

[Shri Hari Vishnu Kamath]

issued yesterday and which we got this morning clarifies the matter no further.

Sir, you will be pleased to see that it reads here: "Bill to consolidate and amend the law relating to the office and duties of Administrator-General". We do not know whether there is such an officer and whether there will be one or many Administrators-General because, you will be pleased to see, the marginal note says "Administrators-General Bill". The corrigenda which we got this morning is equally obscure. The caption is: 'Corrigenda to the Administrators-General Bill, 1962' and item 9 reads as follows. This is a funny corrigendum. It does not speak well of the efficiency of the printing press. It reads:

Page 8, lines 1 and 2,—

for 'Administrator-General' read
'Administrator-General'

It says: for ADMINISTRATOR-GENERAL read ADMINISTRATOR-GENERAL. Now, I would like to know what the Bill is about? That is exactly what is in the Order-paper—Administrator-General, but not in the marginal note. We want to know whether one or more than one office is going to be constituted?

An Hon. Member: Copies have been circulated.

Shri Bibudhendra Mishra: It is the Administrators-General Act; it is already there.

Mr. Speaker: They only want to know whether it is Administrator or Administrators-General.

Shri Bibudhendra Mishra: Administrators-General.

Mr. Speaker: What is this corrigenda then? Now, this is not the

point that arises at this moment. We will see what is comes to. The question is:

"That leave be granted to introduce a Bill to consolidate and amend the law relating to the office and duties of Administrator-General."

The motion was adopted.

Shri Bibudhendra Mishra: Sir, I introduce the Bill.

12.46½ hrs.

*CHRISTIAN MARRIAGE AND
MATRIMONIAL CAUSES BILL

The Deputy Minister in the Ministry of Law (Shri Bibudhendra Mishra): Sir, on behalf of Shri A. K. Sen, I beg to move for leave to introduce a Bill to amend and codify the law relating to marriage and matrimonial causes among Christians.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to amend and codify the law relating to marriage and matrimonial causes among Christians."

The motion was adopted.

Shri Bibudhendra Mishra: Sir, I introduce the Bill.

12.47 hrs.

SHORTFALLS IN TARGETS OF
THIRD FIVE YEAR PLAN

Mr. Speaker: Shri Nath Pai

Shri Nath Pai (Rajapur): Sir,....

Shri Harish Chandra Mathur (Jalore): Mr. Speaker, Sir.....

Shri Nath Pai: I never heard him say point of order.

Shri Harish Chandra Mathur: I have a submission to make. There is no question of any point of order. Sir, we are rather grateful to Shri Nath Pai for bringing forward such an important discussion. But you will appreciate that this is a matter which cannot be discussed in 2½ hours.....

Mr. Speaker: Two hours.

Shri Harish Chandra Mathur: Now we are left with hardly an hour and a half or so. Many hon. Members are deeply interested in it. We are discussing the Third Plan as a whole. We quite appreciate that you recognised its importance and had put it on the Order Paper. I think, however, that we will not be doing justice to this important subject if we just give 2½ hours. Many would wish to participate.

Shri Morarka (Jhunjhunu): Sir, I want to support the submission made by Shri Mathur and I wish to make another point also. Notice of this motion was given only on the 20th, day before yesterday. The subject is so important and so vast that other Members are almost at a disadvantage as compared to the Mover. They did not have any time to make preparations for this motion. Apart from the time of 2 hours which is allowed and which is grossly inadequate for this motion, other Members did not have time to prepare for this subject.

I want to make one more point and the hon. Minister may also answer that. The motion is that this House takes note of the serious shortfalls in the targets of the Third Five Year Plan. The Third Five Year Plan has just entered its second year and—

Mr. Speaker: Let us not go into the contents.

Shri Morarka: My point is that if the motion could be amended slightly and the scope of the debate widened, rather than to confine it to the shortfalls—

Mr. Speaker: That will be for the sponsor and others. That is a different thing altogether.

The Minister of Planning and Labour and Employment (Shri Nanda): Mr. Speaker, Sir, just a few days ago, the hon. Member, Shri Nath Pai—

Mr. Speaker: The difficulty is that the time allotted is 2 hours. Now, we are left with one hour and 40 minutes. At 2.30 we have to take up the non-official business. Even those two hours cannot be consumed today, and so this motion shall have to be carried over to the next session.

Shri Surendranath Dwiveay (Kendrapara): It can be carried over to the next session.

Shri Tyagi (Dehra Dun): May I suggest a solution? Could we keep the discussion inconclusive and continue it in the next session?

Shri D. C. Sharma (Gurdaspur): It is a very important subject, and before we have begun the Third Five Year Plan—only one year has passed—we have started saying that there would be shortfalls. The whole country is going to read this debate. (*Interruptions*). I think it is very unfortunate to have this debate at this time. It is still more unfortunate to have this debate for one hour and 40 minutes. It is most unfortunate that we are asking for this debate when sufficient time is not at our disposal.

Shri Nath Pai: Mr. Speaker, I fully share the anxiety expressed that the time at our disposal is totally inadequate for so important a subject which touches on very vital aspects of the matter.

Mr. Speaker: At present, we have got, as I said, only one hour and 40 minutes. Of course, the House can certainly extend the time as it likes, but, in any case, it shall have to go to the next session.

Shri Nath Pai: That is the submission that I wanted to make.

Mr. Speaker: I think he may move his motion now.

Shri Nath Pai: I am grateful to you, Sir. But I have one submission to make. I quite agree that the debate should be made inconclusive, because I know many hon. Members who I know have very important things to say and want to make a very vital contribution, will be deprived of the opportunity when the time is not sufficient. But I expected the Minister to intervene. We want to hear him, though the debate is not concluded. If the Minister today intervenes, I will not object. There were serious doubts which have arisen and we would like to have clarification. Otherwise, the impression, created as Shri D. C. Sharma pointed out, will be that only the doubts are expressed and the motion left inconclusive. So, I expect the Minister to intervene.

Shri D. C. Sharma: There is not much time.

Mr. Speaker: There can only be two procedures. This motion is in the name of the hon. Member. If it had been in the name of the Minister, he might have introduced it and might have spoken something. But in the same debate, I cannot allow the Minister to have two opportunities, first, after the hon. Member has spoken and then again, after some other speeches are made.

Shri Surendranath Dwivedy: He can reply after a fuller discussion.

Mr. Speaker: The other alternative is to leave the debate inconclusive, with the reply yet to be given.

Shri Nanda: May I make submission? When I was approached on this matter, I readily agreed because I thought I would have the necessary opportunity and time, as pointed out by the hon. Member, to dispel certain doubts and misunderstandings. There-

fore, I did expect that on this occasion, when the occasion came, I will have adequate opportunity for the purpose. Otherwise, I will be at a very serious disadvantage, and the very purpose I had in view would have been defeated. Therefore, I would like to have adequate time. I do not think all that has to be said can be said in a few minutes. My reply will have to cover a fairly wide ground and I need at least not less than an hour for this matter. Otherwise, I think it will be very unfair to the Government if all these doubts are allowed to be raised before the House and sufficient opportunity is not given to deal with these matters.

Shri D. C. Sharma: Many Members would make contribution to this debate. How many Members are going to speak?

Mr. Speaker: The subject-matter is on the agenda. How can I prevent it from coming up, unless the whole House says that it should not be taken up? How can I refuse the hon. Member, in whose name the motion stands, permission to move the motion? The hon. Minister can certainly intervene, and I will give him opportunity after one or two speeches.

Shri Nath Pai: Let him speak today.

Shri Nanda: The time would not be enough.

Mr. Speaker: He cannot just speak on the same motion twice. Let the hon. Member move his motion and we will see how it proceeds.

Shri A. C. Guha (Barasat): On a previous occasion also, such a debate was extended to the next session.

Shri Surendranath Dwivedy: It has been agreed to now.

Shri Nath Pai: I beg to move:

"That this House takes note of the serious shortfalls in the targets of the Third Five Year Plan

and the growing misapprehensions in the country about the implementation of Third Five Year Plan."

I believe that an awareness of the malady is half the cure and it is in this spirit that I shall try to bring to the notice of the hon. Minister of Planning some of the fears that are being sometimes legitimately entertained in some quarters. I think whatever we may be saying, it seems pretty clear by now that the third Five Year Plan is going to face rough weather for sometime to come.

