We welcome these criticisms; but the broad approach of it has been welcomed.

Now, it is true that the party out of which the present Government has come, is intimately interested in this Plan and they have given it their support, because it represents certain principles for which they have stood not today only, not for the last ten or twelve years, but at least for thirty-two years, ever since 1929; and at that time, some hon. Members who sit opposite today were themselves associated with the great organisation which I have the honour to represent.

Ever since 1929, the Congress has had two objectives in view, democracy and socialism. Socialism was not put in its objective and creed and all that, but in its resolutions, it appeared. Gradually, the idea has developed, but the basic concept has been there in the Congress since 1929. I say this because some people seem to imagine that these concepts are of recent growth. Of course, long before 1929, and long before the Congress more or less officially adopted them, there were large number of people in the Congress and outside, who believed in them and spoke about them.

Therefore, let us, I respectfully submit, treat this Plan not in a party sense, but as a national plan, in which the broad approaches have been agreed to by all, but which is always susceptible to criticism and improvement in many of its detailed applications.

It is a matter of pride to me that the organisation with which many of us have been associated, and I have

been associated for very nearly half a century now, and through all these years, has laid stress on this broader social outlook which this Plan represents.

Ever since Independence, we have come to greater grips with this subject, and soon after freedom, we started on this exciting pilgrimage through Five Year Plans and the like and gradually, this concept of planning has seeped down into our people all over the country. There is no doubt about it. And the broad aspects of this planning have also gradually and progressively been understood by them and approved by them.

Indeed, it is astonishing that during these last few years, ten years or so, that we have been planning, the amount of attention that our Plans have drawn from the rest of the world has been surprising and gratifying. They have drawn attention even from countries which in their own domestic spheres have different types of economy, whether it is the economy of the capitalist variety or the economy of the communist or socialist varieties, there attention has been drawn; I do not say that they agree with all that we have said or intend to do, but they have recognised this as a matter of the greatest importance that this tremendous efforts is being made by the Indian people to pull themselves up almost to the grass-roots, as it were. And they have recognised the principle, the basic principle of planning. They have recognised the basic principle and the general structure of the Plan also. I need not refer to it in any detail, because it is well known and it often appears in the public press. It is rather unfortunate that some very few of our own people still have failed to grasp these basic facts which the world recognises. As I said, I do not mind criticisms. We welcome criticisms, but not understanding and recognising what the world has begun to recognise is rather a surprising fact.

Indeed, only the other day, I was to some extent surprised, and if I may

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say so, pleased, to read, of all things, a Papal Encyclical. The Papal Encyclical which appeared just about a month ago, representing views of the Roman Catholic Church on social matters makes very interesting reading. It does not, of course, deal with our Plan or refer to it, but the broad approach of that Encyclical—it is interesting to note how even that is changing—is changing in favour of socialisation, in favour of public enterprise, in favour of so many things which the world stands for today. The Roman Catholic Church in social matters is slow to move from its original moorings, but if the Roman Catholic Church itself, in the shape of its head, the Pope, goes thus far, it shows how far the world has gone.

I invite the attention of those few Members of this House or few members outside to this matter, those who have not grasped what is happening in the world, what directions people are seeking and who are so out of step with modern thought and modern actualities that they have lost all contact thought the realities of life. Therefore, I say that our Plan, in its board approaches and board aspects, is a plan which is inevitably trust down upon us in the conditions as they are and which is being followed with the greatest interest by many other countries who would like to do something like it and by other countries who are much more advanced than us because they are interested, for a variety of reasons, in the results of this Plan and our progress etc.

To begin with, I should like to express my gratitude to all those people who have helped in the making of this Plan the State Governments, Chief Ministers and other and the many others whom I mentioned. In particular, I should like to mention the name of one person who has in effect embodied or represented our Planning Commission for ten years, it is Shri V. T. Krishnamachari. For these ten years, he laboured there

and laboured with great ability, great endurance and great courtesy to all the numerous people who came there, and helped in giving really a foundation to all our planning. Fortunately, even though he is not the Deputy Chairman or a member of the Planning Commission, he is now, I am glad to say, Member of the other House, and we shall have the advantage of his counsel in regard to planning and connected matters.

I should also like to pay a tribute to the present Deputy Chairman of the Planning Commission, my hon. colleague here, the Planning Minister, who has attended to this work of planning with a crusading zeal and deep interest and, what is more, with very firm views about the social objectives that we ought to pursue. And that is important because all this planning business is not a matter of just technically putting things together, putting up factories hero and there. It must be governed by the social objectives that we pursue. If we have not got social objectives, then all this planning is rather in the air. We do not quite know where we are going. We must have a picture of the organisation of society that we driving at, and it is this picture that hon. Members will see has grown with our planning. It was there in the First Plan. In the Second Plan, it was more so; in the Third Plan, it takes more and more shape.

Some aspects of planning are inevitable almost, whatever social picture you may have. That is to say, if your social picture is just greater production, you can do it in various ways without any other social objectives. Of course, that picture of greater production might lead to new problems, more difficult problems, more hiatus between a small number of people and the masses of the people, greater concentration of wealth and so on. So while achieving one thing, it will lead to other difficulties.

But essentially, planning must have some social objectives and I wish to point out that the basis of the Plan that I put forward is in accordance with our social objectives. It must be remembered that it is not merely a question of putting up a factory there or a factory elsewhere. In that, my hon. colleague, the Planning Minister, has always laid great stress on these social objectives because he feels strongly on them.

Now, what has happened during these ten years or so of planning? We began at a time when for a long period previously, many decades, India's economy was almost stagnant. It is difficult to get a move on from a stagnant economy; it just gets stuck in the ruts. That is the most difficult part of it, to pull it out. After it gets in motion, it is easier to go on at more speed. So we had to face that position. Well, we faced it.

During the first two Plan—I shall just give a few figures—national income increased by 42 per cent. During this period, the population increased by 77 millions, and yet there was an increase in *per capita* income from Rs. 284 to Rs. 330. This increase came through development in all sectors. In these ten years, agricultural production increased by 41 per cent, industrial production by 94 per cent and power by 148 per cent. Railways carried 70 per cent more goods traffic and the traffic on surface roads increased by nearly 50 per cent. In education, 20 million more children went to school. At present, there are altogether, I believe, about 46 million children—boys and girls—in schools and colleges. Very considerable strides have been made in technical training. Now, there are 380 engineering colleges and polytechnics all over India while there were 134 ten years ago. Admissions have increased four-fold. I think that this increase in education, although some people may think that it is not rapid enough—

and it is not rapid enough in terms of the directions in our Constitution which said that in a certain period of time we must cover the whole country—is, nevertheless, quite significant. I am not for the moment considering the quality of that education because quality has to be improved very much, but the mere fact of this increase is very significant and this is bringing about, or helping to bring about, a social revolution all over the countryside. Everywhere, boys and girls who have never been to school are going there.

I should like to mention one aspect of it which is gradually being introduced and which is referred to our Plan, that is, the introduction of mid-day meals. The State of Madras stands foremost in this, and I should like to congratulate it on the great success of its mid-day meal movement. But I hope that other States will follow this. In fact, many others are thinking in terms of doing the same thing.

Another outstanding feature of these years has been the progress in scientific and industrial research. The large number of national and regional laboratories, the Council of Scientific and Industrial Research, the Department of Atomic Energy, the Oil and National Gas Commission, the Geological Survey of India, the Bureau of Mines, the Central Water and Power Commission, the Indian Council of Agricultural Research—all have laid the base for rapid scientific and technological advance.

One fact which I have mentioned several times previously, which is a simple fact and which stands out without any covering showing what has happened during these ten years, is the increase in the expectation of life at birth. When I was very young, long years ago, I think there was a book which perhaps people do not read now but which was one of the classics in those days, William Digby's 'Prosperous British India ("Prosperous" within inverted commas), an

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Englishman's book, where the expectation of life in India at birth was given as 24. It is a shocking thing. Well, now in 1941—51, the expectation of life at birth was 32. During the Second Plan it rose to 42. Now it is 47·5. It is a very remarkable increase, which represents many factors—of course, the factor of better health, the factor of better food, general bettering of living conditions. This is the average, and it is, I think, a remarkable growth in these few years. It is true that in other countries this figure of the expectation of life has gone above 60, but I think for India to have gone up to over 47 in these last ten years is quite remarkable.

I should like the House to remember that during this period of ten years, we have had to face the tremendous problem of rehabilitation of displaced persons. Nine millions came from Pakistan to India.

This is a very brief account of the past. I shall not go further into it.

We have had two social objectives during all this period: (1) we had to build up by democratic means a rapidly expanding and technologically progressive economy, and (2) a social order based on social justice on offering equal opportunity to every citizen. These objectives have to be kept in view all the time because the moment we forget either of the, we go astray, and therefore it is necessary for us to have not only a Five Year Plan, but a plan with longer perspectives. One interesting thing that we propose to do that hon. Members may notice is having this perspective plan approach. Of course, we have been doing that all these years, but now it will be a more definite one for the next 15 years. One of the principal activities of the Planning Commission is going to be the preparation of a Fifteen Year Plan.

We calculated the national income at the end of 1960-61, that is now, to be Rs. 14,500 crores. In 1965-66 it will be Rs. 19,000 crores; in 1970-71, Rs. 25,000 crores; in 1975-76, Rs. 33-34,000 crores. Hon. Members will see that progressively the rate of increase grows, as it should.

The per capita income in 1960-61 is Rs. 330. In 1965-66 it will be Rs. 385; in 1970-71, Rs. 450; in 1975-76, Rs. 530. This figure of Rs. 530 is not very much, we must realise, when compared to the countries which are affluent, but we have started from almost scratch, and the rate of progress goes on growing.

Then there are other things. I need not go into the rate of net investment, as a proportion of national income, which grows from 11 to 20 per cent, and the rate of domestic saving in proportion to national income which grows from 8·5 per cent now to 18-19 per cent in 1975-76.

The investment during the first Plan was Rs. 3,360 crores; in the Second Plan, Rs. 6,750 crores; in the Third Plan, Rs. 10,500 crores; in the Fourth Plan presumably it will be Rs. 17,000 crores; in the Fifth Plan, Rs. 25,000 crores. This of course, can only be possible if we make the progress which we envisage.

Shri Asoka Mehta (Muzaffarpur): Are these figures on constant prices? Which is the base?

Shri Jawaharlal Nehru: These are the figures given for the perspective plan. I suppose they must be. I cannot answer the hon. Member's question straightaway. There will be no point in giving figures if they are not based on some stability in price.

It is proposed in this perspective plan which is going to be prepared to have the following tentative targets of capacity to serve as a basis for the end of the Fourth Plan, i.e., 1970-71:

Steel ingots	..	18-19 million tons.
Pig Iron	..	3-4 million tons.

Aluminium	..	230—250,000 tons.
Electric power	..	21—23 million k.w.
Coal	..	170—180 million tons.
Oil refining	..	18—20 million tons.
Nitrogenous fertilisers	..	2—2.2. million tons.
Cement	..	24—26 million tons.
Machine building output	..	Rs. 1,600 crores.
Foodgrains	..	125 million tons.
Exports	..	Rs. 1,300-1,4,00 crores.

These are our expectations, and it is proposed now to prepare a detailed plan for 15 years, so that we can keep these perspectives in view in all that we do and the Five Year Plans that we may draw up from time to time.

Perhaps hon. Members may have heard of the discussion which took place repeatedly in the Planning Commission about physical planning and financial planning, the physical programme and the financial resources available. Both have to be considered, obviously. Sometimes there is a greater stress on the one or the other. Ultimately it was decided that we should keep the physical programme in view and work for it, but not finally commit ourselves to anything which is not within the financial limits. The physical outlay in this way amounted to a little over Rs. 8,000 crores. The financial plan, however, is for Rs. 7,500 crores. The gap really is not big, and subsequent studies indicate that this gap may be much smaller.

This Plan requires a great deal of external assistance and foreign exchange resources. We have been fortunate in getting considerable help for this Plan from a number of friendly countries, and I am grateful to those countries for this help. For the present help has been given to us or promised for the first two years of the Plan, but whatever help we may get, it must be remembered that the real burden lies on our own people, and the burden of even the help we get is that we have to pay it back. These are loans etc. We have to pay them back with interest.

One point I should like to refer to here, because some of our friends across the border, that is in Pakistan, have objected very strongly to the

help we have got in this matter from other countries on the ground that although it is help for civil planning, it releases resources for defence, that we build up our defence and therefore indirectly it helps our defence although directly we do not take any help for defence. That is not true. Whatever we get from outside is for either specific projects or the Plan. Everything that we get from abroad means an additional burden on us in order to implement that scheme. The foreign exchange that we get today is part of a plan to build up something. Now, if we do not build it up it is a different matter. If foreign exchange does not come, perhaps we cannot build that enterprise. If we build it, then it means greater burden on us because we have to spend domestic resources for that plus that foreign part; it does not relieve us of any burden in any sense; it adds to our burden. It is true that we get some enterprise; that may be, but it does not release any money for defence at all—that is the important point—and we cannot transfer that money to defence because we are getting foreign help. That is completely a wrong argument. It is true of course that if our enterprises grow, as they have grown, that adds to the strength of the country and adding to the strength of the country adds to our defence. If our industrialisation grows, it is a great factor in the defence of the country. In the last ten years many enterprises have grown. Previous to these ten years we were completely dependent for any important thing on outside sources Britain or some other country. Now, as the House knows, we have got large establishments producing locomotives, wagons, carriages and all manner of machine tools and the rest and they are growing. We are

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now laying the foundations for huge machine-building establishments at Ranchi and elsewhere. All that adds to the strength of the nation. That is true. But not one of these things directly releases money for defence for the moment. Ultimately it will do us good.

I should just like to give some figures of the scale of the effort in the Third Plan as envisaged—some illustrative statistics. We want to increase agricultural production by thirty per cent, food grains production by 32 per cent, industrial production by 70 per cent, steel ingots by 163 per cent, aluminium by 322 per cent, machine tools by 445 per cent and power, 123 per cent.

Shri Tyagi (Dehra-Dun): wonder if you have taken into account the rising population. Population also rises.

Shri Jawaharlal Nehru: The rise in population is taken into account of course when I give the figure of per capita income. But when I say power is doubled, it has nothing to do with rise in population. When I say the entire food grain production goes up by one-third, it goes up by one third. Fortunately, population does not go up by one third.

Great stress has been laid on the matter of exports. That is obvious because the only possible way for us to pay back these large loans that we receive is through exports. There is no other way to deal with it. If our exports do not flourish—I am sure they will—then this great burden increases on us. So, it is of the highest importance for exports to increase. In the Plan report they have estimated a fairly marked increase in exports. We have been too much wedded to certain conventional exports. We have to stick to them but we have to go outside that range. At the present moment, a fresh difficulty has arisen and that is the European Common Market and what effect it may have on our exports if and when UK joins that. I am not going into that matter

but merely mentioning it but that is adding to our difficulties. Anyhow, we have to find ways of finding markets other than our own for our exports; we must do our utmost to that end and get out of the old ruts.

This Five Year Plan deals with many aspects of life but it does not deal with defence, for understandable reasons. Defence has in the last ten years made rather remarkable progress. The progress of achievements ultimately is not in bright people parading before you but in the productive capacity of defence, what it can make. After all, defence today depends more on the industrial apparatus than on merely soldiers and uniform; it is what they have behind them, producing not only arms and ammunition but a very large variety of goods that a modern army requires. So far as that is concerned, I think it may be said that our defence apparatus has increased very greatly and in important matters. It is not merely a very fine show-piece the supersonic aircraft that we make. That shows capacity. Our electronics—they are highly important today and—have increased and are increasingly greatly—not only there but in the Atomic Energy Departments and in other places too. So also our capacity for making vehicles, which is highly important. An Army now hardly walks; it moves on vehicles. We shall be making, I hope soon, transport aircraft and so many other things and I need not go into them. Of course great improvement has taken place in defence science. Science today is the basis for all progress in any matter. Unless we have that basic science, we cannot produce much. We have made as I have just mentioned, great progress in science in our laboratories and in addition to that in defence establishments. The House knows fairly well about the Atomic Energy Department which is an outstanding example of what can be done by our scientists. It has been done, if I may try to rub in a lesson with all deference, because the Atomic Energy De-

partment has not only got a very able head but because he has followed a policy of picking people and giving them freedom to act. That is to say, all the innumerable procedures that encumber our work even in the Government of India have been simplified very greatly. Persons are picked. Take good people and trust them to do that job. They may make a mistake; you take the risk. If they do not do it, somebody else will have to do it. It is this type of procedure of choosing good men and giving them freedom that is essential. Allot him money and let him spend it and produce the results; you judge him by the results that are produced. This has produced remarkable results in the Atomic Energy Department. I think that we may well learn these things in our other departments of the Government of India. We have discussed this matter often and we continue to consider this—this business of decentralisation and of giving greater authority, not interference and not too much reference backwards and forwards. We have to do that. No science can progress unless freedom is given to the scientists. Apart from that all our major enterprises must be given freedom. Choose a good man and give him freedom. There is no other way; I am quite sure of it. It may be that we must be prepared for losses because losses occur in everything, not deliberately but the thing may not come off. For instance, one of our finest engineers—he is in the Army—the Defence—came to me. He wanted to do something. He said there was 85 to 90 per cent chance of its coming off, and there was 10 to 15 per cent chance of failure, and asked, "May I go ahead with it?" Normally, nobody in the Government of India will go ahead with that, because that man is also afraid that there is 10 per cent chance of failure. I said, "Go ahead, and if you cannot help it and if you fail, we will put up with that." But at the back of his mind was this, namely, that if he failed—it was an experiment in the manufacture of something—he will get it hot

from this House or everywhere, but if he did not do it, we fail in not doing this thing at all. Therefore, whether it is private enterprise or public enterprise, one has to take certain risks. Choose your man and give him the opportunity to work. Pat him on the back if he does well, and if he does wrongly, and if it is no fault of his, it is a misfortune we have to face in that kind of new activities.

I should like to lay stress on this fact because it is highly important how we work. I may say that we have made some marked progress in decentralisation and been giving greater authority. Our O. & M. Division has done very good work and it is continuing that work. But the fact remains that even now, in some of our major enterprises—and they are very big enterprises—they have not evolved a simplified system of working, and giving responsibility to the man on the spot.

There is another matter to which I should like to refer because it is important. The House may remember that about a year or two ago, we put forward a paper on our general approach to scientists. That is, we wanted to give them a better deal and we wanted to increase not only their emoluments but their general status, because from British times, we have inherited an apparatus of Government where experts, technicians and the like, are slightly considered outside the pale of the select and the elite which consists of administrators and administrators of the old Indian Civil Service chiefly. Administrators are very important, no doubt, but all the work today is largely controlled by scientists and technicians, and unless one gives opportunities for these people to function properly and happily, progress has to be limited, because an administrator administers what is there. He does not normally speaking build a new world; he builds the existing world and that is important. What we are after is to build a new world, a new India; every country is doing that, whether it is capitalist or

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communist, and therefore, the scientists, the technicians and the technologists are being pushed to the front. So, the paper we put forward was to this effect; to some extent it has been given effect to but not wholly,—I hope it will be.

But in one matter, I find a curious snag and that is in regard to agriculture. It is fairly well known that the people who go to agricultural colleges are those who can get admission nowhere at any rate who can not easily go elsewhere. That is, the agricultural course of training does not attract our best students, while we go on talking all the time about agriculture being the first priority as it is. Yet, somehow, agriculture does not draw our best students. Why is it so? Is it because the prospects of the agriculture graduates or whatever he becomes are not bright? It requires looking into and those prospects must be improved if they are not good enough to attract good students to our agricultural colleges, etc.

