

and that date has been specifically fixed for that Bill. Otherwise, there will be difficulty, because as hon. Members know, a special majority is required for the Bill.

Shrimati Renu Chakravarty : The point is that there may not be enough time for us to finish the Constitution (Tenth Amendment) Bill on the 28th. There will be no difficulty regarding voting. So, I propose that was start on the 28th and conclude on the 29th.

Shri Satya Narayan Sinha : My hon. friend will appreciate the difficulty. According to the amended rule, immediately when the report of the Select Committee is brought in on the 28th a special majority will be required on that day.

Shri Kamath : In order to provide a special majority, cannot the hon. Minister send telegrams to the Congress Members today ?

Mr. Speaker : In all there are six hours and on the 28th we will have 3½ hours and 2½ hours on the 29th. I think the consideration stage will take more time than the clause-by-clause stage. Discussion may go on and voting may take place on the next day.

Shri Kamath : What happens to the voting at that stage ?

Mr. Speaker : Voting at that stage will be necessary before we have clause-by-clause consideration. Arrangements have been made. It is rather difficult now to send telegrams all over the country and so on. I remember the hon. Minister saying from the outset that we should have it on the 29th. So, a portion will be covered on the previous day and possibly the Minister's reply and so on may be fixed for the next day. There will not be any break in the continuity of the discussion. If we can have half an hour more on the 28th, we will have two hours on the 29th which will be taken by the Minister for reply and also by other leaders who have not spoken. The present arrangement may stand.

We will start the discussion on the working of the Preventive Detention Act after the other two items of work—the Travancore-Cochin State Legislature (Delegation of Powers) Bill and Indian Income-Tax (Amendment) Bill—are disposed of on the 28th. We

shall devote the rest of the time to the working of the Preventive Detention Act. With a break for the Constitution (Amendment) Bill on the 29th, we will resume the working of the Preventive Detention Act on the 30th.

Shri Kamath : How long will the Indian Income-Tax (Amendment) Bill take ?

Mr. Speaker : It will take only one hour.

Shrimati Renu Chakravarty : In view of the difficulties expressed by the Minister, it may be permitted now. But, in future it is better not to cut the debates into parts.

RESOLUTION RE SECOND FIVE YEAR PLAN

Shri Asoka Mehta (Bhandara) : The Second Five Year Plan which the Prime Minister has placed before us is a valuable document. Some of us on this side share in some measure the excitement that the Prime Minister felt because I believe it is a privilege to participate in shaping a new destiny for our people. There are many parts of the Plan that I welcome and that are acceptable to me but I would in the short compass of time at my disposal like to confine my observations to those points and parts where, I think, amendments are necessary and fundamental changes are called for. The criticisms that I have to offer should, therefore, be taken in their proper focus.

When we are sitting down to shape the new destiny for our people, it is necessary to have a clear understanding of the fundamentals involved. I find that the opening four chapters give us a lucid and magnificent exposition of the fundamentals of planning, the quite-essence of the problem of development in the framework of democracy has been laid out there. I was amazed and surprised to find that the subsequent 26 chapters had merely tried to check the momentum that had been released by the first four chapters. In the succeeding 26 chapters, we find that the light that has been thrown out by the first four chapters gets diffused and confused. I do not know why the Planning Commission which has such a clear understanding about the problems and the perspective should stumble

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as it has been stumbling in the 26 chapters which are concerned with concrete achievements.

The Prime Minister asked us to develop a prospective. He invited us to think in terms of several Five Year Plans. We all agree with him that it is necessary to look at the journey's end so that we may be able to face the hardships that we may inevitably have to face in crossing the threshold and put them in the proper focus. But, the Prime Minister in his urgency to move forward perhaps has failed to realise that the next two Plans are of crucial importance. In Plan itself, it is pointed out that it is in the next ten years that we have to cross the threshold. Crossing the threshold is of vital significance. The essence of development lies there—moving from one plane to another plane of economic activity. All Plans are important. There is no doubt that only with a long perspective can we say that we shall get out of the mire of poverty on the sunny plateau of plenty. But, in the whole process of development, there is a period which is of crucial importance and that is the period when the threshold has to be crossed.

There are certain special characteristics of crossing the threshold. I find that the Prime Minister has not given enough attention to the significance of the crossing of the threshold. The significance is brought out by the Plan itself on page 21. The Planning Commission says :

"It is the mobilisation of the effort rather than on the gains and returns arising therefrom that attention has to be concentrated."