There are four kinds of dangers by which it is being faced. Two of them could be dismissed very quickly. One is the defeatist mentality which is being created by certain vested interests in this country that the Plan is failing. We always think that the Plan will be failing and there is a sense of gloating that the Plan will have really begun to fail according to those sources or those quarters. I do not share this pessimism and I think the main object in raising this debate was to provide this House with an opportunity to tell those dismal sections that Parliament, which unanimously adopted this Plan, has its own plan and is determined to see that in spite of the rising difficulties the Plan is successfully executed.

There is another difficulty. If the pessimists who are trying to create and foster a defeatist mentality in the country are one source of danger, there is another danger which comes from the ministerial quarters, those who think and are never tired of telling that nothing is wrong with the Plan; that the Plan is going on splendidly; everything is very rosy and there is no cause for concern or anxiety; we are doing all that could be done and nothing better could have been done. This is the second danger, and I do not know which exactly is a greater danger. It is against this background that I would like to congratulate the Minister of Planning for having taken courage in both hands:

while speaking at the Consultative Committee, he showed boldness and courage to issue some warnings regarding our performance so far in the first year of the third Five Year Plan.

I shall now turn to some real difficulties of the Plan. The Plan is heavily dependent on foreign aid or assistance, which is technically termed the availability of foreign exchange. In the first Five Year Plan, of the total requirements of the public sector, ten per cent came from foreign aid. In the second Five Year Plan, the percentage rose to 24 and in the third Five Year Plan it is of the order of 43 per cent. Big hopes were entertained that we would have big foreign aid and also that we will be succeeding in raising our exports to an order where, on the whole, the deficit will be negligible and will not be of a crippling nature. We want to know exactly what is happening on both these lines.

First, let me refer to the aid. Right now, the picture does not appear to be particularly bright. We expected to gain as much as Rs. 540 crores this year. The non-American members of the Aid India Club are seeming to be reluctant, hesitant, to make firm commitments, and if America carries out her threat that she will match what the others give, there is a danger that at the end of the year we will be faced with a deficit of Rs. 220 crores at present calculations. I will not be cringing for help and I shall once again underline the general line the Government has adopted: that this country shall not be deflecting from the policies which it has followed in its own interest and in the interests of the wider cause which it has accepted. We shall not deviate from these policies either under the threat of withdrawal of aid or under the promise of greater aid.

Having said that, I would not go further into the aid problem except to quote one of the finest students of economics in the west. I think it

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is no exaggeration to say that it is not only the fate of our own democracy which is linked up with the success of our Plan but democrats everywhere should feel concerned if something seriously begins to go wrong with India's plans.

13 hrs.

I will quote what Barbara Ward has said towards the end of her book *India and the West*. This is the only appeal I would make to those who are concerned with the formulation of aid policies in the West and in the end, its actual handing over. Towards the end of her book, she says:

"If to these vast promptings of a greater destiny, the Western peoples make no more response than 'to pass by on the other side', they will not only endure the fate of Babylon or Carthage. They will deserve it."

I am not uttering a curse, but this is the cool analysis by one of the finest contemporary economic analysts. She concludes thus:

"Behind the Indian figures and statistics lie the realities of children without bread, men without work and women without hope. If these do not move us to action, the outer form of our society may survive, but its inner spirit will have withered away. Then like the myriad proud civilizations upon which 'the sentence of the Watchers' has already gone forth, we shall be carted off this great stage of the world into the dust and debris of history, there to join the melancholy line of past societies, which, at the crucial test, could not change and advance in time."

This is all we can say to the West, not only to the West, but to those

who are concerned with the administration of aid programme during the Five Year Plans, so far as this country is concerned.

But there is the other aspect; that is export. I think the target original set at Rs. 3700 crores of rupees was not over-ambitious at all. We are, of course, aware of the way we had functioned regarding the achievement of the export target during the second Plan period. I have a very good authority here, my friend, Shri Morarka—I hope he does not mind my quoting him—who had told what had happened regarding the export trade during the first and second Plan periods. It seems there was a very slight, almost marginal improvement in our export trade during the second Plan period. From an average of Rs. 609 crores, we progressed to Rs 614 crores. As against that, the import bill jumped up from Rs. 700 crores and odd to Rs. 1,000 crores and more per year. I am not showing that disregard for statistics which my friend, Shri S. S. More, the other day showed. But I do not want to try to create a kind of net smoke-screen by quoting statistics. But nonetheless, to be very precise, the figures were, imports Rs. 727 crores and exports Rs. 1073 crores.

We have set up a target, but looking at the performance of the first year of the third Plan and the second year till now, whereas I repeat that the target is not ambitious, on present calculations, I do not think that we will be reaching that modest target itself. Actually, the target should have been higher, because there is no permanent release from the dependence on the goodwill of somebody, unless we try to earn by our own sweat and by our own exports for our requirements for sometime to come for our development plans. There is no easy way to get rid of our requirement of foreign exchange. If we want to complete the take-off period, as we anticipated, in another 15 years, we

will need capital goods from abroad. There are two ways only for that; either aid or trade. Aid is an imponderable thing. Therefore, we have to come back to trade.

I think there is some indication of a growing awareness on the part of the Government. The formation of the Board of Trade, the creation of a new Ministry and handing it over to a man who has earned a reputation in all quarters for his energy and drive—all these may be good, but I wonder if all these will be adequate, because there are certain basic things which need to be done and one is not quite sure that they are being done. I have spoken about that on the Demands of the Finance Ministry and in view of the paucity of time, I shall not be labouring that point once again. But I shall be saying something about the difficulties of the third Five Year Plan. I would like, of course, very much to agree with Shri Morarko. He should not have cared about that minor mistake that the shortfalls are anticipated shortfalls; how can one talk of shortfalls before the Plan? But that is the assumption on the basis of the performance so far, on the basis of the data made available to us by the Planning Commission. I would like that these fears are proved false. That is the whole object, that we succeed in dispelling these fears.

Among the main difficulties with which we are confronted—and how numerous they are—in the third Plan, they had their birth in the womb of the failure of the second Plan. They have weakened in advance the success of the third Plan and unless we draw the necessary inferences and lessons, unless we have the courage and energy to take the required adoptive measures, I do not think all brave talk will help us in bringing this third Plan to a successful end. I will be giving my reasons.

In the note which was circulated to the consultative committee, the Planning Commission, rather the Planning Minister, has outlined how in all the

vital basic sectors of our economy, there has been a weakening and there has been—I hate the word, but then I have to convey what I have in mind—a failure. First I will show how the failure was there already dug in; just as there is a built-in inflation in the economy, there was a built-in failure of the third Plan because of the failure of the second Plan. There was failure in reaching the target of national income. We had planned to raise the national income by 25 per cent, but the actual achievement is less than 20 per cent. Figures disagree here and there, but putting it roundly, I do not think we have reached that target; it has fallen very considerably. When we remember that we wanted to raise it by 25 per cent and we actually reached 20 per cent, this is not an insignificant failure; this is a massive failure.

But I will take more tangible objectives. We find in these beautiful paragraphs with which the third Plan opens, the wider long-term goals of social justice and fairer shares for all Indians. I think it is appearing to be a dream which, far from coming nearer realisation, seems to be receding farther and farther with the fulfilment, or partial fulfilment, of every Plan. Leaving aside that, one feels that at the end of the third Plan, India will have fulfilled the major targets of the second Plan and that is not a very creditable performance. I will be giving my reasons for this.

Electricity, power, transport, steel and cement are the basic things which form, what they call technical terms, the infra-structure and unless we make the whole basis of this vital segment firm, the super-structure will always be a shaky one and always bringing a crisis, so that the thinking of the Plan will always be linked up with crises. There has never been an attempt at perspective planning, though there is a department in the Planning Commission for perspective planning. A nation is to plan for electricity, power,

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steel and cement not on a five-year basis, but on a fifteen-year basis and these must be written large as the 'musts'. It is no use saying, when the day is too advanced, that these should have been the core of the Plan. Right from the beginning, a feeling, an awakening should be created that these are musts from which there is no going back.