The general approach, if I may say so, is that we must join any work that we have to the objective. Our work should be task-oriented—not do a day's job, but do a composite task. That should be the background of any organisation or any department or anything, and dispose of files. Where this has been done greater results have been flowed. Other but not in the way of speed that they would come if this outlook is more task-oriented.

I should like to remind the House of one thing more. I think the House has been informed previously of a committee that we have appointed some little time ago, to enquire as to where and how an additional income in the land is distributed and how far concentration of wealth takes place. This is a very important and vital matter. I have tried to find out, and I met some of the members of the committee. They said they are working at it and this ques-

tion has turned out to be even more complicated than even they had imagined. It is such a complicated matter that you can not dispose of it by any broad principle. You have to work it, and I hope that the committee's labours will result in some practical recommendations which we might adopt.

All this which I have ventured to place before this House is, I hope important for the House to consider. But it is patent that all this economic development, social changes, etc., depend upon various basic factors—basic factors that there is peace in India and in the world. If the world blows up, it takes many things with it and takes our Plans also largely with it. In India, if our attention is diverted from this business of implementing this Plan and if we are quarrelling among ourselves—one may call it communal quarrelling, or language quarrelling or caste, or whatever it is—all these factors which have become a bane in our existence and which weaken us, then naturally the work we envisage will suffer; India will suffer and the future of India will suffer.

Here, I may refer to one matter, although there are many which I might refer to, and that is the trouble in the Punjab. It has nothing to do directly with the Plan but it has everything to do with it, because it shows that people's minds are engrossed in narrow, sectional loyalties and have no concept of India, no concept of the progress of India or no concept of what the modern world is. It talks about things which really have relatively small importance in the modern context of things and matters which can be settled if looked at from this modern context easily. The Punjab is a brave province with a brave people and it is a tragedy that this courage and ability to work should be wasted in internal troubles. I hope, I understand, that some kind of settlement out of this morass will come in the Punjab.

May I remind this House that this question arose because of the language issue, but there is today or there should be at any rate, no language issue involved in it. It has shifted. It has gone somewhere else because even originally it was not the language issue. It was something else. It was a pure communal issue which was raised in the guise of language. When the language part became clear, more or less it shifted its ground. But so far as language is concerned apart from the fact that they have often stated, Punjabi is the dominant and widespread language of the Punjab. There is no doubt about it. That does not mean that there are certain areas in Punjab where Hindi is the prevalent language. But Punjabi is the dominant language and so far as speaking goes, it is spoken by vast numbers there and understood by them. There are very few there who do not speak and understand Punjabi. Even in Hariyana, Punjabi-speaking people have come a good number of them—after partition.

13 hrs.

It is impossible to divide Punjab in any way without leaving a large number of people who do not fit in with that principle of division, whichever way you divide and you produce the same problem in a more acute form. It depends on how this is done, but if anything is done in this context of bitterness of feeling and communal outlook, the consequences are very bad.

It should be realised that so far as the language question is concerned, some little time ago, 10 or 12 days ago, we had a conference here of Chief Ministers and Central Ministers and we discussed for three days the question of language, not in regard to any State or province, but in regard to the whole country. We came to certain conclusions which largely, of course, are a continuation of what was being done previously. But there are some changes, and I think changes for the good. I believe that those decisions of the Chief Ministers and the

Central Ministers have been largely welcomed in the Press and by others all over India. There have been some criticisms, but broadly speaking, they have been welcomed and I think they form a good basis for the future.

I think that the language policy of our Government, or rather of our Constitution, as implemented subsequently, has been probably the most generous policy of any country. Many countries have got into trouble over the language question. Our neighbouring country, Ceylon, has had a good deal of trouble over it. But the founders of our Constitution took a broad view, a generous view, realised the importance of language and therefore acknowledge and national languages a list of 13 or 14 languages and laid down other principles about mother tongue, protection of minority languages and the rest. If we accept all that, there is no room left for any kind of dispute on the language issue anywhere in India, provided those things are implemented. If they are not implemented, then of course, it is another matter.

A matter like language should really be considered not the political level, but in the educational level by educationists and the rest, and not as a means to change a political balance or something like that. That is another question, which should not be mixed up with language. It should be considered in a different way.

As I said, we had a conference of Chief Ministers to consider this problem of national integration and they considered this question of language. Of course, problems of national integration are not limited to language; they considered some other matters too and they will go on considering all aspects from time to time, because this is a living and continuing issue. We decided then to hold a wider conference, larger in numbers and wider in its context, i.e., embracing people of different parties and groups in this

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House as well as outside, because this question should be treated in this wider context, in a national sense and not in any kind of party sense. It is proposed that this wider conference should be held on the 28th and 29th September *plus* perhaps 30th also in Delhi and I hope that all the leaders of the various groups in this Parliament will be good enough to give us their help and co-operation in this matter. Thus, this question of national integration is basic, if our Plans and everything must be realised. Unless we succeed on that front, our other efforts are likely to fail.

Before concluding, may I read a few lines from this report? I am reading from page 19—the end of the chapter on objectives of planned development:

“Planning is a continuous movement towards desired goals and, because of this, all major decisions have to be made by agencies informed of these goals and the social purpose behind them.”

It is rather important to remember that, because if the agencies pull in different directions, naturally the Plan itself will tend to crack. The principal agencies which decide the Plan and implement it must have that basic idea in view and that basic social purpose in view.

“Even in considering a five-year period, forward and long-term planning has always to be kept in view. Indeed, perspective planning is of the essence of the planning process. As this process develops, there is a certain rhythm of expansion in the development of the people, and a sense of enterprise and achievement comes to them. They are conscious of a purpose in life and have a feeling of being participants in the making of history. Ultimately, it is the development of the human being and the human personality that

counts. Although planning involves material investment, even more important is the investment in man. The people of India today, with all their burdens and problems, live on the frontier of a new world which they are helping to build. In order to cross this frontier they have to possess courage and enterprise, the spirit of endurance and capacity for hard work, and the vision of the future.”

Mr. Speaker: Motion moved:

“That the Third Five Year Plan, laid on the Table of the House on the 7th August, 1961, be taken into consideration.”

There are some substitute motions which have been tabled to this motion.

Shri Narasimhan (Krishnagiri): I am moving my substitute motion No. 1 in the order paper.

Shri Ranga (Tenali): I move my substitute motion No. 2.

Shri Indrajit Gupta (Calcutta South-West): I am moving my substitute motions Nos. 3 and 4.

Mr. Speaker: They are given as independent motions. Are they independent motions or parts of the same motion?

Shri Indrajit Gupta: Let it be taken as one.

Mr. Speaker: They can be taken as parts of the same motion. I shall treat these substitute motions as moved.

Shri Naushir Bharucha (East Khondesh): I have just sent my substitute motion.

Mr. Speaker: The hon. Member must know that unless all the amendments are before the House before the general discussion starts, hon.

Members would not have the opportunity to refer to the amendments or substitute motions and say something for or against. Therefore, I am sorry I cannot allow this substitute motion.

Shri Naushir Bharucha: May I suggest that in this case, the rule may be relaxed for this reason that only on Friday, the hon. Minister for Parliamentary Affairs stated that this will be taken up on Monday. Surely some time must be given to us for framing the substitute motions. At least the time may be extended by 24 hours and amendments given up to 3 o'clock today may be accepted. After all, it is a volume running into 700 pages.

Mr. Speaker: I will get it circulated to hon. Members.

Shri S. M. Benrjee (Kanpur): Is it being allowed to be moved?

Mr. Speaker: I will take the sense of the House. We have not yet started. I am afraid this will be quoted as a precedent for the future; that is my fear.

Shri Naushir Bharucha: It need not be a precedent. We are not discussing Five Year Plans every day, because they run for five years.

Mr. Speaker: No, no; I am not going to allow, because this will be a recurring liability for me. I have to decide from time to time. Therefore, let me stick to the principle.

Shri Naushir Bharucha: After it is circulated, Sir, the sense of the House may be taken tomorrow.

Mr. Speaker: I will circulate it for their benefit. I am not going to allow it to be moved.

Shri Narasimhan: I beg to move:

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

"This House, having considered the Third Five Year Plan, laid on the Table of the House on the 7th

August, 1961, places on record its general approval and acceptance of the objectives, priorities and programmes embodied in the Plan and calls upon the States, Union Territories and the people of India to adopt it as the Nation's Plan and to carry it out with determination and achieve its targets."

Shri Ranga: I beg to move:

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

"This House, having considered the Third Five Year Plan, laid on the Table of the House on the 7th August, 1961, disapproves of it because—

- (a) it is unrealistic and improvident;
- (b) the threat of additional taxation, the continued resort to deficit finance and the uncovered gap between resources and outlay will lead to higher prices and the aggravation of the prevailing inflation and a continuing erosion of the already low real income of the mass of the people resulting in a disincentive to save and invest and a high-cost economy which will make it impossible for Indian exports to compete in the markets;
- (c) while the desirability of encouraging equity capital coming from abroad at its own risk is neglected, there is too much dependence on foreign loans leading to the country's future being mortgaged;
- (d) the undue emphasis on heavy industry resulting from a dangerous obsession with achieving autarchy within ten years and the comparative neglect of agriculture and consumers' goods industries will inflict privation and misery on the mass of the

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people in diminish the possibilities of providing maximum employment;

- (e) the doctrinaire bias in favour of the State sector of the economy and the drawing away to it of the people's savings tilts the scales against the development of the people's competitive enterprise and the economy of self-employed people in favour of a plethora of controls and quotas and curbs and of State monopolies and private monopolies distributed among those favoured, thus placing the national economy in a strait jacket and retarding the growth of the national product and income;
- (f) the insistence on fostering collective farming under the name of joint co-operative farming to the neglect of family farming will retard agricultural production and, if persisted in, result in food shortage and famine conditions and reduce the peasants to servitude;
- (g) no adequate effort is disclosed in the plan to dispel existing regional disparities and to foster the progress of underdeveloped areas;
- (h) the provision of huge sums of public money for distribution by the Union to the States and by the States to local organisations will, in the absence of a non-partisan approach and suitable checks, lead to political influence being brought to bear on the administrative apparatus with consequent waste and corruption; and
- (i) the Plan is against the interests of the Indian people since it would reduce the

living standards of the present generation, concentrate political and economic power in a few hands resulting in the proliferation of bureaucracy, over-centralisation, the attenuation of States rights, the truncating of the workers' right to organise for collective bargaining and to go on strike, and the ultimate erosion of parliamentary democracy and the fundamental rights of the citizen embodied in our Constitution."

Shri Indrajit Gupta: I beg to move:

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

"This House, having considered, the Third Five Year Plan, laid on the Table of the House on the 7th August, 1961, regrets that the Plan seeks to lay the main burden of economic development on the shoulders of the lower-income groups, both urban and rural, in the form of heavy indirect taxes, inflation, high cost of living, reductions in real wages, increase un-employment, etc., while permitting big monopoly interests, both domestic and foreign, to appropriate an unduly high share of the increased wealth proposed to be created under the Plan; and recommends that the Chapter on Development of Foreign Trade and, in particular, the Export objectives laid down therein, be left open for reappraisal pending the entry of Britain into the European Common Market and assessment of the consequences thereof".

Mr. Speaker: The substitute motions are also before the House. Now, let us proceed with the discussion.

Shri Asoka Mehta. Unless they get up in their seats, I will not call hon. Members.

Shri Asoka Mehta: Mr. Speaker, Sir, this is a rare hour in the life of our Parliament because this can be, and I hope we shall try to make it, an hour heavy with destiny for our people. The Third Five Year Plan has been placed for discussion before this House by the Prime Minister, and has been offered to us and to the country as a massive approach to development. Undoubtedly, it calls upon the nation to put forward effort of an unparalleled scale.

There have been different reactions to the Plan. Conservative opinion in the country has already characterised it as "the blue-print for inflation." I think there is a considerable amount of feeling on this question, serious doubts and fears on this question, and we should in the course of this discussion try to go into them and see how far they are justified and how far they can be removed. Radical opinion, Sir, has, on the contrary, while welcoming many of the provisions of the Plan expressed itself concerned over what a radical economic journal has called "hesitating at the frontier". The Prime Minister ended up his introductory speech on this subject by reading from the Plan, and he drew our attention that India stands on the threshold of a new frontier. Now, the feeling is, do we stand with confidence or do we stand with hesitation? This is the other criticism which needs to be gone into. I shall try to express myself on both these criticisms, because only then I believe we can put the Plan in the proper focus.

In the last ten years, we have made a certain amount of progress, but I think at this hour when we are called upon to make qualitatively a different kind of effort we would be failing in our duty if we do not recognise the fact as to how inadequate we have proved ourselves in terms of what was expected of us. I have before me here a study prepared by the United Nations. The United Nations is an objective organisation. On page 73 of this report, the *World Economic Survey* has listed 25 countries from Asia and other under-developed parts of the world. Our rate of progress puts us 20th in

this list. Out of 25 countries listed here our number is 20th. Turkey has been able to have a rate of progress in the last ten years which is twice as high as that of India. Iraq has had a rate of progress which is thrice as high as that of India. Thailand, Sir, has already achieved that rate of progress which we are aiming to realise in the Third Five Year Plan. These are not model countries. We are a great country. We have many advantages. But may I say with a sense of sorrow that on the whole we have been a poor advertisement for democracy and socialism?

If we look at the countries of south and South-East Asia only, they can broadly be divided into three parts: countries where government's investment for development per capita has been more than £4 sterling per annum; those where the investment is between £2 to £4 per annum, and those which have an investment rate of £2 and below per annum. We, unfortunately, come into the last category.

I shall try to show, as I develop my arguments, that we have done something. I am not one of those who decry our efforts and our achievements, but I think that just because we have to put in a great amount of effort let us not go about feeling that in the last ten years we have done something wonderful. We have not even been able to measure up to some of these less endowed or less privileged countries in terms of political leadership and economic and social potential.

Shri C. D. Pande (Naini Tal): Most of them were already ahead of us.

Shri Asoka Mehta: The Third Plan aspires to achieve a rate of growth of 5 per cent. to a little over 5 per cent. In the last ten years our rate of growth has been 3½ per cent. Now, there is a great difference between 3 per cent. and 5 per cent. It appears as if it is a difference of only 2 per cent., but if we have a perspective approach

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the difference is very striking. At 3 per cent., over a period of time, say, over 100 years, the growth becomes 19 fold, at 5 per cent., it becomes 130 fold and at 6 per cent., it becomes 340 fold. The difference, therefore, in the rate of growth, the cumulative impact, is staggering. If we have a rate of growth of only $3\frac{1}{2}$ per cent. with the population increasing only 2 per cent., there is hardly anything left with which to bring about those improvements that we desire. A 5 per cent. rate of growth is the minimum that this country needs—whether we can achieve it or not is a matter we need to consider, but in terms of minimum effort we have to put forward if we are to survive, we must have a rate of growth of 5 per cent., if possible 6 per cent., per year, because then the period in which we have to struggle over poverty, want, squalor and misery will be reduced to a great extent.

The Third Five Year Plan envisages this rate of 5 per cent. The planners argue that we shall be able to achieve this rate because in the last ten years—that is what the Prime Minister said—we have built up the capacity—we must have been able to build up all that we hoped for in the First and Second Five Year Plan—and now on the strength of that capacity we can feel that in the coming five years we shall be able to achieve this rate of progress. As he said, it takes time to pick up the momentum, it takes time to pick up speed; but once you do it your further momentum becomes easier.

Now, I wish I could easily and with easy conscience agree with that. I agree with the proposition, but it is very necessary for us to understand whether the facts of the case are such that we can accept that kind of a formulation straightaway. There is no doubt that our capacity has grown, but when we look at the Plan we find that we are trying to cut our coat larger than the cloth that is available.

I have no doubt that this is the smallest coat that the country can afford to do with, but the size of the cloth is not yet adequate. So, the main problem is: are we in a position to expand the cloth? Shall we be able to increase the size of the cloth as we keep on stitching the coat? And we have to judge the Plan, we have to judge our efforts in the past, as well as our endeavours in the future, from the point of view of to what extent we shall be able to achieve this.

There are critics and my hon. friend, Professor Ranga, will argue that the moment you ask the horse to canter, it is likely to slip down because trotting is all that the Indian horse is capable of; do not expect it to canter. What we ask is: change the gear; it has been trodding in the First and Second Plan; we want the horse to canter in the Third Plan. How do we achieve it?

Shri C. D. Pande: What about galloping?

Shri Asoka Mehta: I am afraid, it cannot gallop just yet.

Capital, which is a very influential journal, articulate of conservative opinion, has offered criticism which needs to be taken into account. "The main criticism of the Plan" says a recent issue of *Capital* "is not its absolute size". It is interesting that the quarrel today in the country is not so much on its size but on something else.

"...although this might prove to be its greatest drawback in the long run. It is the huge preponderance of public sector investment which constitutes the main danger to stability and threatens to impede progress. A sector which at the moment represents not more than 10 per cent. of the economy, is to be entrusted with investing just short of twice as

much as the remaining 90 per cent. . . The real impetus to inflation comes from the loss of private sector economic activity represented by the insupportable weight of taxation and borrowing required to finance the development projects which will inevitably be long-term in their yield."

This is the gravamen of the criticism. There is no doubt that in this Plan there is a considerable amount of inflationary potential. The planners themselves have been candid enough to admit, in the chapter on price policy and in various other chapters, that these dangers are there. These dangers can be guarded against only if we are able to produce, we are able to import a new kind of efficiency in our productive efforts in the public sector, in the private sector, and stir up in a decisive manner the large decentralised sectors of production in our economy. What happens to agriculture? What happens to industry? And it is here that I say that a qualitative change becomes necessary. The horse has to canter and not to trot, and that cantering has to be done by every single person in every sphere of life. Can that be brought about? If that is not brought out, then inflation overtakes us, or we must be prepared to cut down the Plan straightway.

A question is generally asked: will it cause inflation? It all depends upon our capacity to respond to the challenge, and the challenge can be met only in terms of our capacity or ability or willingness to respond to it. If our ability to respond is limited, well, cut down the Plan so as to mitigate the challenge. It is no use saying "Well, I am not going to consider my ability to respond; let me judge the challenge independently of it". There is an inter-connection, there is a kind of dialectical dialogue between the challenge and the response, and we have to decide—it is up to this House to decide—and, above all, it depends upon the kind of leadership that the

Prime Minister is going to provide, as to what kind of response this country will be able to offer. It is not an administrative challenge alone; undoubtedly, it is an administrative challenge, but it is also an evocative challenge. It is our ability to meet that evocative challenge that is now needed, and I do not know whether the Prime Minister, in the coming months and in the coming years, is going to look at this Plan, not in terms of administration but in this deeper, larger, profounder sense of evocative challenge, perhaps the first serious evocative challenge that we have placed before the country after the struggle for independence was over.

It is wrong, however, to argue that it is possible to have a different pattern, because the whole quarrel is about the pattern. Can we have a different pattern? On this question the Capital has said that the mistake is that you are spending too much on public sector and on capital goods industry. There are people who argue, like my hon. friend, Shri Ranga, expanding that theme, that we should concentrate on the establishment of wage goods industries. Who will not like to have more consumer goods? Who will be foolish enough not to ask for more consumer goods when we have to raise the poor and miserable standards of our people? But, unfortunately, we cannot do that. Because, if we go in for the production of consumer goods only, within a short time we shall have such a tremendous crisis of foreign exchange, because we have to import the tools needed for producing even the limited consumer goods we have. Whatever can be produced by the traditional techniques here must be produced. I shall go into that a little later. But the fact is that a certain amount of economic development has taken place with or without the Plan. Even when the British were there, a certain minimum of economic development had taken place. Even to maintain that, you must be able to have a great amount of imports. Either you must develop

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your own capacity to build up your economy or you must do it with imports. But if your imports go up, it will have to be matched by so much of exports that nothing will be left, no part of the wage goods additionally produced will be available to you for providing increased consumption. That is the reason why the capital goods sector of the economy has to be expanded. Otherwise you must be in a position like Malaya to export certain agricultural produce or mineral production in an abundant measure. Malaya, for instance, is able to spend £11 to £13 per head per year of Government investment on development. Malaya, as you know, has the highest standard of life in the whole of Asia. That is so because the Malayan economy is an export-oriented economy. India's economy is not an export-oriented economy. India's economy, therefore, has to build itself up by its own effort, by our own efforts, and to build ourselves up by our own efforts it becomes absolutely necessary that we concentrate on building a capital goods industry base.

If we look at this problem, again irrespective of ideology, if we study the history of development of all the countries in the world, whether they were capitalist countries, communist countries, socialist countries or private enterprise countries, through out the world we find that the rate of growth in the capital goods sector of the economy has been anything between one and a half to twice that of the rate of growth in the consumer goods industry. Here I can cite a whole lot of figures on this from different countries of the world, but I will not take your time with it. In India, in 1960 we imported industrial plant and machinery worth Rs. 200 crores. During the year we have succeeded in fabricating in our country machinery worth Rs. 160 crores. We have established about 1,200 industrial estates in different parts of the country, which will soon be producing machinery and plant needed for develop-

ing our economy. This undoubtedly creates inflationary pressure. This undoubtedly demands that all kinds of other safeguards have to be introduced into our import. This undoubtedly demands a more careful approach to the organisation of our economy. But let us not forget that this is vital, and when Professor Ranga and others argue that this need not be done, they are really challenging the whole dynamics of development.

Now, in the Plan it is said that by 1970-71 the output of machine-building industry in India is planned to be nearly Rs. 1,600 crores; that is to say, from Rs. 160 crores in 1960, it has to be raised to Rs. 1,600 crores in 1970, a hundred per cent. increase per year on an average, or a thousand per cent. increase in ten years. This is what is being objected to by many people in this country, and the House has to make up its mind after considering carefully whether we are willing to have 1,000 per cent. increase in our manufacturing capacity of capital goods industry over a period of ten years or not.

If we do it without looking after and without studying the decentralised sector of our economy, without galvanising and energising what are known as the technologically backward sectors of our economy, we shall collapse. But if we can do that also and concentrate on and build up this capacity for producing capital goods industry, I think, India will be on its wings.

That is the crucial point. It is not whether Rs. 1,600 crores is too much or too little. This is the minimum of the optimum that is needed. But in order to do that the rest of the economy has to be taken care of properly. We have to consider how far

that will be done. Therefore this matter is not a question of ideology at all, whether you are a capitalist, a Communist or a socialist.

It is said that once industrialisation has reached a fairly high level and the proportion of consumers' goods in the total output has fallen to around one-third, the difference in the rates of growth of both these sectors narrows down significantly. In the initial period even if Professor Ranga wanted to develop with private enterprise there is no escape from having a much faster rate of growth in the producer goods section. This is an inherent, inescapable logic which I wanted to place before you.

This tremendous effort involves in all countries a great responsibility on the State, whether it was development in France, in Germany, in Japan, in Czarist Russia, in Communist Russia or in any country of the world.

The later a country comes on the escalator of development, the greater is the responsibility that is thrown upon the State. The expansion of public sector again is an inherent, inescapable logic of development. If you want to escape it, either you must be prepared to slow down your rate of development, or the development will get distorted. For a period of five years you may be able to produce more wage goods, but at the end of five years you will be facing a greater crisis than you would face otherwise. Therefore, for me these questions are not ideological. These questions are essentially practical and pragmatic. They are logical. In terms of logic I would like this House to come to a conclusion.

But if we do that, the radical criticism becomes relevant. The radical criticism, as I said, comes in when the *Economic Weekly*, for instance, says "Hesitating at the Frontier". What does it mean? I shall read with your permission a paragraph from this journal. It says:

"It would be a travesty of fact to say that the co-operative movement is, in its present shape, fulfilling its purpose. Yet, the Plan report scarcely pauses to examine the elements in our society or economy which have transmogrified the co-operative movement into something very much like a vested interest. Instead of seeking out the 'institutions'—using that term in the fundamental sense of organisations or relationships sanctified by law, custom or religion—which have tended to make co-operatives subservient to the interests of the already strong and suggesting ways and means of replacing or transforming them, the Plan proceeds to lay down a programme for doing more of the same old things. All that needs to be done, apparently, is to provide more funds and more training facilities to co-operators; the rest is left to emerge as 'the processes of economic and social change gather force and the rural community attains higher levels of skill and productivity'. Which, then, is to be the instrument and which the outcome?"

The hon. Prime Minister more or less raised the same question, namely, what is the agency and what is the outcome? The question echoes back to him. It echoes back to him because the Plan has not given the right answers. The Plan has sketched out for us a very valuable strategy of economic development. In the world today so much thinking has been done on the strategy of economic development, the various under-developed countries in the world and the various international organisations have done such an amount of thinking that it is already a well mapped territory. It is a question to which we have adequate replies. The questions to be explored are other: Do the social tensions that are bound to be generated become fruitful or do they become frustrating? Do they prove to be helpful or do they prove to be destructive? What kind of political

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implications are there when you go in for a planning of this sort? On both these issues I do not expect the Planning Commission to say anything because the Planning Commission is primarily concerned with giving us a broad economic strategy. The social and the political framework has to be supplied by this House. It is on this matter that one would expect the Treasury Benches to give us some kind of an explanation and a lead.

If we look at the Communist countries or at other countries, we find that it is comparatively easy to master the dynamics of industrialisation. It is comparatively easy to develop industries. The stubbornly difficult sector remains agriculture. In China it has happened; in Russia it has happened and in so many countries of the world where industrial progress goes on unchallenged and unobstructed we find that it is the agricultural sector that turns out to be obdurate.

In the Third Plan we have decided that our agricultural production should be increased by 30 per cent. 25 per cent. of this increase, or perhaps more, will have to come out of the increase in the yield per acre. It is unfortunate that the Third Plan has not devoted a chapter to our failures in the Second Plan. It should have devoted a chapter to the analysis of what our failures were, for highlighting what those mistakes were and how they should be avoided. I think the main lapse was our failure in the agricultural sector. We were not able to produce enough food and enough industrial raw materials. Therefore, when we study the price structure, we know that the whole distortion has been initially in the price of foodgrains and later on in the price of industrial raw materials coming from agriculture, resulting ultimately in higher prices for manufactured goods.

Our target for the Third Plan is 100 million tons. Today we are not even producing 80 million tons. My hon. friend, the hon. Minister of Food and Agriculture announced the other day

that India is producing enough and is in a position to export foodgrains now. This shows a sad lack of perspective. It is all very good for the hon. Prime Minister to say that there should be orchestration. Where is orchestration here? I do not like to be critical like this, but when you are placing before a country a Plan which demands national orchestration even the minimum orchestration on the Treasury Benches is not achieved. When we are going to export when our production is 80 million tons, why do we want to have a target of 100 million tons? It is because the current production is woefully inadequate. We have been able to save ourselves only by imported 20 million tons of foodgrains as against 6 million tons as was envisaged in the Second Plan. It is that increased imports of 14 million tons that has saved us—and it is mostly wheat which constitutes about 45 per cent. of the total production of wheat in the country in the five years. If I am wrong, my hon. friend, Shri Ajit Prasad Jain will correct me. It is only by these heavy, massive imports that we have staved off disaster. To argue that we are in a position to export foodgrains today only shows that lack of orchestration.

It is said that this big effort will be fulfilled by co-operatives and by the community development. I am greatly interested in both these movements, but what do reports say over and over again? Objective evaluation reports say that both in community development areas and in the working of the co-operatives, there has been polarisation and that these poor people have not benefited at all. When we realise that 25 per cent of our agricultural holdings are below one acre each, when we know that another 25 per cent. of our agricultural population is landless, when we know that bulk of this help has gone to those who have ten acres and more of land, we realise that this talk of being able to do these things in a particular way is rather meaningless to a great extent because our ten years' experience is there and no-

where in the Plan I have found how these mistakes are going to be corrected.

Sir Doland Mac Dougall recently pointed out that one-third of the industries in India appear to be working at 60 per cent. of their capacity or less. It is the same thing in agriculture. Recently, I saw the press summary of a report that was brought out by a Committee. As far as irrigation facilities even of well and tanks are concerned we find that in the rabi season, 30 per cent. of the irrigation facilities remain un-utilised and in the kharif season, 50 per cent. of the capacity remains un-utilised. There are various reasons. I will not go into them.

In transport, our allocation is more or less the same as it was last time. If it is the same—I am not asking for more—I want to know from the Minister concerned, how they assure us that the requisite efficiency will be put forward by transport because, we have, in the Second Plan, seen how transport can tangle up the whole economy.

Coming to employment, I am happy that it has now been decided to have a fairly substantial programme of works projects. They will start with providing work for 1 lakh of people and at the end of the Third Plan, they will provide work for 25 lakhs. It is a Rs. 150 crore programme. It is necessary for us to gather some experience. I think it is crucial because we should be able to build up our economic development on the basis of full employment. This is a programme to which the highest attention and highest priority should be given so that we may learn how it would be possible for us to expand opportunities for work in the rural areas.

Then, comes the question of housing which is very important because the urban population is growing fast. Shortage of housing has increased by 100 per cent. already. The private expenditure on housing remains more

or less the same. It was Rs. 900 crores in the First Plan and Rs. 1,000 crores in the Second Plan; now it is Rs. 1125 crores. With education and other developments, the process of urbanisation is going to be speeded up. In the Soviet Union recently, Prime Minister Khrushchev pointed out that out of the increase of 17 million in the population, 16 millions were in the urban area. There is likely to be a similar staggering impact of increase of urban population in our country too. I feel that to housing, we have not paid enough attention. The only thing that I am happy about is, for the first time, some kind of a policy has been enunciated about urban land values. I hope and trust that that policy will be properly implemented. I wanted to say something about exports; I shall skip over it.

I would like to invite your attention to just two or three points very briefly. In a matter of this kind, if the Plan is fully implemented, what will it mean? It will mean, at the moment, more employment, more educational opportunities. It will mean that the standard of living will go up. There will be a 10 per cent. increase in food consumption and a 10 per cent. increase in cloth consumption. It is not much that we can offer. That is why the whole problem of structure of hierarchy of incentives becomes important. I have before me this table of the paid-up-capital of the companies that are controlled by the top 10 business houses in India. During the last 10 years, 1951-61, the paid-up capital has increased from about Rs. 100 to about Rs. 250 crores. Some business houses have increased fourfold, some sevenfold. The average increase has been from 100 to 250. Sixty industrial estates were established comprising 1,000 small factories using power. This is all we have achieved in five years—1,000 small factories established in Government sponsored industrial estates.

Let us look at the income structure of our country. Forty five per cent. of our population has an income between Rs. 600 and Rs. 1,200 a year; 30

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per cent. have an income between Rs. 1,200 and Rs. 1,800 a year; 24 per cent. have an income between Rs. 1,800 and Rs. 3,000 a year and 1 per cent. an income of over Rs. 3,000 a year. We belong to the top stratum of 1 per cent. When we talk of raising the resources, obviously, those whose income is between 600 and Rs. 1,200 will not be able to do anything. The people whose income is between Rs. 1,200 and Rs. 1,800 may be able to bear a little. The bulk of the burden must fall on the 24 per cent. of the middle classes, whose income is between Rs. 1,800 and Rs. 3,000 and particularly on the top stratum whose income is over Rs. 3,000. Therefore, if we bring up this question to where the burdens are to fall, the 1 per cent. has to have the heaviest burden. Then alone it will be possible for us to get the 24 per cent. to agree. It is our responsibility belonging as we do to the 1 per cent. stratum because our income is over Rs. 3,000 to see that mobilisation of resources is so organised.

There are bound to be social tension. Social tensions arise because of a basic problem that the fruits of economic development tend to be more with the modern sector and the backward undeveloped sector tends to suffer. Over a long period of time, it gets transformed; in the short period there will be many difficulties. Therefore, we come across paradoxical positions. Unrest is greater where development occurs in pockets scattered throughout the country than where it is in one place. We want it to be scattered for better balanced regional development of the country. We must realise that the economic consequence, social consequence would be that there would be unrest to which we will have to pay attention. Paradoxically it is those parts of the economy and the country which are developed most rapidly which also attract stubborn unemployment statistics. The greater the development, the greater the penumbra of unemployment. These are some of the

paradoxes of development which I feel this House and the country should understand. Because, unless we understand them, we shall not be able to master the social tensions which are bound to arise. We cannot have the development under the Third Plan without social tensions. Whether the social tensions will destroy us or whether we shall master the tensions depends on our understanding, on our integrity and devotion. My effort is that we should try and in this discussion try to impart these attitudes to the problems.

13.47 hrs.

[MR. DEPUTY SPEAKER in the Chair]

It is a very peculiar position. In India we shall be providing primary education to only half of our children and that only for four years. Rich countries have to spend less even though their education is better. The U.S. has to spend 0.8 per cent. of its national income for an eight year course of primary education. We would have to spend 4 per cent. of our national income. Therefore, constantly, we are called upon to choose between priorities. It is said that a country like India would have to spend 3 per cent. of education, 2 per cent. on public health, 4 per cent. on economic services and 3 per cent. on general administration. Twelve per cent. is knocked down by all these kinds of activities, which means that whatever capital expenditure you want to make, is over and above that. It becomes necessary to have a rate of saving about 20 per cent. of the national income, because 12 per cent. is necessary in order to provide even the minimum things. If you go in for welfare services, you may have to spend additional 3 to 10 per cent.

Many people talk about Indian planning having learnt something from Soviet planning. I do not know whether it has learnt or not. But, there is one thing which we have not learnt from the Soviet Union. The Soviet Union is spending 6.8 per cent.

of its national income on education. Education is crucial for all this development. How much are we spending? What do we propose to do? I quite agree that here again is a choice of priorities, and the choice of priorities is not easy to make. But, having made choice of priorities, we must see to it that elasticity of resources is exploited to the full.

That brings me to the problem of politics. I have tried throughout the years that I have been here to take taxes out of politics. Whenever a question of taxation has come, I have tried to look at the problem of taxation in an objective manner, in a manner which would be suited to the needs of the economy and development of the economy. I have suffered greatly because of that attitude. I believe that the greatest single service that we can render today is to take out taxes out of politics. The second thing that I would like to say that this will not happen unless the response from the other side is also basically different. You cannot have partisanship and still hope to create the atmosphere that is needed. The response that is to be created demands in the country a politics of responsiveness. The opposition Benches cannot create that atmosphere; that has to be created from the other side.

I was listening very carefully to all that the Prime Minister has said. He said 'Communal tension should not be there,' he said 'Linguistic tensions should not be there,' he said 'Various other tensions should not be there.' I believe that it is equally important to see if we can reduce political tensions also. Planning requires a certain political penumbra. Democratic planning has never been attempted before, and I feel that while we may be experimenting in economic strategies, and we may be experimenting, in however halting and hesitating a manner, in resolving social tensions, there is hardly any experimentation here in creating a climate of political understanding in order that these onerous responsibilities may be fulfilled.

This Third Plan, if only it is implemented in a dedicated spirit and in a co-operative spirit, can take the country forward, not that it will raise the standard of living very much, but it will enable us to move forward very fast. But if this Plan is carried out in the same lackadaisical spirit in which the two previous Plans were carried out, there will be terrible inflationary outbursts; there will be all kinds of breakdowns, and it will express itself not in terms of economic difficulties alone but in terms of severe social tensions and political breakdowns. If we want to achieve an economic breakthrough, it has first to be achieved, and it needs to be preceded, by a political breakthrough. I am not demanding, and I am not suggesting any kind of governmental understanding. What I am saying is this. What is going to be the climate? What is going to be the attitude? I have always felt—and I would be untrue to myself if I did not say it—that in spite of the talk about the national Plan and in spite of the fact that there are many who feel as agonizingly about the development of the country as the best among those sitting on the other side, the attitude, whenever it comes to political questions, is one of partisanship, and it is the big party, the ruling party which ultimately sets the tune, and it has been setting a tune which has tried to encourage not harmony but cacophony in the country.

The economic strategy broadly drawn up in the Plan is a right one; it can be implemented only if there is today a resurgence of spirit, a renaissance of effort. That resurgence of spirit and that renaissance of effort require that we look at the problem of social tensions which are bound to grow, in a constructive spirit. That is possible only if the political atmosphere in the country inside the parties and between the parties is radically transformed. With the kind of political atmosphere that we have today, with the kind of disintegrating atmosphere that we have today, the disintegration starts not from economy, the

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disintegration starts not from society, but starts from politics. So long as the focus of disintegration is allowed to remain as it is, this tremendous effort at integration and construction is bound to go wrong.

May I, therefore, beg of all concerned, and may I appeal with all the strength at my command, that at this crucial hour of our destiny, it is not enough that we accept the Plan? It is important that we reorient our attitudes. What are we going to ask the people to do? This rhythm of life and rhythm of work will have to change, if 5 per cent. rate of growth is to be realised. What right have I to ask a peasant to change his rhythm of life and rhythm of work, what right have I to go and ask a worker to accept a wage pause, if there are going to be not only all kinds of inequalities in the country, but there are also going to be no changes in my attitudes and in my rhythm of life and rhythm of work? I have a right to expect an evocative response only when the challenge that I offer is clothed in an entirely different attitude and approach of mind and spirit.

I am sorry to say—the Prime Minister is not here just now, and I hope he will forgive me—that I found that his speech was of a tired person; his speech was jaded; there was nothing evocative about it; there was hardly anything which showed that he is approaching this new turning-point in our history with a new attitude and with a new approach. May I, therefore, say that we must move from the privileged to the under-privileged, from the old to the young, from the frustrated to the hopeful, from those who have been accustomed to deal in a lackadaisical manner to those who are prepared to function in a dedicated manner? It is only when that basic change takes place, it is only when in a sense the atom inside splits, that we shall be able to capture new

energy. Without this new energy, this Plan will create only inflation; this Plan will bring about only dislocation of the country; God forbid that it happens.

I hope and trust that through the wisdom of this House, and through the understanding of our people, we shall be able to meet this tremendous challenge that we are posing ourselves today, in a heroic spirit.

Shri A. K. Gopalan (Kasergod): We are discussing the Third Plan in the light of the experience gained during the last ten years of planning. Two Five Year Plans have been executed, and these ten years have given us ample opportunities for testing our methods of planning and also the policies underlaying our efforts. When the Third Plan was out, we expected that naturally there will be an honest appraisal of our achievements and our failures. But we find that there is some mention only so far as the achievements are concerned, but as far as the drawbacks are concerned, they have not been pointed out. Only some half-hearted admissions of failures are seen here and there. But, what are the reasons for the failures? Where have we failed? The Third Plan report has not enlightened the people as to where we failed, and how we failed and why we failed. At least we expected that in the Third Plan, after the experience of ten years of planning, the approach to and the method of planning would have been changed in such a way that we would have found what the drawbacks were and we would have found the corrections also. In the absence of such a review of the past experience, we find more or less the same policies, the same methods and the same approach as were there in the Second Plan. So, we cannot expect better results in the Third Plan, than what we got in the Second Plan, because the method and the approach have remained the same.