What are the musts for the success of our Plan? In electricity, the target was 6.9 million KW, the performance was 5.7 million KW. Regarding iron ore, it is a well-known story. I am only making a passing reference to these points to drive home the points which I have in mind. The failure at the end of the second Five Year Plan has created a built-in failure or the danger of failure for the third Plan. We planned 61 million tons of coal production, but actual performance was 55 million tons. Iron ore: target 12.7 million tons; performance 10 million tons. These are taken from the third Five Year Plan figures or the statistical book of the Central Statistical Organisation. Finished steel: target 4.4 million tons; performance 2.2 million tons. Cement: target 13.2 million tons, actual performance 8.6 million tons. The railways were supposed to carry 170 million tons, but the actual performance was 156 million tons. Cotton textiles—yarn: target 884 million Kgms, but actual performance 774 million Kgms. Mill cloth is the industry of which we are proud and which forms the basis of the index of industrial performance. What does it show? Here also there was a gap between the target and the achievement. All these failures have their inevitable consequences, because the Plan is an integrated whole and if there is failure at one point, it is carried all over. I will explain what I have in mind. We do not have enough steel and, therefore, we do not have enough rails and enough wagons. We do not have enough wagons and, therefore, we do not move enough coal. Because we do not move enough

coal, we cannot produce enough steel. There is a vicious circle. This is not only with regard to steel. I am now sick of the term 'transport bottle-neck', because it has become a constant, perennial, permanent feature of our life. We do not know what is being done. All the assurances that we will reach these targets will not carry conviction when we take into consideration that the target set in the Third Five Year Plan is an additional originating traffic carrying capacity of 18 million tons whereas the average struck in the Second Five Year Plan was 8 to 9 million tons. Will this 100 per cent rise—we would like to see that it is achieved—be achieved? If we are determined to achieve this, are we taking the necessary steps to see that it is achieved? 25 per cent of the locomotives in India, in 1961, were over-aged. The percentage was 21 in 1951. That means in ten years the situation far from improving has deteriorated. The other day only I made a reference to the kind of rails we have, to the kind of flanges we have, to the kind of locomotives we have, to the kind of workshops we have. We have a dilapidated, over-tired, over-exhausted rail service. This panting, coughing rail system is supposed to carry this additional heavier burden. We wish them all good, we wish them well. But it does not bring conviction to the heart that they will really succeed in achieving this.

What happened was, because of these bottle-necks and many other failures we do not succeed in reaching our steel target. Then we are compelled to import. Then comes the crisis in foreign exchange, which again has become a perennial feature of Indian planning. Could it not have been anticipated. Unless we succeed in creating what we promise to create in the steel field, we will be faced with major difficulties.

Sir, I remember a debate that Shri Morarka and I raised here as early

as in 1957 or early in 1958 on steel. We were very self-assuredly told by the Minister of Steel that we will be producing enough steel to export and we will earn precious foreign exchange. That was the boast. There was the other school, of course, led by certain leading steel industrialists in the country which threatened that there will be a glut of steel in the country. They asked: "Your hands will be full with surplus of steel. What will you be doing?" The other was the hon. Minister who said: "Ah we know what to do with it. We will export it and earn very precious dollar, very precious foreign exchange". What is the reality? Last year we imported steel of the value of,—I am speaking subject to correction— if the figures given here are not wrong—Rs. 89 crores. So in the year in which we were supposed to earn foreign exchange, we imported steel of the value of Rs. 89 crores.

What will happen? There is this vicious circle. One failure inevitably leads to another failure. Take another aspect of it. Take the textiles. Here again, had we succeeded—I will be coming to the agricultural and food front of the Plan—to some extent on this side, had the progress here been somewhere—I know that we are not producing and perhaps we will not succeed in producing all the long staple cotton that we need—near anticipation, then we would not have been spending Rs. 84 crores—you agree it is a vast sum—on foreign exchange. But that was the import bill.

Now, a general atmosphere of self-complacency, self-satisfaction is being created that we are doing magnificently on the food front. There has been an improvement, which is really marginal, in 1961-62 over the achievement in 1960-61. But drums are being beaten on that. But the real reason why prices are not soaring high is the cushioning provided by

the American wheat loan which we we get under PL 480. I know you have set up a target. But has that target any relation to the target required by the end of the Third Five Year Plan? Do you seriously believe that with our current production increasing at an annual rate of little more than 3 per cent we shall be reaching the target of one million or more tons? The estimate by the Ford Foundation Export Team was that this country, to feed the additional mouths which are coming in the country at the rate of 8 millions a year, will be requiring something more than 105 million tons. That presupposes that food production increases in this country by 8 per cent. What has been the performance? In any case by more than 7 per cent it must go high. But the performance has been a little more than 3 per cent. Do you really believe that we will be released from this necessity—I will say, humiliating necessity when we remember that we have spent more than Rs. 740 crores on irrigation, when we remember that nearly 70 per cent of our people live by agriculture—of our going to the world's most industrialised nation and beg for wheat and other foodgrains.

Sir, as a student I remember to have read the speech of the Prime Minister which was published in the *India News*, London, in which he said that India expects to reach self-sufficiency in the matter of foodgrains in 1951. Eleven long years have rolled back and that goal remains far from the horizon. It is nowhere on the horizon, much less within the reach of the Planning Commission and the Planning Minister.

Here are other targets which I would like to bring to his notice. From the notes on fertilisers I see that it is reckoned that the indigenous output at the end of the Third Plan would be of the order of 6,50,000 tons compared with 8,00,000 tons that

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is needed. What will be happening? Here again it is worthwhile noting that we do not produce enough fertilisers in this country. So we do not produce enough grains and we continue to import. On both the ends there is a pressure on your precious foreign exchange. One failure leads to another failure, and I think the total failure seems to be a menacing one.

Take the question of irrigation. The progress on some of the projects has been retarded on account of shortage of cement, steel and coal and also inadequate foreign exchange for machinery and equipment. Everywhere we will be finding the same sort of failure creating bigger failures in other sectors, failures in the basic industries of coal, power, transport, electricity and steel.

Take the case of industries. In a note circulated by the Planning Commission it is said that but for the availability of foreign exchange, transport and coal higher levels of production could have been achieved. This is about industry in general. About cement they have said that with greater availability of coal, power and transport it should be possible to secure an increase up to about ten per cent in the existing level of production in cement. What about cement? See the whole mentality. I think it was in 1958 that there was a slight excess of production over demand. Immediately the cry went round that we are confronted with a glut. We should have started every alternate year one Sindri plant in every State. We went slow. There were other difficulties also. The necessary kind of coal was not available.

Again, coal is among the Achilles heels of the Third Five Year Plan. Coal and Railways have been all the while coming and confronting us with the spectre of failure everywhere. One after another the items can be taken and one can draw a gloomy picture. But that will not be my main purpose.

I will be seeking further clarification from him as to how exactly he proposes to fight these growing difficulties on all these fronts, all these failures, because I am interested in getting an assurance from him.

Added to this, Sir, there are others. I think it was no less an authority than the Prime Minister who, winding up the debate in this House on the President's Address—that was how we began—struck a note that nothing whatever was wrong in this country and that we are doing better. "If I recall just from memory", he said, "standards of consumption have improved, longevity of life has improved everywhere and it is a rosier picture than it was". "How do you go on demoralising the country by drawing a gloomy picture?" he asked. He said that we had completely ignored the glaring facts that were facing us at every corner wherever we may go in the country. What was the authority? It was some kind of statistics. But I would like the Planning Minister to take into consideration some of these aspects.

There has been a failure in one or two things which both the Plans had hoped that we would be able to do. We had hoped that we would be succeeding in stabilising the prices and holding the rupee value. On both the fronts there has been a failure. The price rise in India during the Second Plan period, Mr. Speaker, was of the order of 25 per cent—not an insignificant thing. I would like his advisers to read a book by Mr. Franz Pick on the devaluation and debasement of currencies in the world and also a study published by the first City Bank of New York. There it is said:

"Annual fall in the value of money in India worked to higher than that in 27 other countries."

No wonder, we are failing in our drive to persuade the people to save more. How can the people be persuaded to save more if what you gain

by your sweated labour today you hand over to your Minister and after twenty-five years, when you can no longer sweat for yourself or for society, you do not get even one-third of what you handed over to him? The prices get rising and he loses what he has invested. What he invested was not just a currency note but his sweated labour. Today he is going on sacrificing in the hope that for what he sacrifices in the prime of his youth he will be compensated when he can no longer work. If this is the debasement I am not interested in those figures which the Finance Minister gives. Here he says:

"Taking into consideration the debasement and devaluation of other countries, the fall of the Indian rupee is comparatively something to be proud of."

He completely ignores and forgets the cushioning that is provided for the average citizens of those countries whose figures he is in the habit of quoting. There is old age pension which always appreciates, not very willingly by Government but it goes up. There is free medical aid, there is educational concessions which are freely provided in those countries.

Today I am not going into the social aspect of our planning. I am going into the purely economic aspects and trying to get certain assurances from the hon. Minister for Planning. I think there is no reason for this kind of pessimism which in the financial quarters we find expression. The *Financial Express* has come out with gratuitous advice "cut down the Plan to Rs. 8,000 crores, Rs. 5,600 crores in the public sector and Rs. 2,400 crores in the private sector and everything will be all right". This is an advice which should be summarily rejected. It has the pretence of being practical, it has the appearance of being very sober, but if we act on this kind of advice, we accept in the first instance that the Plan was over-ambitious. I would

beg that the Finance Minister will in his reply, whenever he makes a speech—if he does not answer today in the House, he will have innumerable opportunities which come to him—he will say that we are not going to cut down this Plan. Because, in the first place, what did we hope to achieve by fulfilling this Plan, at the end of the fulfilment of the Plan? These were to be our achievements by comparison with other countries. The United States has an average *per capita* income of something like 2,000 dollars; the United Kingdom has something like 860 dollars; Japan has 220 dollars; at the end of 1975 we were to reach the target of 100 dollars, at the end of five Plans. If you start cutting and pruning under the pretences of expediency, what shall be left? Those slender hopes which we have also shall be taken away from our people. I would first like the Planning Minister to do this thing.

I think we have too much of federalism. I would like to have political federalism in this country, but economic planning and quasi-federalism in the economic field do not go together. There is too much of State interference in the formulation but, much worse, in the execution. And the Planning Commission, far from all the while concerning itself with the formulation of policies, concerning itself with the formulation of broad targets, I think, on the one hand, it takes over the functions of the individual Ministry and, on the other hand, it does something which it should not do; it abdicates its basic duty of formulation and acting as a watch-dog, of even converting itself into some kind of a war cabinet, because this is the worst war which we are up against, war against want, poverty, squalor, suffering and misery. It requires dedicated effort, it requires vision and courage, and not faddists who come and say "this thing is good because somebody has preached that this will be good" to promote the morals of this country. If this kind of attitude permeates the Planning Commission; we will get nowhere.

[Shri Nath Pai]

Shri C. D. Deshmukh, speaking the other day in Nagpur, made very cogent remarks on this point. Administrative efficiency and political framework of the required order are the prime requisite of planned development and then, an experienced civil servant and not a very bad Finance Minister as he was, he remarked that the administration in India is procedure-oriented, not activity-oriented, as he called, or constructive-oriented. They are looking whether it fits in with the procedure or not; all the while, the dead wood of procedure, the red-tape, is there. Every file, howsoever important it might be, it has been stated umpteen number of times in this House, must go through all the myriad wheels and then alone the whole thing will be granted. Recently, the Planning Minister is trying to cut into this red-tape, into this drag, which is constantly emphasised.

Perhaps, I have used most of my time. I do not know if I have used all the time.

Mr. Speaker: All the time.

Shri Nath Pai: Before I sit down, may I say something, that he should try to have the motto of Queen Victoria engraved on the tables of the Planning Commission? During the Crimean War, these were the words which were engraved on the table at which the British Cabinet held its meeting: "In this House, we are not interested in discussing the possibilities of defeat". It must be engraved on the portals of the Planning Commission. We are not going to prune it but, certainly, we are going to determine the priorities. If difficulties are coming, what are the things which shall not be scuttled and thrown away, we began to do helter skelter at the end of the Second Five Year Plan? When the crisis came, we did not know what to call it—a big word was used, the core of the Plan. Every General has to prepare this kind of strategy, this kind of eventuality and try to meet it. If they withhold aid,

if the targets are not reached, what is it that we will be throwing out. A decision must be reached and the country must be told right now that on coal, on steel, on cement, we shall not be pruning. We will be, if required, tightening our belt, but not pruning. I know I may not be making myself popular by saying this, but there is no escape from this, unless this firmness of will is there.

Having done this, may I also say that the frontiers of democracy are defended by the faith of the people. The faith in a "just today and a brighter tomorrow"? If we weaken this faith, not only the Plan itself fails but something far more specious would befall on the country. Indeed, there may be nothing left worthwhile to preserve. I, therefore, plead with the Planning Minister that we should show the necessary vision the necessary courage and, even at this late hour, try to take those measures which will induce, first, the faith in our people, then galvanise their untapped energy and effort. I would like to tell him this thing, that the Minister of Labour should be knowing that at the end of the Third Plan, the number of unemployed in India, according to his own admission, will be higher than the number of unemployed with which we began the era of planned plenty for everybody. And there is a warning, and it is this, that an idle hand and an angry mind is a very dangerous combination. The future Indians who are to be educated and kept unemployed are not going to blame some destiny and faith by saying "what can I do? I cannot get a job"; he is going to hold those who are charged with the task responsible for his position. So, on this front, something far more imaginative, something far more determined will have to be adopted by the Planning Commission. They can discard the voices of this gloomy, dismal Desmond but not those promises which they held before the nation.

Shri Khadilkar (Khed): May I put a question to him?

Mr. Speaker: Let the motion be placed before the House first. Motion moved:

"That this House takes note of the serious shortfalls in the targets of the Third Five Year Plan and the growing misapprehensions in the country about the implementation of Third Five Year Plan."

Now, what is the question?

Shri Khadilkar: I have listened very patiently to the speech of the mover of the motion, Shri Nath Pai. But I have some doubts.

Shri Nath Pai: Is that the question?

Shri U. M. Trivedi (Mandsaur): That means he has not heard the speech.

Shri Khadilkar: You are mistaken. I have heard him all right. Now the question is this. He has said that something has gone wrong. But he has failed to diagnose where it has gone wrong and suggest some remedies.

Mr. Speaker: Order, order. I would like him to stop there. Now I would like to have some guidance of the House on one question. Fears were expressed that with such criticism as has been levelled and the fears or apprehensions entertained . . .

Shri Nath Pai: Also the hopes. I said 'also the hopes'.

Mr. Speaker: I was perhaps inattentive to the hopes. I was only attending to the fears. Fears were expressed that a wrong impression might not be created in the country and this might not adversely affect what we have to do in future. The hon. Minister also wanted that this should not go unreplied to and he thought that he must have the opportunity of replying to this. Now there are only two courses open to me. One is that I should call the hon. Minister

straightaway to intervene so that the real state of affairs is before the country and everybody knows it and we can continue the debate in the next Session. The hon. Minister says that he must have an hour to reply.

Shri Hem Barua (Gauhati): The hon. Deputy Minister may reply later.

Mr. Speaker: That does not matter. As Shri Nath Pai said, we might not become procedure-oriented. We might have to make a departure then. That we will do in the interest of the country if it is desired. But is it the desire that the hon. Minister should give a true picture before the debate is carried further?

Some Hon Member: Yes.

Shri U. M. Trivedi: May I make a suggestion? If the hon. Minister replies today, as you have suggested, certainly there would be no objection, but I would suggest one thing and that is that in that event according to the present arrangement there would be very little time for others to take part in the debate.

Some Hon. Members: Not today, but in the next Session.

Shri U. M. Trivedi: Before I conclude if there is objection . . .

Mr. Speaker: I was also saying that there would be no further speeches today.

Shri U. M. Trivedi: That is all right, but whatever time remains it will be very little. I might suggest that when this motion comes up for discussion during the next Session, these very two hours might be allotted for it.

Shri Harish Chandra Mathur: It must be longer than that.

Mr. Speaker: The House is contemplating to devote much longer time and not just two hours. That would be for the House to decide.

Shri Harish Chandra Mathur: It must be for the whole day.

Shri Indrajit Gupta: (Calcutta South West): Will the hon. Minister, reply again?

Mr. Speaker: We will have another reply at that time. When a subject is introduced, we have the practice that the hon. Minister introduces it. In this case I could not call upon him because the motion was in the name of a private Member. But the hon. Minister would give us an idea and the discussion can take place next time.

An Hon. Member: There is no harm in that.

Shri A. K. Gopalan (Kasergod): There is no objection to that. What we want to know is this. Now the motion has been moved. There are at least hon. Members of other Parties who want to speak. But if the hon. Minister wants to reply to it, as he has said, what would be the position? So, let the hon. Minister not reply to it; let him only speak on it. Afterwards, time must be extended so that other hon. Members also may speak.