After all, why should we plan? We plan in order that we may get the maximum benefit in a given situation, and also the maximum result in a given period. Though of course, some achievements are there, those achievements are far below our expectations. Those achievements are extremely meagre in relation to our needs and also the possibilities. At the same time, the sacrifices that the people have made to realise those achievements are also very great. We do not decry those achievements, but what we say is that those achievements are far below the expectations and far below what we had planned for. Take the important yard-sticks of progress. Take the question of national income. It has lagged behind the target. Again, take the question of the per capita income; that has lagged behind still more. Unemployment has increased recklessly, and the employment targets have not been fulfilled.

As far as industrialisation is concerned, there is no doubt that some industrialisation has taken place, but all the most important targets in regard to steel, coal, cement and machine-building have lagged behind. Prices have also gone up, and long with that the standard of living of the masses has also gone down. Disparity in income, which is another important yard-stick, has, instead of coming down, has gone on increasing. Concentration of economic power is taking place with greater momentum. All these are the negative features, and they have come to the surface in a big way. No more can we avoid them, because all the main social as well as economic aims of planning have been defeated. That is why we say that our planning has fundamental defects. Unfortunately, there is no departure from the pattern which was there in the Second Plan. The same policies, the same approach and the same methods which aggravated the situation continue in the Third Plan also.

This is what I have to say as introduction. I will not go into all the aspects of planning. But I will deal with two important chapters, the economic programme and balanced regional development, and I will be able to show that whatever criticism I have made here is true as far as these important aspects of planning are concerned.

14 hrs.

Take the question of land reform. I am now quoting the admissions made in the chapter on Land Reforms, page 221. It is said:

"The total impact of land reform has been less than had been hoped for".

What are the reasons for this? There are three reasons given: little recognition of land reform as a positive programme of development, insufficient attention to the administrative aspects of land reform and no sufficient realisation that the reform of land tenure and early enforcement of ceilings are an essential foundation for the building up of a co-operative rural economy. The Plan itself admits that it is because of the lack of understanding as far as the agrarian sector is concerned that this has come about. Development of agriculture is a very important thing as far as the achievement of the objectives of the Plan are concerned. 51 per cent. of the national income in the Second Plan has come out of agriculture. It not only increases the national income; it also solves the food problem and saves expenditure of money on food imports; it also creates a basis of industrial development, provides capital formation and an expanded home market. As far as the question of unemployment is concerned, if we can distribute all the cultivable wasteland and also add to it all the land above the ceiling—we have been able to do that—we will be able to solve the problem of unemployment.

So, so far as the agrarian sector is concerned, there has been no develop-

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ment and there is no promise, as far as the Third Plan is concerned, that there will be a change. It remains stagnant as before. On the question of abolition of intermediaries, the Report says on page 221 that a few minor tenures such as those held by religious and charitable institutions and service inams still remain to be abolished. Coming to reduction of rents, the First Plan had suggested that a rate of rent exceeding one-fourth or one-fifth of the produce would call for special justification. Yet, in several States the normal rate of rent is still about a third of the produce.

"In the early years of tenancy legislation, it was observed that reduced levels of rents—and indeed other conditions of tenancy—provided for by legislation were far from adequately enforced, and to a large extent customary rates of rent continued to prevail".

This is from page 222. Again on page 223:

"Thus, in many ways, despite the legislation, the scales are weighed in favour of the continuance of existing terms and conditions.

So as far as the reduction of rent is concerned, it is admitted that we have not made any progress and the existing terms and conditions continue except in a very few cases where there is a small reduction—and that too is not there in some cases.

Now I come to security of tenure. What are the admissions made in the Plan here? It is said that "the impact of tenancy legislation on the welfare of tenants has been in practice less than was hoped for" (page 224); "ejectments of tenants have taken place on a considerable scale under the plea of 'voluntary surrenders'"; "in the event of surrender of tenancy, the landowner should be entitled to take possession of land only to extent

of his right of resumption permitted by law. On the whole, both legislation and administrative action have fallen short of these recommendations"; "As was pointed out in the Second Plan, most voluntary surrenders of tenancy are open to doubt as *bona fide* transactions". The suggestion that it would be desirable to provide for personal labour as a necessary ingredient where land is resumed for 'personal cultivation', in the absence of which the ejected tenant should have the right of restoration has not so far "found its way into the legislation undertaken by the States" (pages 224/225). These are the admissions made.

As regards resumption of tenancies, on page 226, the Report admits:

"Whatever the conditions, the right to resume land creates uncertainty and tends to diminish the protection afforded by the legislation".

As far as the rights of ownership for tenants are concerned, the Report says "In the course of the Second Plan, some progress has been made in the direction of providing ownership rights to tenants" (page 227). This is despite the fact that in the Second Plan "it was suggested that each State should have a programme for converting tenants of non-resumable areas into owners and putting an end to vestiges of landlord-tenant relationship" (page 227).

The next important thing is about ceiling on agricultural holdings. There have been two Plans and there has been the Nagpur Resolution. Even then, Madras, Mysore and Bihar have not adopted any legislation.

Shri Palantandy (Perambalur): In Madras, they have introduced legislation.

Shri A. K. Gopalan: They are discussing it; they have not adopted it. That is my point.

Shri Palaniyandy: It will be passed.

Shri A. K. Gopalan: The Report says:

"On the whole, it would be correct to say that, in recent years, transfers of lands have tended to defeat the aims of legislation for ceilings and to reduce its impact on the rural economy" (page 229).

Not only are loopholes exploited to evade the ceiling; the legislations themselves make a mockery of ceiling. This is what we find on page 230:

"In Madhya Pradesh and Orissa legislation allows the owners of surplus lands to dispose them of to persons belonging to certain prescribed categories even after the enactment of the legislation".

In a few States like Andhra Pradesh, there is no provision at all to disregard transfers. In some places, transfers can take place. There is no restriction on such transfers.

The object of land reform legislation is to get as much land as possible for distribution to the landless, so that in the rural areas where 35 per cent. of agricultural labour have no land, the landless peasant may get the land and thus the question of unemployment can be solved. But this object is defeated, because there are so many exemptions. Tea, coffee and rubber plantations, orchards, sugarcane farms operated by sugar factories, efficiently managed farms—anything can come under 'efficiently managed'—specialised farms are all exempted. The Report says in this connection:

"Far-reaching legislation has been enacted and although precise estimates are difficult to make, it would appear that the total area of surplus lands likely to be available for distribution to the landless

might be considerably less than what had been hoped for at one time" (page 232).

Take, for example, West Bengal. When they passed ceiling legislation, they said that there would be available about 11 lakh acres of land. But even today the Government have not got more than 3 lakh acres.

These are the admissions the planners themselves make. What is the picture that emerges out of these admissions? One is that even today in spite of repeated requests that legislation must be passed before 1960, in some States the legislation is not passed. Where legislation has been enacted, landlords are evading the ceiling with the result that much less than the expected surplus land has become available for distribution. Only 'some progress' has been registered in the matter of conferment of ownership rights.

We would have understood all these admissions if they had become the forerunner of a change in policy in the Third Plan. But no such change is visible in the Plan. On the question of reduction of rent, on the question of ceiling, on the question of security of tenure, certain admissions are made. Why is it that in the Third Plan at least on the basis of these admissions, a new policy has not been adopted?

Had these admission been sincere, the planners must have pointed out to the States the loopholes in their legislations and the way of plugging them.

In some cases, as I shall show, these admissions do not mean anything. Kerala, for instance, passed the Agrarian Relations Act in which it was provided that there could be no transfer of land after 1957, but when assent was given to the Bill in 1960, all

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transfers made from 1957 to 1960 were made valid. This clearly shows that the admission is not sincere.

It is well known that without development of agriculture, our objects of increasing the national income, solving the problem of unemployment, increasing the purchasing power of the people, industrialisation of the country etc., cannot be achieved.

It is therefore necessary to bring more and more land under cultivation, but even now there is so much cultivable waste land in the country which we have not distributed to the landless labourers. Rather, where the peasants occupy such land and cultivate them, they are arrested and put in jail. In such circumstances, how can we develop our agriculture? If there is no legislation by which the cultivable waste lands in the hands of the Government as well as private parties can be given to the peasants, how can we develop the agricultural sector?

In many cases, the land legislation has not only not conferred any benefit on the peasant, but has made him lose the land he had. The tiller has not benefited inasmuch as, under the legislation on ceiling, not much land has been got for distribution to him, because of so many loopholes, and because landlords are able to transfer the land even after the passage of the legislation. I shall now explain how the peasant stands to lose by means of the legislation that has been passed.

In Kerala, when a peasant goes to the tribunal for fixation of rent, he has to produce the receipt for the rent paid by him, but there are thousands of tenants who do not get the receipt from the landlords, and there is no record. We pointed out at the time of passing the legislation that if the loophole was not plugged, many peasants would lose ownership of the land. It has also not been provided in the le-

gislation that if it is proved that the tenant has been cultivating the land for so many years, he will be deemed to be its owner. Because of these two lacunae the position today is that thousands of peasants are being evicted.

Further, in Kerala the validity of the land legislation has been questioned by the landlords who can go up to the Supreme Court. Pending a decision on that, the courts have held that the tribunals should also not do anything in the matter of fixing the rent. It can be done only after the validity of the Act has been established. There also, the landlords can go to the Supreme Court questioning the rent fixed. The peasant can hardly go to the Supreme Court to fight his case on these issues, and he will not get even the little benefit expected from the legislation. If we want him to be benefited by the land legislation, we should also suitably change our Constitution. It will be very wrong to expect the poor peasant to go to the courts and fight for five or six years to get the benefit of the legislation. At least in the Third Plan, it should be seen to that in the States where such legislation has been passed, the defects noticed are remedied. But we find that in the Third Plan also, the approach in this regard is the same as before, and there is no change. The only result of this will be that thousands and thousands of peasants will lose their land on account of this defective legislation.

In regard to our agricultural labour, which forms a very big section of our peasant population, the Third Plan says:

"The economic problems of these sections of the population, especially the need for larger opportunities of work, have been thrown into sharper relief."

It adds:

"The problem of agricultural labourers is part of the wider pro-

blem of unemployment and under-employment in rural areas."

Earlier on, it says:

"It is one of the primary objects of the Five Year Plans to ensure fuller opportunities for work and a better living to all sections of the rural community and, in particular, to assist agricultural labourers and the backward classes to come to the level of the rest."

But according to its own admission:

"Those sections of the rural population who are landless and are not actual cultivators have benefited much less than others; in some areas, their conditions may have actually worsened."

In this connection, I would like to point out that the report of the Second Agricultural Labour Enquiry, conducted at the beginning of the Second Plan by the Labour Ministry of the Government of India, shows that unemployment in the year had increased from 120 to 128, the daily wage had fallen from Re. 1.09 to Re. 0.96, the employment of child labour had increased, the number having increased from 165 to 204, that the average annual income of the agricultural labourer's family had fallen from Rs. 447 in 1951 to Rs. 437 in 1957, while the expenditure had increased from Rs. 461 to Rs. 617. Debt had increased from 47 to 88, and the percentage of families in debt of agricultural labour families had increased from 45 to 68. I do not want to go into further details. What does it show?

Our Plan says it is based on the socialistic pattern of society, that the national income has increased, that there are so many land legislations in the country, that land has to be distributed to the agricultural labourer etc. Actually, the percentage of landless labourers which was 50 in 1950-51 had increased to 57 in 1957. That means, after the passing of the legis-

lations and the measures to distribute land and impose ceilings, after the increase in national income, agricultural labourers have lost ownership of land instead of gaining. Further, their wages have decreased and unemployment has increased. This is what that report says of 1956-57. If another enquiry is conducted today, I do not know what the position will be.

So, legislation has not helped the agricultural labourers; in fact it has made their position worse. Though production in the agricultural as well as the industrial sector has gone up, and new industries have come up, wages have not gone up while prices have gone up. The standard of living has not gone up, but come down. In the agricultural sector, land holdings by labourers has come down from 57 to while the earning has come down. So, this is the report of the Agricultural Enquiry Committee, 1956-57.

There is another important matter—prices. Is there a promise in the Third Plan that they will go down? On page 125, they say that the possibilities of significant—and even disturbing—price rises cannot be entirely eliminated. On page 127, they say the dangers of continued or excessive price rises are obvious. When a peasant goes to the market, he has to pay more. Let us take sugar or jute for instance; we always had discussions about the prices of sugarcane; they are coming down. The peasant gets a low price for his sugarcane. When he goes to bazar and buys sugar, the same peasant does not get a fair price; he has to pay more. He has to pay more for his implements and other necessities of life. As far as the commodities that a peasant produces are concerned, their prices are coming down. There is no machinery by which it can be controlled. Again, the jute growers in West Bengal are in difficulties because the millowners want to reduce the price of jute. At least there must be parity of prices. State trading in food

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to ensure fair price had been accepted but even in the Third Plan I do not know whether it would be implemented.

Now, I come to taxation. I do not want to say much on this because it has been explained by Shri Asoka Mehta also. There is more taxation in the Central and State sectors during the Third Plan and there is also deficit financing. There is not much time at my disposal; otherwise I would have shown that the direct and the indirect taxation had gone up very much. The burden of taxation during the Second Plan period was high on those who could not bear the burden and in the Third Plan it is becoming more. At the same time, the Plan says that there may be increase in prices. Whatever be the objectives of the Plan, if there is no change in the pattern of taxation, we will not be able to reach the target and the position will be the same as it was in the Second Plan.

There is another important thing in the Plan. There is a very good chapter on balanced regional development. There is no use of this chapter and it must be scrapped. Whatever principles are stated here, they are not only not implemented but they are thrown to the winds.

It says here that the two aims of increase in national income and a more balanced development of different parts of the country are thus related to one another and it becomes possible to create conditions in which resources in terms of natural environment, skill and capital in each region are fully utilised. In the location of new enterprises whether public or private, consideration should be given to the need for developing a balanced economy in different parts of the country. In particular this aspect was to be kept in view where the location of an industry was not determined almost entirely by the availability of raw materials or other natural resources. It is a

very fine sentiment. The Prime Minister spoke today about the national integration and the unity of India. I want to say that national unity depends upon the implementation of this chapter. In the First and the Second Plans as well as in the Third Plan, there are some regions which derived no benefit. On page 1953, the Plan says that whatever be the present shortcomings, the aim must be that over a reasonable period all regions in the country should realise their potential for economic development and should attain levels of living not far removed from those of the nation as a whole. Progress in different regions must, therefore, be watched carefully and additional steps taken to speed up development in particular areas which are found to be seriously lagging behind. The principle is there. Has it been implemented? What is the position as far as the First and the Second Plans are concerned? What is the position in the Third Plan? I will show the distribution of national income and *per capita* income. You will see such a wide disparity between certain regions and others and the Third Plan does nothing to see that this disparity is not increased if not decreased. The *per capita* income at 1948-49 prices has increased by the following percentages in respect of these States: Rajasthan, 38.2 per cent, Madhya Pradesh 24.6 per cent, Andhra Pradesh 14.1 per cent, Assam 5.8 per cent, Bihar 17.7 per cent, Madras 17.6 per cent, Mysore 10.1 per cent, Orissa 5.9 per cent, Punjab 22.9 per cent, West Bengal 12.8 per cent, U.P. 9.7 per cent, and Kerala 3.2 per cent. So far as the national income is concerned, it is almost the same. When there is increase in the national income, there is also increase in the *per capita* income. It will be seen that certain regions deserve special consideration. The planners themselves have said that there must be overall development in all the regions of the country. Even in developed regions there may be some parts which did not get help before; that also must be cared for. As far as indus-

trialisation is concerned, the Kerala Government as well as the people of Kerala have many times said that in the First and Second Plans there was discrimination and in the Third Plan also it is there. The high density of population, the agrarian nature of that economy and the deficit in food production and unemployment create a peculiar situation. It is not like other States. There are only two intensive industries in Kerala—coir and cashew industry. Where lakhs of people were working before, only a few thousands of people work. Again these two industries depend upon the market outside. There were about 50,000 people employed in the coir industry at the beginning of the First Plan; today their number is between 12-15 thousands. Even that will go down because in order to cut the prices, Government are thinking of mechanisation and that means increase of unemployment. With regard to the cashew industry, the factory owners now say that raw cashew must not be imported from outside. There is competition from Africa. These two industries are not worth the name. Instead of adding more people to these industries, thousands of people go out of these industries and from the beginning of the First Plan at least 50,000 people became unemployed on account of the nature of these two industries.

The population is increasing very much in Kerala; it has got the first prize in the increase in population. The industries there are not developing industries as they depend upon the market outside and at least 75 per cent of the people who had been employed in the beginning of the First Plan have now left this industry, and have become unemployed.

In the first Plan, Kerala was completely neglected. I would tell other hon. Members that it is not because of provincialism or anything like that. It is the duty of all of us to understand and see what has happened and what is going to happen in the third

Plan, so that as far as the development of India is concerned, it may be the development of all regions together. In the first Plan, as I said, Kerala was completely neglected. There was not even one industry from the Central sector except the Rare Earths, Ltd. In the second Plan, that neglect continued. The Centre set apart Rs. 659.9 crores for the industrial sector all over India and out of that, the amount set apart for Kerala was Rs. 79 lakhs. Is it because there are no raw materials there. In the first Plan, Kerala was neglected and in the second Plan, out of Rs. 659 crores set apart for industries by the Centre, what Kerala got was Rs. 79 lakhs, and one DDT factory. If the mosquitoes go, this DDT factory also will go. The DDT factory gives employment to just 400 people. I want to know whether all this had been taken into consideration.

What is the principle according to which all these things are to be considered? For the last ten years, instead of having more opportunities for employment and growth, those opportunities are still fading away. That was so in the second Plan. What about the third Plan? Two industries are there. One will be on paper for ever and I do not know what will happen to the other. I refer to the second shipyard at Cochin. There have been questions in Parliament, Adjournment Motions, etc. about it. In answer to questions, it was said that it will not be completed in third Plan. I am glad that it was said like that. I say only one sentence about it: it will never be completed. In the third Plan it will not be completed, and in the fourth Plan, the answer will be, it will not be completed. So, it would have been better to say that it will never be completed. It is so because the foreign exchange difficulty is there. For that, priority is not given.

Though a place has been chosen for the second shipyard, it will remain there, and they will just say later in

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the fourth Plan that, "there was a proposal for the second shipyard." It will not be given. For instance, a security press was promised for Kerala in the second Plan. It was said that it will be completed. But it has not come up even now. The fate of the second shipyard will be that of the security press. Of course, about 200 or 300 people can be employed in the phytochemical plant which has been sanctioned for the third Plan.

As far as the fisheries institute is concerned, I might point out one thing. We discussed it here. There was a half-an-hour discussion. It was said by Dr. Panikkar and by the technicians that it must be located in Cochin. There was absolutely no ground why it should not be located there. Later, it was said that there was no suitable place to locate it there, and that it could be located at some other place. Then, it was said that there will be some institute for fish operations or something like that. That has also not come up. When technically it is said that Cochin is the best place for this institute, why is it that it has not come up?