Mr. Speaker: Yes. That is exactly what I said.

Shri Surendranath Dwivedy: I think there is general agreement that this discussion should be carried over to the next Session.

Mr. Speaker: Yes. This very discussion shall be continued. It is not going to be concluded today but in the next Session.

The Minister of Planning and Labour and Employment (Shri Nanda): Mr. Speaker, Sir, I welcome this opportunity of presenting the correct view of the situation so far as progress regarding the Third Plan is concerned and generally regarding the effectiveness of planning in this country and the prospect that we have before us regarding

the future, specially of the Third Five Year Plan.

13.35 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

I welcome this idea for a reason. I found that certain things which were done in good faith were twisted and exploited and a straightforward presentation of certain facts relating to a particular sector of the economy was availed of for the purpose of painting a picture of the economy which might frighten anybody. Wrong impression have been created. Wrong conclusions have been drawn from some of the facts which were communicated to hon. Members in the Informal Consultative Committee the other day and these were commented upon. I would like, therefore, with your permission, to say something.

I may not be able to go into very great detail but I would like to meet the particular arguments by my own assessment of the situation after a very intensive study of the entire working of the economy. Of course, it is our duty from day to day, it is our daily concern to try to watch the implementation of the Plan and to study the various indicators about what is going on. But recently we have given very serious thought to whole of the facts that have emerged and certain conclusions can be drawn for them.

In the first place I must refer to a point which the hon. Member made regarding an effort, I think, a vain effort, to bring the whole process of planning into disrepute by pointing to certain deficiencies and shortfalls and by inferring from them that the Plan was not making any headway at all, that it was not moving and possibly it was breaking down. That kind of an impression was sought to be created. I certainly expected the hon. Member to say what he said about the importance of planning and also about the intentions of those who

throw all these doubts about planning and progress as not being very honourable, I believe. I am glad about that.

As I said, my own assessment after giving a considerable thought to the subject is this. I will first deal with this very question of the whole approach of planning in this country. I would like to state here very categorically that whatever may be the deficiencies which are brought out here and there, if it had not been for planning in this country, limited as may be our achievements and not very satisfactory, considering our needs, even these would not have been secured. We would not have secured even half of our objectives if we had not adopted the approach of planned development in our country.

Shri Surendranath Dwivedy: We quite agree.

Shri Nanda: We may run down some of the figures of achievement, particularly when we compare what we did with the targets that we set for ourselves. It is very easy now just to twit us and say, "You said that you will do so much as regards power, cement and other things and here it is, you have not been able to do it." We will sit back and think why should we not fix low targets and then show greater achievements. These achievements by themselves are not small. They are not insignificant at all. Run through all the targets and the achievements, but consider the achievements in comparison with the past, in comparison to the rate of progress in any sector in the past. The rate of progress has been doubled or trebled.

He was talking of cement. Of course, there was shortage of cement. But what was the position, say, in 1950-51? In 1950-51 we had 2.7 million tons; now it is 7.97 million tons at the end of the tenth year, apart from the increase which occurred in 1961-62 and the

current year. This is also a way of looking at the position.

It is not only regarding cement. About fertilizers, what was it? Nothing at all. For all these decades we did nothing about it. We made a substantial start. Now what is the position? I do not think there is any sense in comparing with nothing. But a very considerable step was taken during this period to provide the country with fertilizers.

With regard to power, it was 2.3 million kilo-watts in 1950-51 and it rose to 5.7 million kilo-watts at the end of 1960-61. I will not take up time of the House on this, but one after another this is what you will find. With regard to aluminium, a very important and essential article the figure rose from 3.7 to 18.2 thousand tons. So that, when we consider it in this perspective and if we bring to bear on it a sense of proportion, then we will see that what has been the achievement. May be what we set out to achieve, specially in the case of the Second Five Year Plan, we did not attain a few targets.

Shri Hem Barua: You failed there.

Shri Nanda: We did. I admit. I am very sorry. We should have done more. These are good achievements, but not sufficient. I agree they are wholly insufficient.

But the question is, as was pointed out about the Third Five Year Plan suffering from certain deficiencies which arose in the course of the Second Five Year Plan, they still persist. And when we consider what happened during the first year or the first fifteen months of the Third Five Year Plan—we are not judging what we are doing now—nothing that we could have done not much—during this period would have given rise to the achievements of this period. It is a thing which happened several years ago, five years, six years, and sometimes more. In the Second Five Year Plan, maybe they were some of our own failings. I am not going in

[Shri Nanda]

any case to minimise that. But in the case of the Second Five Year Plan the major obstacle arose, the obstruction to progress was due to external factors, the foreign exchange.

I know we will be told, "Why don't we plan like that, so that we do not have to suffer on account of difficulties regarding foreign exchange?" Sir, I am sorry we have not been able to place ourselves in that position.

Shri Hem Barua: Is that the whole story?

Shri Nath Pai: I said for fifteen years to come this country will need foreign exchange and it is wrong to say that we can dispense with the need for imports. I do not know if the hon. Minister is aiming at me really. About power he surprises me. Here is an ex-Minister of Mysore saying that machinery worth crores is lying idle. The hon. Minister talks of steel. Did we not import Rs. 93 crores worth of steel? Is the hon. Minister giving a reply to me or to some other criticism?

Shri Nanda: Well, I am giving a reply to the hon. Member also as to why the difficulties are there today. I am underlining what he said. And these difficulties arise because of the difficulties about foreign exchange. And with regard to power, well chiefly the brunt fell on power. I am afraid we cannot do much more on power. The shortage in power at the end of the Second Plan could be related to those bottlenecks which arose at that time, the difficulties which we could not at that time overcome, and that is in a large measure due to our dependence on others for a major part of our foreign exchange.

Now, the answer to that is this. The very structure of our Plans is such that while it increases that dependence and compels us to look to other people for machinery, know-how,

technology etc. at the same time, year after year it places us in a better position to dispense with that aid, it may not be in another five years, or even in the Fourth Plan altogether, may be a few years later. That is the aim, Sir.

Therefore, knowing what is the point driven home, I say, yes, we depend upon other people for foreign aid, but we want to get out of that excessive dependence. It may be said that we make our targets too ambitious. Well, we get into this trouble in balance. Now there are two courses before us—and that applies to many things, including transport, coal and other things.. Either we provide cushions everywhere, when planning really becomes a question of settling the balance between the cushions and the strains. If we have cushions everywhere there will be no imbalances, there will be nothing idle because nothing more would have been created. But then the rate of progress will be what? We are compelled in this respect, our compulsion is the population, the rate of increase in the population, and the question of employment which the hon. Member referred to—17 millions of which even with this big third plan, 14 millions are going to be provided through normal channels out of the total of 26 million. And we are thinking of the rural works programme for the purpose of supplemental provision of employment. All that is there. What do we do? We say, let us have a settled plan, let us have at least an increase in national income to the extent of 30 per cent over the five year period. Now, that 30 per cent is not going to solve the problem of poverty; a plan based on this assumption is not going to solve unemployment. We make it higher up, increase the size of the plan.

Then, if we increase it further, since everything does not depend upon ourselves, for the sake of going to the utmost, pushing on to the-

utmost limit of the possibilities of development, we therefore plan on that basis and then we plan a projection. This, in turn, means so much food, clothing, etc. considering the incomes that are going to be generated and the needs that will arise. And from that we proceed to build up various targets.

This is, of course, very elementary and very well known to the hon. Member. So this is really what we are facing. There is pressure from every side. All the hon. Members here want us to have more irrigation, and the hon. Member is always telling us that power is not enough. When we provide more power, then we are told that transport is not enough. If we provide more transport, then we learn that steel is not enough. So all these targets are included in the Third Plan.

And then, if we must ensure that nothing gets out of balance, then the plan will have to be at a much lower level. If we see to it that it is the best that this country can do, the best that it is capable of, knowing all the time that it is not always possible to achieve the best in every respect, in every field, in every sector, that uncertainties are there, we are building under uncertainties. Even in the countries which have got regimented economies their plans also are not always smooth-sailing. There are breakdowns and there are imbalances. Here in this country what is our position? We have to do the best, because we are called upon to do even more than this. And then we have to be prepared always for something happening, so that it may be that we are not in full control of everything here. I talked about regimented economy. Here we have a democracy at work. And then there is another growing pressure, namely decentralisation. That is a good thing. We are decentralising to the level of village panchayats. The regulatory power of State is limited to that extent,

in the sense of control over multitudes and millions of persons who participate in this process of development on a voluntary basis. There is mixed economy; there is the private sector, there is also the public sector. There is so much in the private sector which lies outside the control exercised by Government. When those who are averse to public sector point a finger at us, may I tell them that atleast some of the deficiencies which are now appearing, which we apprehend so far as the Third Plan is concerned, will also lie in the private sector for instance, in the case of fertilizers and cement. There are these uncertainties. I do not blame them, because, they need foreign collaboration. They may not be able to get it all the time and therefore the delay occurs which they extend over one year or more. We are faced with this situation. Imbalances do occur.

What is the way to meet this imbalance? We do not want to go back to that approach that we will have a comfortable level of development so that everything is nicely matched and developed. What we will do is this. We have been learning from experience. I do not blame foreign exchange for all our shortfalls and shortcomings. The Third Plan does suffer from these difficulties but atleast some of the difficulties may be of our own making in the sense that we undertook ambitious tasks, big things, with which we are not familiar. We were possibly being optimistic also. When we found that these were new things, it took a much longer time to go through all the preliminary steps, investigations that have to be made, sizing of the requirements, getting the project reports ready, installations, and then followed by the gestation period till it comes to full capacity. We thought of the full capacity as if it would come more easily. Part of it may be our own fault. But, so far as these faults are concerned, I can assure this honourable House that there is no complacency at all. If there is complacency

[Shri Nanda]

gency, I would not have welcomed the idea of the discussion here. There is no complacency. We took up those points where the problems had arisen. We highlighted them so that the nation may know what the position is, and what we have to do because, that is a challenge and a call to everybody, all of us here, to the services and to the people.

Shri Nath Pai: I congratulated you upon your courage for that. There is a segment in your Cabinet which is so steeped in complacency, which never tires of boasting of achievement all the time. You deny it. I have proved it chapter and verse. I require one hour to make our constructive suggestions. I congratulated you on your courage for saying that.

Shri Nanda: Everybody did not say that. I am not replying to the hon. Member. I have to deal with many things in the country. So much has been written about it.

Shri Nath Pai: I wanted you to make this point clear so that there may be no misunderstanding.

Mr. Deputy-Speaker: Order, order.

Shri Nanda: That is so far as the future is concerned.

I am first dealing with the immediate present: the situation as it is. We are dealing with the consequences of an earlier period which in part may be a contribution of our own. But, a larger part of it is something imposed on us, something for which we could not be held answerable. If the transport difficulty is there, at least in part it goes back to the earlier period. Similarly there are other difficulties. The question is, whether in the Third Plan, we have drawn correct lessons and are we applying them properly and adequately. To that my answer is in the affirmative. Yes, I can say that about the first and second year of the Third Five Year Plan. I would like

to give some information about it. But, before I give the figures, I want to place before the House one conclusion. I believe that these past 15 months have been a period of fair performance and produced fairly good results, with greater promise for the future. The results in terms of income, employment, etc. are, considering all the circumstances, nothing to be despaired of. The processes into which we have entered, the corrective steps that we have taken, the thinking that has gone into these—we have set in motion a series of steps—the result of which I believe, will be seen in the course of Third Plan. For the apprehensions which the hon. Member expressed—many of them we also felt to some extent. I believe that leeway is going to be made up in the course of the remaining years of the Third Plan. May be that I feel very confident that we are going to achieve the increase in the national income that we have stipulated in the Third Five Year Plan. I do not say that; of course, nobody can make an absolute prediction. International situation may decide that to an extent. Taking a reasonable view of the possibilities, I think that this Plan will go through and we will achieve the rate of economic growth which we have postulated in the Plan. May be, in every sector it may not be 100 per cent. I am talking of the Plan as a whole. This is my impression generally about the future prospect for us in the matter of the Third Plan.

At the same time, I must make it very clear, that when I say that, I know that it is going to happen by itself as a normal course. What we are now doing, the effort that we are putting in, will have to be greatly intensified in the coming years before what I said now is going to come true. That is for all of us. Difficulties are enormous; handicaps are great, but, I believe, as a nation, we can meet that challenge. At any rate, I see around me a different

atmosphere now. A different outlook has arisen. I find in the people with whom I am associated in the Planning Commission, in the services, there is a new stirring up, an appreciation of the big tasks and the big rewards, and also of the great challenge and the great risks involved. I think if we persist in this attitude we are going to achieve the results. This I may say—I am not going into the details—as a general conclusion.

I am fully aware that this will call for very great effort at home. The country will have to be prepared to take the stresses which are going to arise. Transport is going to improve as I was about to explain; cement, fertilisers, everything much beyond expectations or apprehensions, whatever we call them—all that is going to happen. Yet, we may not be free from imbalances in the course of the plan period. Therefore, the stresses will have to be borne in a rational manner. If a little thing happens somewhere, if we are not able to do something somewhere for some reason, if something is short somewhere, then, we should manage the economy in a manner that the brunt of it does not fall on the vital sectors. We may have to submit to inconveniences in transport and we may have to do without things which are of a lower priority. That is going to happen. I am just giving a general broad answer to him. There is no question of pruning the plan at all. I may make it categorical. All pressures are to make the Plan bigger. Everywhere pressures are to make it bigger. I believe it can be made bigger if agriculture responds. I cannot say that sitting here. It can if all of us are so minded. The Plan is a national plan as we assert and I believe it has to be taken as that. The responsibility is of everybody. The international situation will determine as to what will happen. The political situation will determine what will happen.

14 hrs.

The question of resources is there. Are we going to have the internal resources apart from foreign exchange? There is no doubt in my mind that the resources required will be forthcoming. Already we have not done very badly in that respect. There it is. If we want to raise taxes, we have to do it, because without taxes, we cannot have the much-needed resources. In that case, can we go about telling people not to pay the taxes? That is not the way to achieve success of the Plan, whatever the party in power may be. We cannot, on the one hand say that we want the Plan to succeed, but, on the other, do things which will make it not to succeed. I am saying this in a general way.

There will have to be a great deal of economic discipline in this country, in fact, some measure of ruthlessness also. I do not think that we can do without that. I think that any lack of performance anywhere will have to be dealt with very strongly. We have not done it so far, as much as it should have been done, considering the great stake of the nation. But we have got to do that, and we have got to do it for ourselves.

For example, I may place before hon. Members the fact that recently at a meeting of the State Chief Ministers, I had to very humbly place before them the suggestion that there can be no non-Plan expenditure at all, there can be no needless non-Plan expenditure, when the Plan is still there to be looked after.

Shri Nath Pai: Did they reflect that advice by expanding the Cabinets?

Shri Nanda: But the political exigencies are there which the hon. Member may be familiar with in his own field.

Shri Nath Pai: If you are satisfied, then it is all right.

Shri Nanda: I am not satisfied. Otherwise, I would not have talked like that. I am not satisfied at all. I think that in the States, and elsewhere, things have to be very much better than they are now. There is no question in my mind about that. We are all in a way responsible for it. My party is mainly responsible. I agree. And my party has to do certain things, and I hope it will do them.

Shri Lahri Singh (Rohtak): Do not divide the House into party and non-party on this matter.

Shri Nanda: In this particular matter the responsibility of my party is bigger, and I accept it; therefore, I say it. I do not want to diffuse the responsibility totally in that manner. There is responsibility on the other side too, but there is a much bigger responsibility here, and I am saying that we are going to take that responsibility and to carry it out.

I am sure that because the first year of the Third Plan was an election year, that might have adversely affected the performance to an extent. But I believe that it also carried home to all of us what the people wanted, and how much dissatisfied they would be if things did not move quickly, and the risks attaching to the political stability of the country. It is not an ordinary situation that we are facing. It has, therefore, to be met by extraordinary measures, and we can secure the success of the Third Plan only on that basis.

So far, I was making only some general observations but now I have to deal with some of the statistics.

Shri Nath Pai: Do you agree with my general assessment? Figures need not be quarrelled about.

Shri Nanda: I do not agree with some of the conclusions drawn from those figures.

Shri Nath Pai: You do not agree with the fears that were expressed. I hope that you will be able to cure

these maladies to which I have drawn your attention.