Take next the question of textile mills. When the Kerala Government asked for the opening of more textile mills, it was said there is a ban for new textile mills being opened or established in Kerala. So, they are not also coming up. Regarding the manufacture of metre gauge wagons, Kerala asked for licence which has not been given. After sometime, Kerala will be the only State with the metre gauge railway. So, these wagons are necessary. It was said that plans for these wagons had been completed. But before they had been completed, the Kerala Government asked for licence to manufacture them; but a licence was not given.

Take next the heavy electrical plant. We are not jealous that the other parts of India are progressing. Not only we are not jealous but we are very glad of that. But certain

far-off regions also are parts of India, and their needs must be borne in mind. There was some committee appointed to locate a suitable place for the heavy electrical plant. It said that Kerala is the best place for it. It was said that there was humidity in Kerala and that was one unfavourable factor for the plant being located there. But then, one private firm in Japan—the Hitachi of Japan—has been allowed to have a transformer plant in Kerala. It is said that a licence has been given to it. So, for that purpose, there is no question of humidity. Therefore, how can there be humidity when the public sector plant is sought to be established there? Is humidity a feature between the private sector and the public sector? When there was a proposal to have an heavy electrical plant in this country, it was promised that it would go to Kerala. It has not yet been given to Kerala.

As far as iron and steel or coal is concerned, it can be said that there is no raw material for the development of these things in Kerala. But there are enough natural resources there. The Plan says that even in places where there are no raw materials, if natural resources are available there, they should be developed. For instance, what about rubber in Kerala? 85 per cent of India's rubber is produced in Kerala, but yet the rubber factories are established outside Kerala. There is only one rubber factory in Kerala and all the rest are outside. As far as small scale industries are concerned, for example, the fish industry, it can be developed all along the coast of Kerala. For timber, the raw material in the shape of forests is there in plenty. The forest industries can be easily developed. There is also ceramic and china clay. We are being neglected and because Kerala has been neglected for the last ten years, the Kerala Government now ask for some plants to be established in Kerala at least in the third Plan, considering the special conditions of

Kerala. You must know how the unemployment is increasing there. Those who have gone outside this country, from Kerala, to places like Singapore, Malaya and Burma are now coming back. Unemployment is increasing, and so it is only industrialisation that can solve unemployment.

So far as land is concerned, there is very little of it in Kerala and many people who occupy this little land which is available have to vacate when projects are started. Projects such as the Idiki project have resulted in many people being thrown away from their land. So, this question has to be solved in the third Plan at least. I can understand there are certain regions similarly placed, but I speak of Kerala because I come from there. It is not only Kerala but other regions also in India which are similarly placed, and improvement has to be made in all these regions. This aspect has not so far been looked into.

Let alone the public sector. Let us now take the private sector. Here, the number of licences given from October, 1956 to March, 1958, comes to a total of 687 for all India. Out of this, Kerala got only 19 licences. Even today, there are people who are coming and asking for licences. But licences are not given in the private sector. For instance, in the matter of applications for licences for the manufacture of tin-plates in Kerala, it was said that licences up to a capacity of 3,20,000 tons had already been given and that no more licences could be given. The present Government of Kerala—not the Communist Government—have always said that they had asked for licences. Several private industrialists are coming to establish these factories there but no licences are given and no opportunities are afforded for such enterprises. An industrial estate in Trichur applied for a licence to manufacture 800 tons of tin-plate per month. That was not given. If that had been given, there would have been employment for thousands of people. As far as the

local industries are concerned, either in the public or in the private sector, some big industries must be located there. Some quota must be given. But that is refused. At least, more money was asked by the Kerala Government in the third Plan. They asked for Rs. 300 crores in the third Plan, but they were given only Rs. 117 crores.

As far as regional development is concerned,—the chapter on balanced regional development—fine principles and sentiments have been expressed there. But in respect of implementation, it is just the opposite. What I say, is, after seeing what effect it has had during the last ten years, this chapter on balanced development can be removed, so that people will understand that as far as development is concerned, certain regions will develop and certain other regions should not develop! It is a challenge to Kerala and some other States: whatever happens to other States, certainly some other States cannot develop, and so, as far as the third Plan is concerned, this aspect of the matter has caused bitterness and embarrassment to some regions which have not developed.

The Prime Minister was saying about national unity and the emotional integration of India. When there is just a three per cent increase in the per capita income in one State and a 38 per cent increase in another State, how can you have any unity in the country? How can there be unity in the country when some people at least do not decide that "there should be unity in the country?" We shall starve and die and we will have no opportunities then. I am sure nobody will think like that, and there will be no real unity if some sections are denied certain privileges and rights which the Plan has promised.

Shri A. C. Guha (Barasat): Mr. Deputy Speaker, Sir, the third Five Year Plan in its draft form was discussed in this House just a year ago and the House gave its approval at

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that time. The final form differs from the draft not in a very radical manner. Only in some details, there have been some variations, but the broad outlook and the broad structure of development remain more or less the same. So, when my hon. friend, Shri Asoka Mehta was speaking today, I was just remembering the tone of his speech on the draft Plan about a year ago. There was a marked change in the tone and attitude of the two speeches. I hope he will also realise that there has been a change. When the draft Plan was discussed, he was more enthusiastic in supporting it than most of the Members on this side.

An Hon. Member: Today also he has supported it.

Shri A. C. Guha: Today also he lent his support, but it was conditional support. He has foreseen some disastrous and dire consequences if certain things are not done. The main thing is the price structure and he mentioned that it should be controlled. Even though we may agree with him that the price structure should be maintained and not allowed to rise in any inordinate manner, the very pattern of development envisaged in this Plan also gives an indication that the prices will rise.

The Plan report has also mentioned that in view of the necessity of promoting our exports, the export commodities are mostly to be subsidised and the prices of these export commodities are likely to rise to a considerable extent. Recently it was mentioned in this House that for earning Rs. 12 crores by exporting sugar, we have to pay an additional price of sugar for internal consumption. That will happen in case of other export commodities. Moreover, development expenditures which would not give immediate returns in terms of consumer goods would also tend to make the prices rise. That is the most important thing.

In spite of the fact that price rise in a developing economy is inevitable

and unavoidable, yet there have been occasions when Government measures could have brought in some check on the price rise. Undue profiteering and speculation are still going on. In spite of the abundance of sugar, there is the system of licensing dealers in each State. I think some months ago, the hon. Prime Minister himself gave an assurance that this matter would be looked into. His assurance that a matter will be looked into means that the matter will be remedied. But nothing has been done in this case. In the recent debate, no sort of assurance has been given by the Government in that regard. This licensing system of dealers who are a sort of monopoly dealers in sugar in each State has been often causing undue increase in price. That has been my experience in Calcutta at least and I think that has been the experience in other States also. In matters like this, Government can take some administrative steps to put a check on the abnormal rise in prices.

During the first two Plans, we have made certain progress and we have every reason to be proud of that. I do not like to go into the details of the progress made. That has been stated in the Plan report and the Prime Minister also has referred to it. But in the third Plan, we envisage a development more rapid and an investment greater in amount than the combined investment or outlay of the first two Plans. The outlay in the public sector in the first two Plans was only Rs. 6560 crores, whereas in the third Plan, the public sector outlay will be Rs. 7500 crores.

So, this will require administrative efficiency which is lacking as yet. I am not sure if the Government can give us this assurance that the administrative machinery will be able to handle this development. In the Plan report also it has been stated that integrity, efficiency and speed in implementation of the programme is expected of the administration. But I

am afraid the administration is the greatest hurdle for the Government in this development work. They have to improve the efficiency and integrity of the administration if they want things to be done properly and social conditions to be improved and social tensions to be kept in proper form.

We find that due to the fault of the administration, even in the public sector, the installed capacity of our industrial units has not been properly utilised. In the three steel factories, production has been only 50 per cent of what was targetted while the cost of construction has gone up by 50 per cent, more. So, it gives no credit to the administration. Either it is bad planning or loose budgeting and loose control over expenditure. The Plan has also mentioned that the construction cost has to be kept within the limit and there should be economy effected in the construction costs. That also would depend on the administration.

Therefore, my first appeal to the Government is to see that the administration is properly tuned to this task. As mentioned in the report, efficiency and integrity and speed in implementation of the programme must be effected by the administration while undertaking the gigantic task of building up a new India through planned economy.

The Prime Minister has mentioned about social objectives and has given some compliment to the Minister of Planning for his eagerness about social objectives. That is quite natural of him. Those who have passed through the struggle of independence have this one thing dear to their heart, viz., some social objectives. I recollect in our earlier days, we used to read the independence pledge of 26th January and there was one line there that everybody would be assured of the fruits of his labour. That has been the guiding policy of the Congress and that should be the guiding

principle of the Government, viz., that everybody must be assured of the fruits of his labour and that there should not be any undue exploitation of man by man.

In respect of the other social objectives also—health, education, rural drinking water supply, roads and other things—we have made considerable achievement. But my apprehension is that the rural areas have not developed the economic potentiality to maintain the social amenities created through our Plans, particularly through the community development and other rural work schemes. The rural areas should be given facilities to increase their productive potentialities. Simply by agriculture we cannot do it. Even in agriculture our productive is perhaps the lowest of all civilised countries, perhaps it is lower than even in Pakistan. There is enough scope to increase our agricultural productivity. But, for the rural areas we need small-scale industries without which 80 per cent of the people, i.e. of the total population of India, living in rural areas, cannot be assured of any decent living.

Sir, it has been stated in the Plan Report that considerable encouragement has been given and more attention will be given in the Third Plan for development of small-scale industries. On page 15 of the Report it is said that some financial bodies and promotion bodies such as the Industrial Finance Corporation, the ICIC, the NDIC and others, are expected to furnish finance for small-scale industries and new entrants in industries. Sir, I crave your indulgence to read one sentence from this Report. I hope the Government will see that the sentiment expressed here is really respected and put into operation. It is said here:

"In the light of the experience gained during the Second Plan,

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these and other financial institutions should review their existing administrative policies and practices so as to ensure that their support to new entrants into industry and to medium and small enterprises as well as to co-operative undertakings is both speedy and adequate."

So long, Sir, it has not only been inadequate but, I should say, it has mostly been discouraging. If the Government really and sincerely want that this sentiment should be respected and implemented, they should re-constitute the governing bodies and the board of directors of these financial and promotion committees. The LIC has got an investment committee. Other bodies also have their own board of directors. Of whom are these bodies composed? I hardly expect that those men who are sitting in those bodies can have any concern or any interest for encouraging new entrants or for developing industries in rural areas. They are all big people. If the Government really desire that these financial and promotion bodies should do something for the new entrants and small-scale industries, then they should see that these bodies are re-constituted with proper types of men who have some interest for the small-scale and rural industries.

Sir, next I come to the question of employment. Particularly, Sir, for my own State of West Bengal it is a vital question. It is not only an economic issue, it is a political issue also. In Calcutta it has assumed a political stature. If the question of unemployment of young men in Calcutta cannot be solved, social tensions will go on increasing and there will be—I cannot say when, but I apprehend that it will come—untoward developments in Bengal. So, I implore this House to give particular attention to the question of educated unemployed young men.

As regards the question of rural unemployment, that is a very big issue. I do not know how the Government is going to tackle it. One programme which they have put in their Plan, which Shri Asoka Mehta has also commended—the rural works programme—is, I also think, a very good proposal, and it can be of real service, at least of relieving some burden of the unemployed or half-employed people in the rural areas.

Sir, in Bengal—it may be the case in other States also—there is a system of test relief. It is according to the Famine Code. I think that requires some modifications. Certain rules are there which should be revised to suit the modern conditions, and the test relief can very well be used as a machinery for these rural works programme in which a number of unemployed people or half-employed people can be engaged.

The Second Plan started with a back-log of 5 million unemployed. They estimated the number of new entrants as 10 million. So the total number of unemployed for the Second Plan was to be 15 million. The Government expected to create new jobs for 10 million. But they could not create new jobs for more than 6 million. Therefore, the Third Plan now starts with a back-log of 9 million unemployed. The new entrants estimated is of the order of 17 million. So there will be a total load of 26 million. They expect to create new jobs for 14 million. This again is a doubtful figure. It is quite possible that as in the Second Plan in this Plan also their estimate of creating 14 million new jobs may not be fulfilled. In any case, the Third Plan will start with a bigger load of unemployed people—not less than 13 or 14 million. I do not know if this process will go on from Plan to Plan. When do the Government envisage that this back-log unemployed people will be provided with jobs and

which Plan—4th, 5th or 6th will be able to start with a clean slate, with no back-log of unemployed people and with the problem of providing jobs for only the new entrants in the employment market? Unless they can solve this problem of unemployment, I think all the development works will not be able to help in ameliorating the conditions of the people.

On the financial side I have not much to say. I do not know on what estimate they have calculated Rs. 450 crores as surplus from the public sector. In the Draft Report also they put something but now they have put Rs. 450 crores. I find the total investment in the public sector, the Union and States together, is Rs. 5,200 crores. Out of this investment of Rs. 5,200 crores we expect to get Rs. 450 crores in five years—that means less than 10 per cent of the total investment, which comes to less than 2 per cent annually. This includes also the depreciation and other reserve funds; this is not only the dividend. In the budget papers also there was much confusion about the return which may be called commercially as return from the public sector. Government should make a clear declaration as to what is their expectation by way of dividend from this investment. For two or three years one can understand—there may not be any profit. But from the fourth or fifth year of the investment the industry should give some return by way of dividend; not by way of depreciation or interest payment but as dividend. There should be some clear indication as to how much each industry will give us profit.

15 hrs.

It has been stated in the Plan that there should be some savings in the public sector. How can the savings be effected? Now, savings means surplus of revenue over current ex-

penditure or over non-investment expenditure and also saving in public enterprises. In the Second Plan Rs. 350 crores was expected to be the surplus from current revenue. We did not get that. Over and above that, there was a deficit of Rs. 50 crores in the current revenue. So, the actual was less by Rs. 400 crores. I do not know how they are going to have surplus from current revenue this time and how they have arrived at this figure. I do not know whether the administration can give any definite idea as to their calculation and also the surplus from public enterprise.

Then I come to export. Tea and jute are the main exportable commodities, in both of which we are in a somewhat bad position. On tea, I think much can be said against our Government and the Tea Board for lack of proper publicity and marketing. Our exports of tea in foreign markets are not going up, as they should have gone up. Ceylon and other countries are cutting into our export market and we are losing our foreign markets—may not be in the abstract sense but at least in the relative sense. That is, whereas they are increasing their exports, we are maintaining at the present level. In the U.K. tea market, we are losing year by year.

Coming to jute, I think this House has not taken up the matter seriously. Only two days ago, the Minister in charge of jute industry has laid a statement on the Table of the House. There also there is no commitment as regards the policy of the Government. Unless Government fix a minimum price for raw jute, the jute industry will go down as the growers would not then grow jute and the export market of the jute industry will not be maintained. Government has absolutely surrendered all its initiative, all its authority, to The IJMA, and the only reason given is that it is a well-organised organisation. But I

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say that it is a well-organised organisation, and that is why Government should be very careful about it and it should not surrender its own initiative. Government have practically asked the Jute Controller to act according to the advice of the IJMA. I think the Government should take the initiative in its own hand and see that the jute price is maintained at an economic level for the jute growers.

The Minister stated in the House about a year ago "Yes, I know that in case there is a good crop, the jute growers do not get fair price. If there is a bad crop, the jute growers get a fair price". That position should not be accepted or tolerated by the Government. They should see that in spite of a good crop the jute growers get an economic price.

Then, it was at the last minute, and that too at the intervention of the Prime Minister, that Calcutta has been put in the Plan. Calcutta is not just a city of Bengal. It is a port for the whole of eastern India and it is the biggest industrial centre. If conditions in Calcutta are not improved, that whole of India will lose, particularly the whole of eastern India. So, it is good that Calcutta has been put in the Plan. I know that it is only at the last minute intervention of the Prime Minister, that it has been done.

The industries of Calcutta are now suffering because of shortage of coal. It has now been arranged that Calcutta, Bihar and Orissa will have their coal through road. That means a higher transport cost of about Rs. 4 to 5 per ton more than what it would cost by train. Only during last session we passed a Bill, increasing the cess on coal, to subsidise the transport of coal by coastal shipping to the western side of India. That is good. So, in this case also, I think the Calcutta and Bihar industries should get a subsidy for the coal carried by road transport.

Pandit K. C. Sharma (Hapur): We have been talking of the Plan for over ten years and we have succeeded to some extent. But I do not like the country to be the 20th in the list even of under-developed countries. This country should progress rapidly. Why this country, despite the great leadership, despite the allegiance and obedience of 400 million peoples of this land who have been able to win independence, despite that it enjoys a great prestige in the international world despite all that, why is it that this country has got such a gloomy result? There is something fundamentally wrong with the structure, with our social structure. Why is it that there is no significant progress? As you know, the great leadership is there, 400 million people are there. . .

Shri C. D. Pande: That is the difficulty.

Pandit K. C. Sharma: . . . and, of course, people are very obedient and a finger was raised and thousands flocked to the jail and jail-going is not different from going to a field or factory. Then what is wrong? The simple fact is that our social structure has not come up to the modern demand of social and economic development.

The Deputy Minister of Community Development and Co-operation (Shri B. S. Murthy): Question.

Pandit K. C. Sharma: You do not understand my point. Therefore, do not question it. What is it that brought the industrial revolution in Europe? It is the law of primogeniture, the sense of individual liberty, the individual being the master of his destiny. Another factor was the sense of insecurity. That is to say, the feeling that if one does nothing he will not survive. Here joint Hindu family will support me. Either my uncle or brother or some other relation will help me. This lack of sense of insecurity is responsible for our backwardness in the economic develop-

ment. (Laughter) My friends may laugh, because you do not understand my point. Yet, it is very unfortunate that the country should be in the hands of people. . .

Mr. Deputy-Speaker: I should not be held responsible for the indiscretion of others.

Pandit K. C. Sharma: So, I beg to submit that an individual, a man, moves. How does he move? He moves. . .

Shri B. S. Murthy: By his legs.

Pandit K. C. Sharma: He moves when he is forced to move. If his wants are always satisfied, then he need not move at all. So, it is in the domain of social advance, in the domain of economic development that a man will aspire to be where he is not. Where he has no means, he has no resources to live on the products of others, then he will earn himself.

So, the first condition is to create the necessary impetus to work hard. Unfortunately, that necessary impetus is lacking, and has been lacking, in our society. I will explain my viewpoint with reference to the development in Japan. Both Japan and China were dominated by Western powers and both have received external aid. But, whereas Japan has developed, China has failed to develop. Why? Because in Japan there was the law of primogeniture. There was the Emperor, the symbol of their human Godhood. In China there were small families, small groups, small primary societies. There was no common bond of a united country or a united aspiration. In our country we have the joint Hindu family. We can depend upon the family's support. Then we have got the groups. Then we have got caste, sectarianism, the linguistic problem and so many things, that divided us into groups. We lack, what is called, the sense of insecurity and the united will. Further, we lack, what is called, the aspiration for a good life.

What is a good life? The level of life or aspiration depends upon two things. What does the man possess? I have got a standard of living with regard to what is in my possession, namely, a good house, books and other comfortable things. But I have got a vertical aspiration also, namely, what I want to be. Unfortunately, we in India and in China, not the Communist China sail in the same boat so far as the social structure is concerned. A man aspires to a life which is different from what he already lives. Suppose, you have got a house. Here, in India, a man has got a four-roomed house. He will aspire to have ten rooms, but he will not aspire very easily and often to have different sorts of houses or, instead of having a house, to have a factory or something else. If I get rent, instead of getting Rs. 200/- a month from the house, I should be able to get Rs. 1,000/- a month. That is horizontal expansion. No country progresses unless the individual and the group as such aspires to have, what is called, a vertical expansion, a different life altogether or, what Shri Mehta said, a qualitative difference.

What is the difference between a plan and a man? A plant grows where it is, but the man moves about where he is not. Unless a man or an animal moves about where he was not half an hour ago, he is not a living creature. So is society not a living society unless it moves vertically. Therefore we did not move because socially our structure of society was not very helpful in social and economic development.

Mr. Deputy-Speaker: Now the world is moving vertically.

Pandit K. C. Sharma: Yes.

I have dealt with, what is called, the economics of freedom. Now, take for instance, the Communist world. There they make up for the loneliness and insecurity with their collective working and wages according to work. Then the spy system and mutual watchfulness is there. The

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sense of insecurity, therefore, exists there. A man would not be allowed to live unless he is willing to work hard. This is an essential condition of any economic development. The individual, perforce, shall have to work. In India this condition does not exist.

What have we taken to? We have taken to democratic planning. The first essential for success in a democratic planning is a great leadership. Nowhere in the world can democratic planning succeed unless the leadership not only commands the allegiance of the people but also has a coercive force to make the people work hard. Whatever be the resources or the machinery, unless the people are made to work hard, better and more intelligently, it is impossible for any plan to succeed. A plan cannot succeed on paper. A plan cannot succeed simply by making commissions produce fine reports. A plan succeeds in the field, in the factory. The hon. Prime Minister has been pleased to say that the expectation of age has increased from 24 years to 47.5 years. I would have very much liked him to say as to what is the capacity of work that has increased. Where does the individual labourer stand today in comparison to where he stood in 1951? Has his capacity to work increased? Has his intelligence increased? Has his produce been more and better? The simple fundamental question today is: Is the labourer willing to work harder and better tomorrow than he did yesterday? If he is not, your plan cannot succeed. If he is, the Plan succeeds.

15:15 hrs.

[SRI JAGANATH RAO in the Chair]

The second question with regard to planned economy is the question to bring about savings. In an independent economy people make a lot of profits and they cannot consume those profits; so they have saved for fur-

ther investment. In a planned economy private entrepreneurs cannot make much profits. Therefore investment has to be secured by taxation. Again, the willingness of the people comes in. How are the people to be taxed?

Population increases by over 2.5 cent. In order to keep the same standard of living, five times the percentage of population of the national income must be reinvested. In order to keep the same standard of living, at least 11 per cent of the national income must be invested again. If the standard of living is the same, this standard of living is no good because it has not increased the capacity of the labourer for better production and for more intelligent production. As the hon. Prime Minister has been pleased to say only the expectation of age has increased. The fundamental prerequisite of any economic progress is the capacity of the labourer to work harder to produce more and better. So, it has not been proved that Indian labour has been able to work harder to produce better and more. In order that it is possible, at least 5 times the population percentage investment is necessary. Taking this standard, our investment must be more than 14 per cent.

Where should the money come from? It can come from taxation. The unfortunate thing is that our society has not taken a very serious view of tax avoidance. Tax evasion is penal, but tax avoidance cannot be penalised by law. But it can be looked down upon contemptuously by society. Unfortunately it is not done. The problem today is that once a citizen, a respected citizen—because those who pay taxes are certainly respectable citizens—once a respectable citizen tries to avoid paying taxes, he resorts to means which are criminal in intent if not in action. Once a man takes to criminal intent, it is not a long way for a man to be privy to murder. He cannot be caught be-

cause murder is planned beyond the seven doors. All over the world the most serious criminal of the modern world is the tax avoiding animal. It is a beginning in India. If you look to the crimes, any lawyer who is working on the criminal side can know that most heinous crimes are not planned by ordinary robbers or thieves but by big people. If you know how things are planned, the story would be very interesting. So, the first thing is to create an atmosphere in which tax-paying should be considered a sacred duty and tax avoidance should be looked down upon as a social sin. It is necessary to develop a structure, that should encourage people to work harder and better. All the luxuries, comforts, possibilities of living without work should be taken seriously into consideration. Conspicuous consumption must be controlled.

Then there is the question of inflation. Another condition of economic planning is that there should be intelligent labour forthcoming to take up the work. My respectful submission is that without inflation—mild inflation, of course, not galloping inflation—it is impossible to get intelligent labour in the field and the factory. What do you mean by intelligent labour? Intelligent labour means, the lower middle class children must go to the factory. The lower middle class children will not go to the factory unless you raise the prices of things. Anybody who can have a comfortable life will not go to the factory to work. It should be made impossible for a certain class of people, who are intelligent, educated, to avoid work, hard work in the factory. It is only the intelligent, educated men going to the factory that can raise the standard of life of the people. It is somebody who knows how to work, it is somebody who has the technical know-how and intelligence, whose physique and brain can work. This can only be done by raising the prices of things. A mild inflation is a necessary condition to any planned economic development. You cannot

avoid it. It is no use crying that prices are going up. Prices are bound to go up if you want to tackle the problem. Somebody has to work and that somebody must be the intelligent man.

There is another aspect of the question. It is that administrative personnel and men with know-how must come in greater number and they must be people not only of integrity, but men with a certain amount of zeal and a certain amount of patriotism. It is a well known maxim that only people who are fit are to be recruited in public services. When we speak of merit and fitness, we speak of people who are men of intelligence and integrity and who are loyal to the State. Loyalty to the State in modern terminology also includes help in the social and economic progress of the country. Loyalty to the State does not mean safeguarding the banks of a river or the frontiers of mountains. It is an old conception. It is loyalty to the country, not of today, but of tomorrow. Unfortunately, as we look to our personnel the question before them is how to file papers, how to make notes, what work is to be done, what work is to be left for the next day. Very few of them are trained to help to build up the country.

One of the very unfortunate factors of this aspect of life is that the average young man who enters service, lacks capacity. The young man is not able to walk more than ten miles, it is something lacking in the very way of life, lack of good diet, lack of something which makes bones and flesh. I had occasion to work with so many people. I find, unfortunately, very few people are willing to work to the extent that they perspire. They are easy-going people. I am not an expert in this respect.

Mr. Chairman: The hon. Member should conclude now; he has taken more time.

Pandit K. C. Sharma: I will just finish. I had been to Kashmir. I put a question to the administrative people. They are young people with a capacity to work. I asked, how many miles would you walk in preference to the work that you have taken on hand. Two or three of them said, we can walk very easily 15 or 16 miles. That makes all the difference. To some people here, I put the question. Their capacity is 8 or 9 miles. Look at the difference between 8 or 9 miles and 15 or 16 miles. Here comes the difference. The capacity to work should be that of walking at least 15 miles. It is 8 or 9 miles only. What is required is on an average 0 per cent more work. If quality is taken into account, he requires perhaps 100 per cent better work. The question is to train young people to take up to work seriously, to get the work done and to see that the work is properly done and that the quality is better, and the quantity is better. You have to train the people for the job.

To achieve this, I suggest change in education. I propose that in every district there should be a technological institution. In every village there should be what is called a village level school in agriculture. In every district there should be at least an intermediate college in agriculture. In every State there should be an Agricultural laboratory and an agricultural university. Then alone, it is possible to give better results.

In 1954 floods, I went to a village. A buffalo was tied under an earthen wall which was likely to fall. An under-graduate was sitting under the verandah there. I told him the wall was likely to fall. He said, God that has given me the buffalo would also look to its safety. That is the philosophy of a slave, not of a free man. Such a man is not likely to be of any use to any country, much less to India with 435 million people.

With these words, I conclude.

Shri Damani (Jalore): Mr. Chairman, at the very outset, I would like

to congratulate the Members of the Planning Commission for the hard work that they have done in preparing this Plan. It is not an easy task to prepare a Plan for such a big country, having a population of 438 millions, with very limited resources and not properly developed. They have done a good work and prepared all the things for the development of the country. In this Plan, they have also kept in view the demands of those States which are backward, which have not developed, such as Rajasthan. For Rajasthan, in the First Plan, the allocation was Rs. 67 crores, in the second it was Rs. 99 crores and in the third, Rs. 236 crores. Similarly, in Assam, in the first plan it was Rs. 28 crores, in the second Rs. 51 crores and in the third, Rs. 120 crores. In Andhra, in the first plan it was Rs. 108 crores, in the second Rs. 175 crores and in the third, Rs. 305 crores. They have tried to do justice and give assistance to all those States which are not properly developed.

The final draft represents the first phase of a scheme of long planning for the next 15 years which will soon begin. It conforms more or less with the draft outlays. It estimates financial outlay for the public sector at Rs. 7500 crores and Rs. 4100 crores for the private sector, making a total of Rs. 11600 crores. This amount is a little more than the total amounts that we have spent on both the First and Second Five Year Plans, namely Rs. 3360 crores on the First Plan and Rs. 6750 crores on the Second Plan. The total increase in the outlay as compared to the Second Plan is 54 per cent, the increase in the public sector being 70 per cent and that in the private sector being 32 per cent.

The First Five Year Plan gave greater importance to agriculture and irrigation as these were responsible for 31 per cent of the outlay. The Second Plan gave importance to heavy industry and minerals, as the outlay on these jumped from 4 per cent to 20 per cent, that is, from Rs.

74 crores to Rs. 900 crores. The Third Five Year Plan continues the importance given to industries and minerals as the outlay in this regard has been increased from Rs. 900 crores in the Second Plan to Rs. 1520 crores in the Third Plan. The allocation for power has also been increased from Rs. 445 crores to Rs. 1012 crores to facilitate the development of industries. Additionally, the Plan has given increasing importance to agriculture and irrigation, as the allocation in this respect has been increased from Rs. 529 in the Second Plan to Rs. 1068 crores in the Third Plan.

The Third Plan contemplates fuller development of agriculture and industries, which are both inter-related and necessary for overall development.

I am very happy to say that the beginning of the Third Plan is very heartening. Well begun is half done. The reason for my happiness is that the production of foodgrains during this first year of the Third Plan is very encouraging. The index number of foodgrain prices which had gone up to 123 in August, 1960 has come down to 117 in May 1961 and is now around 120. Secondly, the foreign aid for the first and second years of this Plan have been finalised, and it has been found that there will be no difficulty in getting the aid required during the Plan. So, the beginning is very good, and I hope that the implementation of the Plan will be very successful.

Regarding financial resources, it has been estimated that the revenue from public sector undertakings will be about Rs. 450 crores in five years. I think that this figure has been taken on a very conservative basis, because it comes to only Rs. 90 crores per year. I think if we take into account the investment so far made on the public undertakings and which we are going to make during the next five years and calculate an yield of 3 per cent on that, it will be found that Rs. 450 crores will be less than that. There-

fore, I feel that this figure is on the conservative side, and more revenue can be expected from the public sector undertakings.

In regard to small savings, the estimate is about Rs. 600 crores, and I think that there will be no difficulty in getting this amount.

In regard to borrowings, an estimate of Rs. 800 crores has been made. I feel that this also is on the lower side, and that very easily Rs. 100 crores more can be obtained from the market, considering the present monetary policy and the amount which we are going to spend in the next five years. Therefore, this estimate is also on the lower side.

On the other hand, in regard to taxation, an estimate of Rs. 1710 crores has been made. Since direct taxation has reached almost a saturation point, most of this amount will be from indirect taxation. Indirect taxes always bring about an increase in the price of commodity. If, as we want, Government want to hold the price-line, then it is necessary that indirect taxation should be properly regulated, and I think that we can get sufficient money from public undertakings, from borrowings and loans and also small savings. If the necessity arises, if indirect taxation will not result in an increase in the spiralling up of the prices, then it can be increased. But if the target in this regard is lowered by Rs. 210 crores, it will be very much desirable.

Deficit financing has been estimated at Rs. 550 crores as compared to Rs. 1970 crores which we had during the last ten years. I think that this is a very sound figure, and if properly applied this will also help in not raising the prices of articles. But I think that care should be taken for creating money income not ahead of availability of the goods, or otherwise, it may expose the economy to inflationary trends.

Regarding exports, I want to submit that it is expected at Rs. 740

[Shri Damani]

crores annually as against the actuals of Rs. 642 crores achieved in 1960-61 so far in the Second Plan. That means that we want to earn Rs. 98 crores annually more by way of exports. According to the present circumstances, since U.K. is joining the European Common Market, and there are also so many disturbances in the neighbouring countries, it would be very difficult to increase our exports by Rs. 98 crores, unless very special strict measures are taken to deal with this matter. At present, our exports to Western countries are of the order of 39 per cent, and that to U.K. is 28 per cent. So, it is doubtful whether after the U.K. joins the Common Market, we shall be able to maintain this percentage. I feel that the export figures are on the high side, and unless some drastic measures are taken, it will be difficult to realise the target in this behalf. Therefore, there should be compulsory exports exclusively by industries which are consuming imported raw materials, and the incentive scheme should be changed in order to encourage exports more and more.

Coming to the textile industry, a target of production of 9300 million yards has been estimated, out of which 5800 million yards will be from the organised sector and 3500 million yards from the decentralised sector. I feel that the target fixed for the organised or the mill sector is on the low side. The organised sector of the textile industry is in a position to produce more; if it is given proper plant and machinery, it can very comfortably increase the production by 500 million yards. This should be taken into account because the estimated production of handlooms and powerlooms, that is, the decentralised sector, of 3,500 million yards is based on data the correctness of which we are not sure. If we rely on their production figures, there is an element of risk. So there should be something more got from the organised

sector so that if the decentralised sector could not produce the quantity estimated, it will be available from the organised sector, and thus it will help us to hold the price line. Otherwise, there may be some shortage.

In this connection, I want to draw attention to the position regarding spinning capacity. As it has been planned, the spinning capacity is to be increased from 12.7 million spindles to 16.5 million spindles. It is also envisaged to licence 25,000 automatic looms. With the increase of 4 million spindles, there will naturally be an increase in the production of yarn. But the question is whether the country is in a position to produce the 4 million spindles in five years or not, because the existing 12 million spindles also require replacement. The present spindle-manufacturing capacity is limited to about half a million spindles per annum so that in five years the production will be about 2.5 million whereas we want to expand it by 4 million spindles new capacity. This is apart from the replacement requirement for the present capacity. So I doubt whether the existing plants will be able to produce so much spindles to meet our requirements. This point also should be taken into account.

As regards modernisation, the Working Group has estimated that an amount of Rs. 180 crores will be required to cover all the present units. The procedure to get loans from the NIDC and other agencies takes a long time. Therefore, some amendment should be effected by which the amount is available as quickly as possible.

Now I will deal with small scale industries. These industries have done very well in the last five years. But there are so many difficulties confronting them because they are established in different parts of the country. Qualified persons are not

available either on the technical side or on the administrative side to guide them properly. There is delay in obtaining information about the line one wishes to take up. There is delay in the processing of applications for loan and machinery on the hire purchase system. The quotas are not given easily nor in adequate quantities. All these factors are a source of discouragement to a person who wishes to start a small scale industry. One agency to supply all the information at a central place should be introduced.

Lastly, during the discussion of the Draft Plan, I suggested that there should be annual planning. That means that our Plan should be split into five annual plans so that we can assess the achievements in the year and plan what we are going to do in the next. If this system is introduced, I think it will be better from the point of view of results.

Acharya Kripalani (Sitamarhi): Mr. Chairman, I am not used to speak here in the language of the expert and the specialist. I speak the common language and I try to represent the common man's view because I feel that the wearer knows where the shoe pinches—and this is more so in a democracy.

We can discuss the promises of the Third Plan, because as yet they are promises only, in the light of what we have achieved, or failed to achieve, during the Second Plan. Also, any discussion, to be useful, must be based on a clear conception of what is meant by planning. I hope here the Prime Minister will agree with me that planning means deliberate and well thought out action. It is not chaotic action and it is not action through the costly method of trial and error. It is undertaken in pursuance of an aim or co-ordinated aims. Therefore, it implies knowledge, well-directed application of it, this application depending upon one's own experience and the experience gained by others. It is, therefore, a conscious and well-

directed effort; it also implies scientific exactitude, technical skill and administrative and managerial ability. It further implies availability of necessary resources including finance for the carrying out of the different schemes comprised within the plan. It implies not only proper drawing up of the schemes but also their efficient, quick and economic execution. Planning thus means foresight, and not hind-sight as we often find is the case here.

Given these conditions, one can forecast results with some measure of certainty. Of course, between the drawing up of the schemes and their execution, there will always be some gaps; but they must not be of the nature of more than 10 or 15 per cent. Any wide differences, whether in costs or the time or the physical achievement of a plan would not make a plan as well considered, well thought-out or scientific. It would amount to haphazard action which is costly and time-consuming, and time here means a great deal of money. A defectively drawn plan, I submit, is no plan, as a defectively designed chair would be of no use for sitting purposes. Judging it from this point of view, I think we have not been able to live up to the scientific description of a plan.

To cite a few examples, so far as expenditure is concerned, the Bhakra project began with an estimate of Rs. 11 crores. That has increased to over Rs. 37 crores in 1959. The Damodar Valley project was estimated to cost Rs. 74 crores, and it has risen to Rs. 169 crores; Hirakud from Rs. 48 to Rs. 71 crores; Rihand from Rs. 16 to Rs. 46 crores. The three steel plants which were to cost Rs. 425 crores...

Shri Nanshir Bharucha: Rs. 353 crores in the beginning.

Acharya Kripalani: Even taking it as Rs. 425, they are now estimated to cost Rs. 700 crores, a rise of more than 90 per cent.

[Acharya Kripalani]

[MR. DEPUTY-SPEAKER in the Chair]

Let us see if the targets that we have planned have been achieved. The most disturbing fact that emerges is about the achievements as compared to the targets. After persistent demands in this House and outside, the Planning Commission has published a brochure entitled *The Progress of Selected Projects during the Second Five Year Plan*. It says for example that the Tungabhadra project was expected to provide irrigation for 6.2 lakh acres by the end of the Second Plan, but from the progress report we find that the actual achievement by 1959-60 was only 1.20 lakh acres, though of the total expenditure estimated of Rs. 74 crores, Rs. 65 crores have already been spent.

The most disappointing performance is, however, in the steel plants. Each of the three big steel plants in the public sector were expected to produce one million tons of steel in the last year of the Second Plan, but by the end of 1959-60, for which figures have been given, Rourkela produced only 62,000 tons, Bhilai produced only 1.5 lakh tons and Durgapur produced only 800 tons. The utmost that has been possible is a production of 2.2 million tons against the original estimate of 4.3 million tons for all the steel plants, including those in the private sector.

The entire capital expenditure for the expansion scheme of the Sindri fertiliser factory has been spent. Yet, the production of area in 1960-61 is estimated at 12,500 tons against a target of 24,500 tons, and of double salt at 54,000 tons as against 140,000 tons. These are the figures given in the progress brochure.

In railway electrification, only 88 miles have been completed out of a target of 146 miles. On some other sections work is only partially done. On the expenditure side, Rs. 48 crores out of a total estimate of Rs. 79 crores have already been spent.

There are shortfalls in many other industries such as aluminium, newsprint, chemicals, pulp, cement, soda

ash etc. About these shortfalls, the authors of the Third Plan themselves say:

"The shortfalls have unfortunately occurred in some of the very industries which were of crucial importance and have deprived the economy of benefits reckoned on for the start of the Third Plan."