Shri Nanda: I can give some kind of a proof of what I am saying, of the earnestness with which we are proceeding in this matter, by referring to two papers presented to the Consultative Committee of Parliament. My hon. friend has referred to one of them, but I hope that he has seen the second paper also.

Shri Nath Pai: Yes.

Shri Nanda: But the hon. Member did not refer to the second one. I was rather disappointed, because that paper presented the brighter side of it. In the first paper, there were only those problems which were reflected and also the difficulties were mentioned. But in the other paper there was also a string of items of action, of new things being done in order to improve the performance.

For example, there is the question here, again, of a tussle between decentralisation and centralisation. The hon. Member says that the Planning Commission interferes too much, but then he also complains that it does not do its part. I do not quite know what to say; if we do our part more effectively, again, it will be called interference. Of course, we want to play our role properly.

The quality of planning is sometimes called into question because something untoward happened somewhere. I believe that the quality of planning is improving. In spite of all those things that are said, we have before us the perspective planning, to which the hon. Member has referred. We have already started working on the Fourth Plan, because we took a lesson from the previous plans. At first we thought that if we started work on it in the middle of the Third Plan it was good enough, but now we find that it is not good enough, and we have to start

much earlier. Now, we have started preliminary work on the Fourth Plan, in the matter of steel etc., because the period or the span of time or the stretch of time required for this purpose in order that it has to be attended to properly is much longer than we had anticipated before. Therefore, we have started now itself.

The uncertainty of foreign exchange etc. may still be there, but we are going to do our part properly. We have tried to decentralise, for the sake of speed and for the sake of efficiency. So far as the Planning Commission is concerned, we want to leave absolutely no room for doubt that instead of helping, it has come in the way of successful execution of the Plan.

We have asked the States to set up Planning Boards, the main reason being that for most of the things for which they now have to come to Delhi they need not come hereafter. If there is a competent body of persons looking at things from the overall planning angle, so that there is proper co-ordination and there is a proper list of priorities etc. to be adhered to, then they need not come to us.

The patterns of Central assistance have been simplified very much, and hon. Members may have learnt recently of the delegation of powers to the Ministries. This is one of a number of measures that have been taken to see that there is not too much of procedural delays and that those who have to do the real work, the agencies entrusted with various tasks are not hamstrung by red tape and other things. So, all those measures are being taken.

Regarding the perspective, the Third Plan itself gives a perspective for the next fifteen years in terms of targets. Those targets may not be very precise targets. They have to be based on certain projections, and based on those projections, targets have been worked out. Is it not

simply an idle exercise, but requires enormous amount of statistical work, based on such relationship as co-efficients of income, demand and supply, prices and all that, and based on these things, we shall be able to deal with the question of the commodity balances, inter-industry requirements etc. in a much more appropriate manner, because we have improved the whole methods and the quality of planning in this country.

I said that even in the course of the current year of the Plan, we have made considerable progress in practically everything, but not in all things. For example, cotton is in short supply. Here there is, on the one side, foreign exchange, which is undependable, though I may say that I do not believe at all—I want to dispose of that part of the argument straightway—and at the moment, I have no reason to apprehend that the Plan will suffer to any considerable extent on account of the uncertainties about foreign exchange. A very good part of it, so far as the projects are concerned, that is, the industrial projects, including industry, mining and power etc. has already been covered. So far as industries are concerned, I think that about 70 per cent. has been covered already; that is in regard to projects; 70 per cent has been covered. So far as mining is concerned, about 90 per cent. has been covered, so that we are already assured of a good start, basically. Other difficulties may arise, but so far as the main structure of the Plan is concerned, it has been secured more or less, and I hope that in spite of these clouds that we see, and which have arisen in the horizon on account of the difficulties about the European Common Market etc. the Plan will be protected, and that there will be no danger of damage to the Plan on account of those things.

I was dealing with cotton a short-while ago. I do not know which is more uncertain, whether climate or foreign exchange. But climate is a

[Shri Nanda]

factor which influences agricultural production largely.

As regards jute, we have got even more than what we wanted. We have achieved the target for jute in 1961-62; the target which was fixed for the whole five-year period, the target which we had to achieve by the end of the Plan has already been secured, so far as jute is concerned. In the case of sugarcane also, a very considerable increase has occurred. Similarly, there are other things also.

Regarding foodgrains, to which the hon. Member has referred, the production has increased from 79.3 million tons in 1960-61 to 80 million tons in 1961-62. Now, this may be true . . .

Shri Nath Pai: It is true. I am only quoting the information which you have given.

Shri Nanda: I am also quoting the same information. I am only trying to interpret it.

Shri Nath Pai: Why the word 'may' then? It is true.

Shri Nanda: It may be interpreted as not being a very satisfactory progress, and that is why the word 'may' comes in there. We would like it to be much better. The year 1960-61 was a highly favourable one for agriculture. Our target for that year was 76 million tons. Of course, in the matter of calculations, especially with regard to agricultural production, we cannot be precise. For agricultural production, we depend on something done on our own to contribute to an increase in production by the various inputs—irrigation, fertiliser, seed and things of that kind—and then we can calculate on the basis of certain experience gained about the relationship between the input and the resulting production. On that basis, we expected to

have 76 million tons. Now, it was much more. That was because of a very good season.

Shri A. P. Jain (Tumkur): It was 80 million tons.

Shri Nanda: I am talking of the previous year, that is 1960-61.

We would like it to be much better. But it is not to be interpreted simply in that way. The advance is to be in terms of potentials which we want to achieve. It may be said that we are investing money, we are creating new capacity but we are not utilising it. You cannot take credit for spending the money if the material results do not follow.

The position regarding utilisation of irrigation potential created is that at the beginning of the Second Plan, the figure was 48 per cent; at the end of the Second Plan, it was 70 per cent. In 1961-62, it rose to 76 per cent, and later on it is expected to improve further. Therefore, here is a demonstration of a successful application of effort to get better results out of investment. There is a consistent improvement in utilisation. It can never be 100 per cent, because in an irrigation project it is not that we are going to use the water 100 per cent with a number of new projects coming up. That will mean less than 100 per cent. But we are going ahead successfully. Here is a performance that we are improving utilisation of irrigation waters year after year and that is one way how we expect to increase agricultural production.

I was referring to cotton. About cotton itself, we have taken to heart that we cannot allow cotton and oilseeds to remain as they are, because we depend upon greater production of cotton both for exports and for people's requirements of clothing here. In the case of oilseeds also, that is the position. We have to take care of exports also. Special measures are being taken and

I feel confident that the position is going to improve. In the case of cotton, there is the question of dealing with pests. We have now taken a decision that we will give the fullest assistance in order to fight pests. I do not want to go into details. But all these things are done in terms of the things that must be done. Every effort is being set on foot for this purpose.

Similarly, in the case of the first year of the Third Five Year Plan, there are a number of other sectors in which production has been good enough; new capacity has been created in a wide variety of industries, and still those deficiencies which the hon. Member pointed out—they have also been pointed by others—are there.

Shri Nath Pai: I am very happy to hear all this, but once again to get the record straight may I say that I pointed out that during the preceding three years we imported food-grains valued at Rs. 463 crores and cotton valued at about Rs. 84 crores? This causes me anxiety.

Shri Nanda: This has caused me greater anxiety. We have to see to the fulfilment of the Plan. I think for some time more, we will have to import these commodities. Why should we have got all this superfine cloth produced in the country by importing cotton from outside? It is a wrong thing. We should be able to do without that. But there are complications. There is capacity available. We have to increase production of cotton of the better varieties in the country for which steps have to be taken. Till then, imports will be necessary. Our effort is not the maintenance of prices on the basis of imports under PL 480, because that is not a thing which we can look forward to for a long period. I agree that on the question of prices, there may be some difference of opinion even among exports. I have held the opinion, and expressed it in this House, that I do not think that we can take lightly or quietly

or with complacency the prospect of any further rise in prices. It affects the people who are most vulnerable. It will be really opposition to socialism to allow prices to rise when we cannot assure that the people of small and low incomes get automatically adequate compensation for the rise, which is not possible even in the case of organised industries. That being so, how is that going to be possible for small shop assistants, small teachers and so on? Anyway, it is not possible to do that. Therefore, since development work has to be carried on, while it may create a risk of strains, those strains have to be met.

Hon. Members will ask: how do we meet them? For example, we are told, 'Do not depend too much on foreign aid.' The answer is export more. There are two ways. We can produce more, which we should do all the time. We should also see to it that there is less consumption inside the country, even though it may mean hardship in the country. That way alone we can create confidence and self-reliance. It is there that the question of prices comes. If we export more and create a kind of relative scarcity in the country, how do we deal with it? Then again, poor people are exploited. Prices naturally go up and therefore the question of regulation comes in. Here again, there is an outcry against the regulation of the economy. Those very people will say, 'You are not giving us the wagons wherever we need them'.

Now, the railways—because that was also mentioned—I can create new capacity, not suddenly as a result of some unplanned demand coming up somewhere. But it takes 2½ years to three years to create new capacity. Therefore, in a mixed economy like ours when it is said that everybody should be free to produce whatever he likes wherever he likes, they tell us 'Give us the wagons at the points where we produce those things', it is not possible to meet it. I am talking of one aspect of regulation.

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Therefore, if we are moving at the highest pitch, if there has to be a regulated economy, and if it comes under cloud and is threatened because we do not manage it properly, the question of controls arises, the question of black market arises. We cannot have it comfortable all the way. We should be able to manage it in some way by setting up consumers' co-operatives, this, that and the other. But certainly, we should face the prospect that for the sake of our self-dependence and self-reliance, we have to export more and there may be less of the things for consumption in the country. We will have to make do with this situation as best as we can, not allowing exploitation to occur all round.

I was dealing with the question of prices. There are two ways. I agree that we must dispense with wheat from outside. The idea of the Third Plan itself is that by the end of 1965-66 we want to end any import of that. Therefore, I agree with the hon. Member that there should be no complacency about agriculture. In agriculture, we are doing better, but we will have to do very much better. Which means that what we are doing now in order to achieve the position envisaged is not sufficient. We must increase our effort to this extent that at the end of the Third Five Year Plan we should be able to do without import. That position has to arise. Therefore, agriculture has to be given much greater attention. The question of fertilisers comes in here.

Shri Bhagwat Jha Azad (Bhagalpur): The hon. Minister is aware that poor farmers who have fulfilled your target in the matter of sugarcane are suffering. They have got 11 lakh tons of cane in the field. There is nobody to remove them for crushing? What is the relief he is going to give them?

Shri Nanda: I may be answerable for everybody's faults and failings.

Shri Bhagwat Jha Azad: You are the Planning Minister.

Shri Nanda: That is right. I will be called upon to give answers at the appropriate time. But if I start answering every question now, it is not possible to do it in the time allotted.

Shri Bhagwat Jha Azad: In one State alone, 11 lakh tons are lying, and nobody is prepared to take it. We are punished for that.

Shri Nanda: The argument goes rather deeper when we deal with the problem: the problem of price of the article, the problem of the price paid to the cane grower, the quality of sugar cane, where it can be disposed of in the market at an appropriate price, sugar exports and so on. We are suffering a loss of about Rs. 25 crores in the export of sugar. We have to produce sugar cheaply also. There are many aspects to that question and I have no time now to go into them.

Shri Bhagwat Jha Azad: These details are not being understood by the farmer.

Shri A. K. Gopalan: About agricultural production, does not the Minister think that the implementation of land reforms is part of the methods for increasing agricultural production? Is that not part of the increase in production aimed at?

Shri Nanda: There is not one, but several parts. Land reform is one and the hon. Member knows it; he has participated in some of our discussions. We have tried to do our best. It has not actually appeared as very good and really effective. We cannot help it. Sometimes much more has to be done on the ground and in the field in order to prepare people for these things. We have taken up the question of prices of wheat and jute. We are tackling other things also. Therefore, we are aware of that aspect.

I was dealing with the question of fertilisers. I would like to dispel

some kind of misunderstanding. We have no doubt given those figures in that note; that was the position at a certain stage. Since then we have been applying our minds to it and the position as I see it now is as follows. From 98,000 tons in 1960-61, the production went up to 143,000 in 1961-62 and is likely to reach 200,000 tons in 1962-63. Later on in 1965-66 it will rise up to 800,000 tons. That is the target to be reached by several steps taken in this connection. Then there are two parts, the fertiliser industry in the public sector and in the private sector. I can assure the hon. Member that progress regarding these projects is satisfactory.

Shri Nath Pai: What new grounds have you got for revising these estimates between June 12 and June 19?

Shri Nanda: Certain actions which were in hand. We have taken notice of them now. The private sector fertiliser projects were lagging behind and it was feared that there would not come up in time. Now there is something new which has been disclosed and that had accelerated the negotiations for giving help to private parties. The period of construction can be reduced from what we had in the case of the other projects—3 or 3½ years—to 18 or 24 months. We found out where the difficulties were. Here again is another development which enables us to take a more optimistic view.

Shri Nath Pai: Four licences were issued to private entrepreneurs for fertiliser factories? How long has it been? Not a single ounce of fertiliser has come out of these four licencees.

Shri Nanda: What is the conclusion. Should we not give to the private sector any licence?

Shri Nath Pai: You gave them the licences but not one ounce has come from them. That is my charge.

Shri Nanda: That is true. They have not proceeded very satisfactorily. They had their difficulties and they are being helped out of those difficulties. Now, that is about fertilisers.

There is then the question of cement. The production at the end of the Second Plan was 7.97 million tons. In 1961-62, the first year of the Third Plan, it rose to 8.28 million tons and the target for 1965-66 is 13 million tons. Our apprehension was that we might attain just 12.1 million tons, that is short of the target by one million ton. Some further steps have been taken. There is shortage even now. It is creating difficulties all round. We are thinking of taking certain steps in order to improve production in this line more than we had thought of before. Production in relation to capacity is now about 88 per cent. As the hon. Minister for Mines and Fuel recently pointed out some steps are being taken to raise the efficiency and to utilise the existing capacity. It has been discovered that it is possible by certain steps being taken to improve that. It may be that all the expectations may not be realised fully. But this is a direction in which we can improve our actual results. In view of the unsatisfied demand, we may increase the capacity by licensing more units in order to have a little more elbow room.

Shri Nath Pai: What was your target for 1960-61 for cement?

Shri Nanda: I have got the figures—all of them here. I do not carry all of them in my mind; I am not a kind of electronic brain. It was very correctly pointed out by the hon. Member that in 1958 the demand for cement flagged a little because everything else was getting a little depressed and one thing led to another, all these people cried: how can we sell all these and they reduced the output. It was mostly in the private sector. There are so many other

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matters to be dealt with but I may say that at the end of the third Plan there may be a marginal shortage of cement but by and large the Plan targets would have been achieved.

Then there is the too vexed and complicated question of coal transport. This has been before the nation for a few years. It has been disturbing us very much and I have been grappling with it. I may inform the hon. Members that we are, during the last several months, meeting the Ministries and officers and going into the details. It is not considered interference now because we try to help them and are trying to get exactly how the situation is and what steps have to be taken quickly, week after week, in order to overcome these handicaps. This is proving to be useful. This controversy has been raging and it was said that coal industry had failed and that its production had not improved at all in the course of the year. What has happened? Is it because the Railways did not move them?

Mr. Deputy-Speaker: The hon. Minister will take some more time?

Shri Nanda: I will need about forty minutes more.

Mr. Deputy-Speaker: He may continue next time. This debate will continue during the next session as official business. We will take up non-official business now.

Shri A. P. Jain: May I make a submission that the hon. Minister may circulate all these papers to Members of Parliament—that is the targets, the actual achievements and the reasons for the shortfall?

Shri Nanda: Yes.

14.31 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

THIRD REPORT

Shri Hem Raj (Kangra): Sir, I beg to move:

“That this House agrees with the Third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th June, 1962.”

Mr. Deputy-Speaker: The question is:

“That this House agrees with the Third Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 20th June, 1962.”

The motion was adopted.

14.31½ hrs.

*ALL INDIA AYURVEDIC UNIVERSITY BILL

Shri A. T. Sarma (Chatarpur): Sir I beg to move for leave to introduce a Bill to provide for the establishment of an All India Ayurvedic University under the aegis of the Government of India with a view to resuscitate and encourage the study and growth of the science of Ayurveda in India.

Mr. Deputy-Speaker: The question is:

“That leave be granted to introduce a Bill to provide for the establishment of an All India Ayurvedic University under the aegis of the Government of India with a view to resuscitate and encourage the study and growth of the science of Ayurveda in India.”

The motion was adopted.