It means these shortfalls would hamper the progress of the Third Plan even.

It is notorious that our plants are not worked to capacity, even in terms of a single shift. As machines are continually changing, we must engage our plants in two and even more shifts if possible.

Among the many mistakes admitted by our planners are, firstly, the poor husbanding of foreign exchange resources, especially in the earlier years of the Plan, and secondly the failure to fully utilise the facilities created by the major and minor irrigation works. As a justification of the latter, it is said that there necessarily will be a time lag between the completion of the schemes and the utilisation of the waters. But even this plea is not open to our planners, for it is admitted that with greater foresight and more accurate statistical and economic intelligence, the considerable lag which has occurred in the utilisation of at least the minor irrigation works could have been greatly reduced.

The third mistake admitted by the planners themselves is the mishandling of coal and transport. The hardship caused and the losses suffered could have been greatly reduced if there had been a proper balance and co-operation between different departments of the Government, instead of each blaming the other, as you will remember, was done even on the floor of the House. Further, throughout this period there has been power shortage, from which here in Delhi we suffer every day.

In all the three steel plants there have been breakdowns for various reasons, generally unexplained. These have resulted in great delays and financial losses. Yet, there is no awareness that these breakdowns may be due to defective designing or engineering or the use of inferior materials. Every failure is considered as an act of God, for which nobody is made responsible. The Prime Minister said that we must make people responsible, see that they do their job, and if they do not do their job, they go. But here, nobody seems to be responsible. All these failures are acts of God. But we have also been told that science either nullifies the acts of God or at least mitigates their hardships. Here it seems to be doing otherwise. It enhances the rigours of the acts of God.

16 hrs.

About our administration, whose great qualities are so much advertised by the Ministers and visitors from outside, the present Plan report contains remarks which are none too complimentary. It says, justifying Parkinson's Law, that, 'As large burdens are thrown on the administration structure, it grows in size; as its size increases, it becomes slower in its functioning. Delays occur and affect operations at every stage and the expected outputs are further deferred. New tasks become difficult to accomplish if the management of those in hand is defective. In these circumstances, there is need for far-reaching changes in procedures and approach and for re-examination of prevalent methods and attitudes.'

Further, the expected results have not been achieved in several other directions. For instance, the rise in prices had not been checked. It is elbily said that the rise in prices is the very condition of a developing economy. But the example of other countries like Japan, Germany, Canada, Italy and even Mexico where the advance has been greater does not confirm this view. In West Germany the

national income rose at an annual rate of 12 per cent. and yet the prices rose there only by one per cent. In Japan, it is very strange, with an annual rise of 12.3 per cent. in the national income, during the whole period of 1953, the rise in price was only two per cent.

Let us examine in the light of these shortfalls and failures the present Plan. The Plan report begins with an eloquent introduction, rather repetitive. It is doubtful if it will rouse the enthusiasm of the masses whose co-operation, we are told, is essential for the success of our Plans. I am afraid it cannot create the fervour which will liberate them from their petty, narrow and selfish existences. All the same, the document is better got up and more impressive than the previous Plan publications. It gives a rosy picture of the achievements of the first two Plans. If one looks at this only, the performance has been impressive indeed, as our Prime Minister told us this morning. But the view becomes gloomy when we turn our eyes to the cost, the delays, the breakdown and the shortfalls some of which are noted in the present Plan report. These show that what was lacking in the Second Plan was foresight which is of the essence of scientific planning. Though the Third Plan appears to be more impressive, definite judgment on it, because it only makes promises, can be given only, as in the case of our previous Plans, after five years. It is promised that there will be a review every year. It was given also at the time of the inauguration of the Second Plan but it is to be seen how far this is implemented.

However, certain things are clear even now. Take, administration, for instance. It would be burdened with double the tasks that it is shouldering at present. Will it be possible for it to do this to any degree of efficiency and general satisfaction? Take again agriculture. The advance anticipated is greater than justified by past experience. Again, the measures that would be taken to see that prices do

[Acharya Kripalani]

not run away and upset the Plan are not clearly enunciated, at least for a common man like myself.

Then there is the question of price policy. It is admitted by the planners themselves that without a steady and reasonable price level for a number of years, our Plans are likely to go wrong. About this, the Plan report says that the importance of maintaining a reasonably stable price level was emphasised in the first and second Plans and various measures were taken during the two Plan periods to correct and moderate undesirable trends. The results were, however, poor and the prices fluctuated widely during the first Plan and have shown a rising trend over the second. The report says that at the start of the third Plan the level of wholesale prices and the cost of living are already high, and it is essential to assure that there is "no concentration of inflationary pressures in the course of the third Plan and that the levels of living of the more vulnerable sections of society are safeguarded." From this, it will clearly appear that these interests of the vulnerable classes have not been safeguarded heretofore. In view of the large monetary investments, it is not likely that prices will remain steady. Is any action contemplated against anti-social elements? Even in the third Plan, the ideas about measures that are necessary to stabilise prices at reasonable levels both for the producer and the consumer are extremely vague.

Then there are earnings from exports. The less said about these the better. In 1948, they stood at 1,363 million U. S. dollars. As I am quoting from a foreign statistician, and as he has talked of dollars, I also talk of dollars. In 1958, ten years before, they stood at 1,363 million U.S. dollars and in 1968, they stood at 1,216 million U.S. dollars. We did not gain anything. There have been fluctuations in these ten years, but there is a distinct loss. As compared to this, Israel

began with 40 million dollars in 1949 and today its exports stand at 142 million dollars. It is a small country, and undeveloped country like ours or worse than ours. Mexico had 486 million dollars worth of exports in 1948. Today, its export stand at 735 million dollars per year. Both Israel and Mexico are under-developed countries. The fact is that both in quality and in prices, our goods bear no comparison with goods from western countries or from Japan. Instead of any advance in these ten years, there has been some shrinking. I will be happy even if the modest advance in the third Plan is realised.

It is also not certain whether the necessary funds will be forthcoming from foreign sources. Considering that all countries in the West and the East have already begun an arms race, it may not be possible to get from abroad what we need. What will be the result then? The result then will be that we will have to abandon some of the major projects even while they are in the process of making in midstream.

The contributions expected from State undertakings bear no proportion at all to the realities, unless of course, owing to the monopolistic character of these undertakings, the prices are inflated for the consumer. The report itself says:

"The estimate is tentative, as the data on which it is based are not sufficiently firm".

It is doubtful that further indirect taxation will be confined to the limits laid down in the Plan, and that this will be largely spent on the Plan. Past experience shows that though the additional taxation proposed during the second Plan period was of the order of Rs. 450 crores, the actual taxation has been Rs. 1050 crores and a great deal of it was not spent upon the Plan projects. Also, it is doubtful judging from past experience that inflation will be kept in check.

Let us now look at the broad aims of the Plan that are designed to usher in a reign of plenty in a socialist pattern of society. One of the aims of the planning is to narrow the gulf between the rich and the poor. This has admittedly gone on widening. The figures were given by my friend, Shri A. S. Mehta. The rich in the urban and rural areas have reaped high profits from the Plan in the past, but the benefits to the poor are promised in the distant future. If planning has any meaning, it is not designed for the rich or for the new increasing class of bureaucrats, administrators and technicians, but for the poor. We are told by reliable historians that milk and honey flowed in this land. We are told today by the Planning Commission that after half a dozen or more Plans milk and honey will again flow in this land. But the present generation pertinently ask, "What about us the living?" Today there seems to be no answer to their grinding poverty and hardship.

However, the main object of our Planning is not the increase in production as we were proudly told by the Prime Minister this morning; nor is it the rise in the national income, nor may I submit is it the rise in the average income. All these things are good by themselves, but they are not of the essence of the nation's life. All these were rising—national income, production, average income, etc.—as Shri Nanda will know, in the 19th century in Europe and America, but what was the condition of the poor? They were suffering from poverty, disease, squalor, ignorance, unemployment and exploitation. It is these that lent whatever truth there was in Marxian theories. Our aim is, as it ought to be, the removal of the grinding poverty of the masses with all the evils and dangers that go with it.

It has been officially admitted that so far as the landless labourers are concerned they get less work and less

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wages, and they are 21 per cent of the population. If that is true of landless labourers, it is also true of those among the peasantry who have no economic holding. The condition of the lower middle classes is pitiable indeed. There is an ever increasing unemployment among the educated not excluding university degree holders. This is the most vocal class of the unemployed. Their discontent is therefore dangerous. There is also unemployment among technicians, while thousands of foreign technicians are engaged on high salaries in our various projects, specially the steel plants.

Poverty, Sir, is intimately connected with unemployment and under-employment. Every successive Plan leaves behind a bigger back-log of unemployment—I need not go into these figures. The Third Plan will also admittedly do likewise. It has not been possible to absorb even the new entrants in the labour field. If a Plan cannot provide for the new entrants, it can never be said to have succeeded in terms of the masses in spite of the increase in production, the national and average income or even the removal of the gap between the rich and the poor.

Sir, Gandhiji, on account of these conditions, told us that this superfluous man-power instead of being a drag on the nation could be turned into good and useful account. He, therefore, placed before us the economic programmes of khadi and village industries. He did not want to divert factory or field labour from better paid jobs, he wanted to utilise only the waste of the nation. After all, the unemployed and partially employed are being maintained by the nation. Any additional useful production, however small its quantity, will be so much wealth added to the nation. I do not see any economic theory being violated in this proposition. So far we have given only marginal aid to these industries, and this marginal aid has failed to equalise prices as between factory made goods and

[Acharya Kripalani]

the products of khadi and village industries even when they have used improved implements. However, those in authority have always held that decentralised industry must stand on its own legs. May I ask, Sir, can the centralised and mechanised big industry of our country using the same machines as in Germany and Japan and in the rest of the West or as in Russia and China successfully compete with those countries? Why do not our sugar, textile and automobile industries compete in the world market? Take the most advanced country like America. Can American products successfully compete with those of Japan and Germany in spite of the greater automation in the United States of America? Can industries in all these countries successfully compete with the same industries in the totalitarian countries that use slave labour? Under these circumstances, each country seeks to guard its home market exclusively for its own industry. It gives them a sheltered market. When we have given that market to our textile industry, to sugar, to our automobile industry, will it be too much to ask that decentralised industry be protected in the same way even as our organised industries are from foreign competition? It too will need an exclusive and protected market or the pooling of the prices. These things are not done for what are called purely and narrowly economic reasons but for sociological and psychological reasons, which take into consideration the social, political and moral aspects of the growth of a nation, side by side with its economic advancement.

Mr. Deputy-Speaker: Now the hon. Member should try to conclude.

Acharya Kripalani: I will conclude in one minute.

I, therefore, want the Government, if they are inspired by Gandhian ideals and if they are seriously concerned with the problem of colossal

unemployment and under employment in the country, and the consequent poverty of the masses, to evolve an appropriate policy for the revival and extension of decentralised industry. It may be supplied with more scientific instruments and cheap electric power. Given these facilities, decentralised industry may have some chance of competing with big industry in the future.

I have no doubt, and that in Shri Asoka Mehta wishes that, that in no distant future, we shall be able to make machines for making machines. But what about the men? Unless there is some provision for developing them and their ability to conduct themselves as social individuals who find their own good in the good of the larger group of the nation in which they live, our best thought-out and executed plans and projects will be of no avail.

Shri Ranga: Mr. Deputy-Speaker, I am very glad that my leader, Acharya Kripalani, . . .

Shri C. D. Pande: Your leader?

Shri Ranga: Yes, He was your leader also.

He has struck the right note at the end of the speech. What about the man? That is exactly the reason why I feel that the plan does not pay sufficient attention to the improvement of the condition of the masses, his environments and the opportunities for improving his social, moral and other levels and that is why I am here to oppose this plan. We have got before us three amendments, one given by myself and my friends, another by Shri C. R. Narasimhan and a third one by Shri Indrajit Gupta. I am requesting the House to give its careful consideration to the amendment that I have given notice of.

am generally in agreement with amendment No. 3(but am certainly opposed to amendment No. 1, given

notice of on behalf of the ruling party. Amendment No. 1 wants us to accept this plan as the nation's plan. I am here to say that this is too much of a demand to make on us in the opposition here in this House, as well outside this House in the country. I said this even when the First Five Year Plan was introduced in the other House. I said even then that it should not be accepted as a national plan. It could possibly be styled as Nehru's plan; it could not be even a Gandhian plan. It could only be a Congress Party's plan or the ruling party's plan. It so happens today that it comes just on the eve of the elections. Therefore, it may possibly be called the eve of the election plan. If only the planners had been a little more considerate towards the poor voters, they could have easily placed this before them as the manifesto of the Congress Party at the time of the next elections.

Whether the people would be really impressed with this or not is another matter.

Shri C. D. Pande: That is our hope.

Shri Ranga: But this is as big as the *Ramayana*. Just as there used to be so many *Ramayanas*, the smaller one is the *Bal Ramayana*. But while the *parayan* of the *Ramayana* is giving solace to our masses throughout all these ages in our country, my fear is that a reading of this book and the other *Bal Ramayana* also can only make our people feel more and more unhappy and more and more sorrowful.

It is said that the Swatantra Party and other friends who agree with us do not stand for a plan. We do stand for a plan. My hon. friend, Kripalanjit, has said that Mahatma Gandhi had plans. Mahatma Gandhi had placed before the country a constructive plan which was being implemented when we were not free and which has been, to some extent, adopted as

a kind of an apologia in order to recommend this thing with a silver lining. That is in regard to the Khadi Commission, the Handicrafts Commission and various other commissions. One of these hon. Ministers is now thinking of suggesting the creation of another commission in order to provide industries in rural areas.

What does this plan stand for? Indeed all of us would like to stand for a good life for all people and for the achievement of a liberated humanity. We want to combat the curse of poverty. We want to stand for a social order offering equal opportunities for all. We want to protect the farmer and the artisan. We want to rebuild the rural economy. We stand for sound foundations for sustained economic growth. My hon. friend does not believe that we stand for it. We do stand for it. He may be shocked by it, but that is a truth. We also stand for improving living standards. We want the working conditions of the masses to be improved. We want to transform the peasant's outlook and environment so that he would become one of the masters of this country, not as he is today a depressed person and as he is being turned into a member of the depressed classes. We also stand for co-operative effort. We want economic overheads to be built up so that our horse not only begins to trot but also gallops as one of our hon. friends was suggesting this morning to my hon. friend, Shri Asoka Melita. We are also keen on the private sector acting with an understanding of obligations towards the community as a whole. We want to prevent concentration of economic power in the hands of small members of individuals and businesses. Village and small-scale industries have to be developed as a crucial part of our social economy. Protection of weaker sections is also an article of faith with us. Equality of opportunity for every citizen has got to be achieved and attained. There are the basic necessities for which we also stand, that is, food, work, educa-

[Shri Ranga]

tion, health, sanitation, housing, minimum income and also protected water supply. Social values and incentives have got to be developed with a sense of common interest to obligations among all sections of the community. Gainful employment for everyone who seeks work has got to be provided and we will certainly try to achieve that. Higher standards of productivity have got to be aimed at and achieved. Fuller utilisation of available manpower and resources is also one of the needs of our society and we stand for it. All these things we want in order that the biggest possible investment is made in man so that he can become a self-reliant, self-respecting, self-employed person who would be able to look after himself in spite of all these tyrannical means and methods that are now being proposed by several of these hon. friends on this side as well as on that side in the name of socialist pattern of society. What we are opposed to are the means that are now sought to be adopted by the Government; that is, increasing the sphere of our economy to be reserved, to be gained for the public sector and also for state-trading. These are all the things that I have taken out from out of the first two chapters which my hon. friend the Prime Minister has found it possible to pen during those few valuable days of his rest in a cool place.

I cannot congratulate my hon. friend the Prime Minister upon the speech that he has made. Evidently, he put all that he wanted to say in these two chapters that he could content himself with quoting from them and not be able to enthuse or inspire this House with the new vision that he has got before himself and the new frontiers that he has been trying his best to bring nearer and nearer to our own social economy and our own social life in our country.

This is a plan that has failed.

Some Hon. Members This plan?

Shri Ranga: Yes. The first and the second plans. This is only one of the three. This is Ganges. It is flowing. It will go on flowing not only when the present ruling party is in power. If they could achieve it, they would like to see that their children will remain there and still continue to implement these plans, one after another, any number of them. That is the perspective that my hon. friend the Prime Minister wants us all to feel so that our mouths could water.

As some of my friends said, we have an excellent Prime Minister, a great national leader. We have got a powerful party with a great past behind it, so many resources, everything. Yet, why is it that India is still rated as the 21st or 22nd country in economic development by the United Nations study? He could not give an answer. I was reminded of a saying in my own language. There is everything in the house, including a lovely wife. But, somehow or other, the son-in-law only gets stones in his mouth. In the same way, we have everything here. Even foreign visitors who have come here sing paeons of praise on our policy, on our plans. They have gone to the extent that they have become so mad in their love of the Government that they are no longer keen to give any assistance in regard to specific plans, but they would simply place at the disposal of the Prime Minister billions and billions to be made use of as he likes, according to the advice that he gets from his own Planning Commission.

We have got all this. What we do not have is the right perspective, the right approach. That approach is the Gandhian approach. My hon. friend and the Government have been, so far, during the last 15 years, only going farther and farther away as rapidly as they possibly could hope to do without upsetting the general electorate in our country. I am here to protest against that departure. An Englishman was here in 1947. He met Mahatma Gandhi. Mahatma Gandhi told him: "how mistaken he

thought was Mr. Nehru's policy of trying to establish rationing and price control of grains." That is all envisaged in this Plan. If they are not able to implement it now, they will implement it next time, provided, of course, the Prime Minister would be able to have his bosom companion, Shri Nanda, a great champion of the proletariat.

"This policy—Mahatma Gandhi thought—would lead, he said, to idleness on the part of the ration-recipients and to waste on the part of the cultivators; it would be much better for all to let the prices of grain rise and to expect people to work harder."

Then, he said,

"Controls give rise to fraud, suppression of truth, intensification of the black-market and to artificial scarcity. Above all, it unmans the people,—it degrades the people—and deprives them of initiative, it undoes the teaching of self-help that they have been learning for a generation. It makes them spoonfed."

This is exactly our credo. We do not want the state-trading corporation to encroach upon ordinary trade in our country. Yet, some time ago, on the initiative taken by the Prime Minister, the Chief Ministers' conference gave a ukase to the country and also the then Food Minister that trade in foodgrains should be socialised. He did not make any plans. The Planning Commission did not provide any kind of scheme for it. Nor even the Food and Agriculture Minister. Suddenly an inspiration came into them and then it glowed itself into this shape. They took three years in order to realise that, that Minister had to make way for another Minister and that particular scheme of theirs could not be implemented. This is the manner in which this planning is going on, and that is why I say that it is an unrealistic plan.

Secondly, my hon. friend Shri Asoka Mehta was wondering how our

economy could possibly progress and get up on a kind of accelerator. I have seen some of these accelerators. There was one such, which was an accelerating lift by itself, and it was there in Copenhagen. One policeman tried to get into it but he wanted to monkey with it. One has to get into it as it comes to the floor level, but yet the policeman wanted to try his trick; he let go the lift a bit upwards, and then he jumped into it, and what happened was that he got himself stuck at the top, and finally he was killed.

Shri Asoka Mehta: Why did he monkey with it?

Shri Ranga: That is exactly what is happening with our Plan also. Today, this Plan is monkeying with our social economy. What is it that our socialists want to achieve, and what I wanted to achieve also when I was embracing socialism in all those years in the West? We wanted to regain for an industrial worker that control over his own implements, exactly what Marx also desired to achieve. We wanted to regain for him control over his own implements, and his own conditions of working so that he would be able to become once again a master of his own economy, and a master of his own employment. He used to be such a self-employed person before industrialisation came. Before peasants were turned to be mere tenants and mere slaves and villains, they used to be self-employed artisans; before industrialisation replaced them, they were self-employed people. Marx only wanted to regain that lost freedom, but in a different way under different conditions.

Now, what is the position in our country? Is there that kind of a universal industrialisation? No. Even today not more than ten per cent of the people are engaged or are obliged to be engaged in industrialised economy. The rest of the people, or at least 75 per cent of them are today dependent upon rural economy, upon

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artisan economy, upon *dookan* economy. All these people are self-employed. Even today, they continue to be economically free people. They know no master. It is only when they have to sell their commodities that they bring them into the market; there, of course, there may be somebody who can say whether he would accept them or not. Would we believe in that kind of market economy or not? Would my hon. friends not want to build up that kind of economy? They seem to think that if we were to have that kind of market economy, we would not be able to have economic progress.

But here is a book which I am sure my hon. friends must all have read, an dit is by the German statesman Mr. Erhardt. He is their economic and planning Minister. He came to our country also, and he must have met the Prime Minister too, but the Prime Minister possibly did not like his thoughts and teachings, and, therefore, he would not pick his brains, although he would not mind picking the brains of all those other people who would give him only what he wants, some sort of certificate for his socialist pattern of society. Germany has made all that progress. My hon. friend Acharya Kripalani has just now drawn our attention to a country in the East, and to the progree that Japan has made. Did they not depend upon this free market economy? They did. Have they not progressed? They have progressed. Why is it then that we are so much obsessed only with the Soviet economy and the Russian and the Chinese example and not of the rest of the other economies?

My hon. friend the Prime Minister may turn round and say 'Why, even the Americans are admiring us now; they are placing all their funds at our disposal.'. But how could he say so? The Americans are placing their funds at the disposal of the Communist Tito and the Fascist Salazar and also

Franco. The American dollar does not make any distinction in regard to your politics and your political or economic philosophy. They want to help us just because they are in trouble with Russia. Both of them are competing with one another, and now, therefore, they have suddenly come to realise their duty to the under-developed nations and under-developed peoples in order to prevent those people from going completely either this way or that way. herefore, let us not draw any kind of support from the help that we are getting from these people.

Then as regards heavy industries—that is item (d) in our amendment—we also want heavy industries. This kind of thing is nothing new. As my hon. friend, the Prime Minister said, even when he was Chairman of the Notional Planning Committee, even during those days, we were all so very keen on heavy industries. But there is a limit beyond which you cannot very well run or rush and swallow things. There is a limit within which we should function. We must develop these things in such a way that we will be able to make sustained and well-balanced progress in our society. This is exactly where our friends have gone wrong.

So many facts have been related today. Many of our industries are in such a bad way that there has been so much wastage. Recently, there has been the classic example of the failure of co-ordination between the coal industry and railways. The two Ministers concerned might have made peace between themselves, with or without the help of the Prime Minister, but the country is not at peace in regard to these two industries.

There are so many other things too. So much of industrial potential is going to waste. 25—30 per cent of the irrigation potential is going to waste, which means that nearly Ra. 400 crores

worth of investment is not being fully utilised in our country.

When all this is going on, is it not high time that we begin to think whether we would be doing the right thing in proceeding with a fourth steel plant now? After having completed three great iron and steel factories and redoubled the capacity of the Jamshedpur factory, can we not very well wait for two or three years, whatever it is, and give higher priority to other aspects of our heavy industries? Take, for instance, fertilisers. What is happening there? The full capacity of the Sindri Fertilisers is not being utilised. My hon friend, the Prime Minister, was also here several times when we were being told that as much as 35—50 per cent of the capacity of Sindri had not been utilised because of bad management and bad planning. And where are the fertiliser factories now? They have given some kind of an estimate here. Even the estimates that they have placed before us in the Second Plan have not been fulfilled, even to the tune of 60—70 per cent. Where is the guarantee that they are going to do it in the Third Plan?

What is more, the need of the country today, is not what they have stated here; it is five or ten times as much. The peasant is on the move. If anybody were to say that it is necessary to put a match into the peasant, he would be making a very great mistake. It may be possible for those people in the guilded halls of the Planning Commission and of the Cabinet to think that our peasants are not progressive. Our peasants are progressive, revolutionary and dynamic and they are on the move. What is lacking today is dynamism in this Government and ability on the part of the Government to plan properly so that there would be sufficient production of fertilisers, different kinds of chemical fertilisers, to provide for the needs of our peasants.

Actually, there is black-marketing today in fertilisers. What does that show? It redounds to the credit of the peasants that they are making such a demand for it and it goes to the discredit of the Government that they have not been able to place these fertilisers at the disposal of our peasants.

Acharya Kripalani: Black-marketeers are giving it.

Shri Ranga: Black-marketeers are our saviours now. Otherwise, this Government would not be able to supply anything at all.

Shri B. S. Murthy: No, no.

Shri Ranga: That is how they have done it (*Interruptions*).

Mr. Deputy-Speaker: Order, order.

Shri Ranga: They have turned our social values so badly upside down that even black-marketeers appear to be saviours; their officers, their agents, their managers have come to be known as 'fertiliser chakravarties', because they are minting plenty of money at the cost of the peasant (*An Hon. Member: This is too much*).

They say that the peasant is not progressive and therefore he has got to be helped. How? By depriving him of his self employment! By driving him into the so-called co-operative and then making that co-operative work by giving so many preferences over ordinary peasants! They have stated this in the Second Five Year Plan. They have stated that preference should be given to co-operative farms in regard to the supply of seeds, credit and implements. Just think of it, to go on discriminating against the peasant? Why? What is the sin that he has committed? It is that he wants to continue to be free. These friends are fond of depriving him of his freedom. They seem to think like Hegel and Marx; they want

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to deprive him of his freedom in this way by putting him in a cooperative society, making him part and parcel of a bigger personality, and then tell him that he is bigger, he is as big as 101 as he has joined 100 other members. This kind of Hegelian philosophy they have brought forward in order to strengthen their own socialist pattern of society. We will have nothing to do with this perversion of social values.

Shri S. M. Banerjee: Why did you form a party, why did you not remain alone?

Shri Ranga: They are providing huge sums for community development, panchayati raj, establishment of a co-operative economy in the villages. All these things are wonderful. It is like taking every good thing, nectar itself, and putting a drop of poison into it, making the whole thing unusable. In this way, every good thing in our social institutions that we have been thinking of and developing in the last 40 years under the inspiration of Mahatma Gandhi, they have taken up. Village panchayats we have developed in our own villages, and I have had the credit of organising them in 700 villages, in those days when the British were there, out of 920 villages in my district. We have organised co-operatives also, and we have also organised community development, not with Government money and with all these Ministers, but with the blessing of Mahatma Gandhi, with the general support of the public. We had mass support then, which they are lacking today in spite of the Prime Minister and all the Ministers and the thousands of crores that they are spending from above and from below. In spite of all this, they have not been able to evoke the support of the masses. That mass support we had. All these three things we were developing in those days.

Now, what are they doing? I am making this charge with all sense of responsibility, that in many cases these things are being utilised for political purposes, for partisan purposes. There are States where, the minority Congress groups including some Ministers and ex-Ministers are complaining at the partial, discriminatory and unconscionable manner in which the majority group within the Congress itself is utilising its powers, its opportunities, its influences over these three institutions. Therefore, we are opposed to this misuse of these large sums of money, of our people's money.

I am opposed to the increasing burden of inflation. I charge the Government of callousness in regard to the continuous process of pauperisation that is going on in an invisible manner throughout the country of the economic resources and especially savings of all classes of people, through this increasing process of inflation. It is an infliction. The least that the Government can do is to maintain the stability of the value of its money. Most unfortunately for us, here comes a Government which takes pride in the fact that inflation has got to be built in, is built in, and is inevitable if we are to have economic development and planning. And they get powerful support from my hon. friend Shri Asoka Mehta who says that an element of inflation is inevitable, that it must be built in.

Secondly, the Prime Minister says that the people must girdle their lions, and must be prepared for sacrifices by paying higher and higher taxes. In those days when the British were here, so many of us were on this side of the House—we did not have the opportunity to be on that side—and we used to inveigh against them because of the increasing burden of taxation. But the Prime Minister now says it is our own elected, democratic government, and therefore we must be prepared to bear all these higher taxes in order that this

development may go on. What sort of development? The other day we went to Khadakwasla, where we have our Defence Academy, and saw the horror that was perpetrated by the mismanagement of our own engineers. Let us not have any of these big dams. There are so many other things. There was a dam in Andhra which was destroyed even before the opening ceremony was performed; there were two bridges which were also likewise destroyed. This is the way they are building with brick and mortar. We have got a Tughlak Nagar in Delhi; there are growing to be any number of Tughlak Nagars. God forbid! Let us hope that they would all come to be utilised for very good purposes, not like the Bharat Electronic Ltd. which is not being utilised as well as it ought to be and not like so many other factories which have been brought into existence after opening ceremonies and other things but are not working. Let us hope that they would all be put to very good use.

We are extremely anxious that our people should be encouraged to develop their own enterprise and stand on their own feet, should be given every possible encouragement for the display of their incentives and enterprise so that it would be possible for us to develop as post-war West Germany has done and post-war Japan has done and as Canada, Australia and New Zealand are doing even today, not necessarily under this socialist pattern of society and under this partisan Government. In conclusion, I say that I cannot recommend this Plan to the people as people's Plan or as a national plan. I can only say that it is a Congress plan and a Nehruite Plan, a plan conceived in the interest of the Party for the coming elections.

Shri Narasimhan: Mr. Deputy-Speaker, Sir, I am at a disadvantage closely following Acharya Kripalani and Professor Ranga. Acharya Kripalani spoke pungently and sharply and Acharya Ranga's word-play

came like sword play. Therefore, I have taken up a kind of shield for myself. I want to entertain the House with a Sanskrit Shloka from the Raghu vamsa of Kalidasa whose day we all celebrated very recently. It reads like this:

प्रजानां विनयादानात् रक्षणान् भरणात् चैव म
पिता पितरस्तासां केवलं जन्महेतवः ।

This shloka really shows how a particular king of Raghu Vamsa is to bear unto his people like a father. How and why? *Prajanam Vinayadhanath*—by teaching the subjects culture, it also includes education, then *rakshanath*—by protecting them and then *bharanth*—by feeding them and attending to their other necessities of life. Therefore, he was treated as father for the whole population. What was the position of the parents? *Kevalam janma hethava*: The parents were only perpetrators of the species. Otherwise, the role played by the parent was taken over by the king. That is how the conception of a welfare State was thought of so many centuries ago. So, it is not very strange or unnatural for us if the times require us to go back to that conception, unmindful of what has happened in the interval of history. In the modern context these words which apply to the king are to be substituted by the State. King is substituted by the State. The State can very well look after the feeding, education and protection of all the subjects. You may call it socialism or nationalisation or statism or whatever you like. Still, this is the continuation of the same conception which was cherished centuries ago.

Coming to the Plan, while on the eve of Independence we started with a very slender industrial base, today we are hoping to achieve as much, in the five years covered by the third Plan, as in ten years of the first and second Plans. The Plan has also taken full cognizance of the steady increase of population. Reference was also made by previous speakers to the

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fact that the population will increase and our targets will be diluted. But a mere description of it would not do. We have to face the problem and we have to act up, either against it or in spite of it.

It almost looks as if we have to go on forward, in order to stand at one place, or, to stick on to that place or position we have to go forward! But going forward has to be resorted to just at least to maintain where we are. Otherwise, we would slide down and perish. Therefore, even to maintain our present stand, we have to move forward so as to gain the necessary force to remain in that position where we are at present, notwithstanding adverse forces.

The choice before us is whether we have to remain in what is sometimes correctly and sometimes uncharitably described as a cow-dung era, or to attune ourselves to the new era which sometimes is called the nuclear age. We have to go forward. We are no doubt dragged by traditional forces, adverse forces, but if we have to take off, we have to take a plunge forward. It is necessary for us to release ourselves from our present moorings and present drags and jump forward just in the same way as the space scientist gets released from the gravitational pull of the earth when he wants to reach the heights in the cosmos. So, we cannot pooh-pooh the idea of planning. We have to plan for this huge country. Even in our own families we do plan for five or ten or 15 years. For an ordinary family, it is not unusual for the heads of families to plan for five, ten or 15 years. So, when we have to deal with a country with all these complex problems, States and huge population, we have to have a long range view of things and we have got to plan. You may call it Planning or a Plan or have any other name for it. But that has to be done, and that is exactly what we are doing.

If you are so minded, you can attack planners or the Plan. But I do not think it is necessary to attack planning as such. While we are planning for economic prosperity, we have also to plan for some other things. We have to plan for social goodwill and for ethical life. Emotional integration has also to be carefully planned. Within the framework of this economic Plan, sub-plans have to be created for the creation of social goodwill and ethical life.

Take, for instance, our proposal to have primary education to millions of people. But actually there is a problem within the Plan of educating these millions of people. There are certain chain reactions which are created. The parents of all these children who are going to get primary education are illiterate. The children are handed over to teachers. Then, under the teachers, they learn the three Rs and a few other odd things that are taught to them. Then they think that they have learnt everything. That is a very natural tendency. Then the hold of the parents, who are illiterate, on the children, is lost. They are actually thrown into the hands of the teachers who are taking this part of the work from the parents. The result is, what little guidance in the field of ethics and general behaviour they used to get from their parents is lost and they are thrown into the hands of the teachers themselves. What they teach is the only thing they are capable of learning in the general sphere of behaviour and other things.

17 hrs.

Supposing in a class room, the teacher goes on smoking—I have seen such classes myself—the boys think that that is the normal behaviour. Their belief in their parents is already shattered because they have the idea that their parents are illiterate and only the teacher who knows reading and writing is capable of teaching them and he is the fountain of all

knowledge. So, they place themselves under the teachers.

Therefore, when vast populations are being taught, the question of selecting proper teachers becomes very important. Not only ordinary reading, writing and arithmetic have to be taught, but character has to be built, particularly when the children are weaned away from the parents and directly handled by the teachers. So, great care has to be taken and proper steps should be taken so that the students are educated properly even at the very early stage of primary education, so that they may become good citizens. Therefore, the problem of taking care of the general conduct of the students and also when they grow older is a great problem and we have to pay some attention to this aspect of the question. Otherwise, we will be seeing only students' indiscipline at the school stage, and at the other stages also. In the fields of life they will find themselves as misfits and they would not be able to face the problems of life and the problems of the country properly.

Coming to certain nearer aspects of the Plan, I will mention one or two points about the State from which I come. Recently there have been floods in Cauvery. Cauvery is the main river of the south in the Madras State and 98 per cent of its water is being used for irrigation. But this time, there have been floods. The Mettur dam was not able to contain the water which nature, in its bounty, was pleased to give. So also, the Krishnarajasagar dam also was not able to contain the water which Rain God was kind enough to give. The result was there were floods and huge losses.

17.04 hrs.

[MR. SPEAKER in the Chair]

So, in the Plan there must be some provision for utilising the water which rain once in 10 or 15 or 25 years is kind enough to give to this part of the country, which otherwise is generally free from such rain. There is

no other important river. This is the only river and occasionally when God is kind enough to shower his blessings by additional rain, we have to have arrangements to utilise it.

Before the present famous Methur dam was constructed, there was a scheme to link Cauvery with the adjoining river Pennar. That scheme was somehow or other given up. It was otherwise known as the *Hogenakkal* scheme. It is the place where Cauvery falls 60 feet from the adjoining State of Mysore into Madras State. In Kannada, the name *Hogenakkal* means stones throwing out smoke. There is a lot of foam coming out from that. It can also become a very good tourist resort. There is also another spot there known as *Mekadatu*. The width of the river there is so short that even a goat can jump to the other side. An arrangement can be made there whereby the water could be diverted to the adjoining river Pennar which has two or three dams. This Pennar river is fed by only one monsoon and it is not easily filled. Therefore, even though the dams are there they are not full. This scheme was actually considered at the time when the Mettur Dam scheme was under preparation. For some reason or other, Mettur only was selected. So I would like the planners to pay some attention to this question of utilising the occasional surplus waters of Cauveri by diverting it to the adjoining river Pennar.

There was a question of having new railway lines for the States of Madras and Mysore. We had drawn the attention of the Government to this question. We had told our respected Ministers also quite often about the necessity of these lines, and we were also assured in the Budget Speech of the Railway Minister that the claims of the south will be considered. We were also told by interpellations of the Prime Minister himself that this will be sympathetically considered and that the planners would deal with it. In the Plan itself we have a passage which says that some of the lines that

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have been advocated by us on behalf of Madras and Mysore and further supported by the respective State Governments are under consideration. What I am not able to understand is, in spite of these assurances both in the Budget Speech of the Railway Minister and also by the Prime Minister during the Question Hour, it is still in the state of, what is called, under consideration. I would really have expected it to be taken as accepted. When the Plan was now published, the entire language papers in those States have been sorely disappointed. They had expected that some announcement would be made. Some clarification will have to be made in the course of this debate, a more concrete and assuring kind of explanation will have to be given. Sir, all aspects of these railway lines have been so thoroughly brought to the notice of the Government that it is very unnecessary for me to refer to them now.

Dr. M. S. Aney (Nagpur): Do you want an explanation for what they are doing? Or an assurance that they will take up the plan?

Shri Narasimhan: I want an explanation for describing them as matters under consideration, while we made it clear that they merited immediate acceptance. I do hope that we would have a satisfactory and sympathetic answer when the hon. Minister replies to the debate.

Sir, we are fast developing in the matter of industrialisation. Many factories are growing everywhere. With regard to location of factories, if other conditions are not against their location, it should take place in areas that are somewhat backward. Though private entrepreneurs would prefer the best place and even State enterprises would prefer the best place, these considerations should be slightly relaxed and an effort should be made to locate them

in backward areas. That will boost up the morale of the backward areas like anything and following that further self-development will take place.

With these words, Sir, I commend the Plan and humbly request the House to accept my substitute motion.

12 10 hrs.

RE: ISSUE OF SUMMONS TO EDITOR OF BLITZ

Mr. Speaker: I have to make a small announcement. I may inform the House that in pursuance of the decision of the House on the 19th August 1961, I have issued a summons to Shri R. K. Karanjia, Editor, *Blitz*, Bombay, to appear in person to receive the reprimand at the Bar of the Lok Sabha on Tuesday, the 29th August, 1961 at 12-15 hours. I have also cancelled the Lok Sabha Press Gallery Card and the Central Hall Pass issued to Shri A. Raghavan, the New Delhi correspondent of *Blitz*.

Shri S. M. Banerjee (Karnpur): What does the Bar of the House mean? By which gate will he enter the House? We are supposed to be the judges. Naturally, the accused does not enter by the same gate by which the judges enter.

Mr. Speaker: There is no question of judges. We have to implement the decision already taken by the House. He will be brought to the Bar of the House through some gate. Therefore, he will come through one gate or the other. I will fix up the Bar beyond which he cannot come in. He will come here and, on behalf of the House and as directed by the House, I will tell him that he has been reprimanded. That is all what I have to tell him. There is nothing more that is to be done.