My friend, Shri Gopalan, talked very eloquently and pointed out the need for raising the levels of income. I am sure there are any number of friends here, overwhelming majority of them, who are only too anxious to see that is achieved, because the levels of living are not being raised. If we want to cross the threshold, we cannot afford to raise the levels of living. It is one of the imperatives of development. We cannot get away from the logic of development. If the level of income rises, the whole tempo and the pace of development will slow down and the result will be that the threshold will keep on and become longer and larger and we shall not be able to move from one

plane to another. That is why it is interesting to find that our unsophisticated people have perhaps been able to understand this and have responded.

In the First Plan they have been able to give their co-operation. The increase in the *per capita* consumption and expenditure in nine per cent. which works out to an increase at the rate of three or four annas per year per head. This was a very small increase that we were able to give to our people. What is going to be the increase in the Second Plan? Assuming that this big and bold Plan that we have before us—as the planners are proud to call it—is fully implemented, what will be the result?

The result will be that, as far as consumption of foodgrains is concerned, it will increase by an ounce or so, as far as consumption of cloth is concerned, it will increase by a yard or two. There is nothing very spectacular that we can tell our people. There is no doubt that there may be certain social gains—more roads, more schools, more factories and so on—but there is nothing spectacular that we can go and give to the people, and it is against that kind of atmosphere, it is against these kind of difficulties that the exertions of development have to be carried out. That is the reason why in history governments have tried to organise development either through capitalist methods where *laissez faire* works out like the chariot of Jagannath or through dictatorship where curtains are laid down which prevents people either from knowing what is happening or at least from openly coming forward and criticising or opposing the hardships.

We, Sir, are here called upon to carry out a new kind of experiment, an experiment of reconciling democracy with development, an experiment which has not been tried before. Leave aside the scale on which we are going to do it, it is for the first time in history perhaps that a nation has decided to undertake the task of development in the context of democracy. If that is to be done, it is obvious that we cannot raise the levels of living in any exciting measure.

Then again, there is the second characteristic to which attention has not been drawn and I feel that pointed attention has not been drawn to it by the Planning Commission. I would like to

draw the attention of the House to the second characteristic by quoting from the very authoritative book of Prof. Arthur Lewis, which has just come out and which is recognised by common consent to be perhaps a most comprehensive study on the subject—*The Theory of Economic Growth*. On page 235 Prof. Lewis has to say :

“This means that the fundamental explanation of any ‘industrial revolution’ that is to say, of any sudden acceleration of the rate of capital formation, is a sudden increase in the opportunities for making money; whether the new opportunities are new inventions, or institutional changes which make possible the exploitation of existing possibilities. The British the Japanese and the Russian industrial revolutions all fit into this pattern. In each case the immediate result is that the benefits of rising productivity go not to the classes who would increase their consumption—peasants, wage earners—but into private profits or public taxation, where the proceeds are used for further capital formation. More and more labour is taken into wage employment, but real wages are not allowed to rise as fast as productivity.”

That again is an imperative of planning. What happens? There is a sector of economy, what is called the capital consuming sector. It is the capital consuming sector which draws to an increasing extent the surplus in the economy. It is the very essence of economic development that profits rise more than any other factors of distribution like wages and other things. It is profits which plays a crucial role, which is the key-lever. In a totalitarian country the key-lever is operated wholly by the State. In a *laissez faire* country the key-lever is operated wholly by the capitalists. How does this Government, which is trying to reconcile democracy with development, which is anxious to develop our economy on socialist lines, going to operate that lever? That is where the Planning Commission gives us a fumbling answer. Here is the key-lever on the operation of which comes more and more surpluses. As Prof. Lewis has said on more than one occasion, this development does not depend upon the tiny increments or incomes that accrue to a peasant or an artisan here or there. They

are all important in their own ways, but the essence of economic transformation, let it be understood very clearly, lies ultimately in the mobilisation of increasing profits, where it is the margin of profit that grows from year to year. What are we doing about it? How is that lever being operated? That is where I find that the planners have not given the necessary thought.

Sir, the Prime Minister has been dismissing our demand for moving towards equality by saying: “What is this? We must raise the floor. What is the idea in bringing the people down to a dead level of poverty?” Sir, who wants to bring the people down to a dead level of poverty? While you are trying to cross the threshold, in the next 10, 15 or 20 years, the floor is not going to be raised very significantly and if you are going to raise the floor significantly the whole process of development is going to be slowed down tragically. That is the dilemma of development. The Prime Minister says: “What is the use of building? We are going to raise the floor. Why do you want to tinker with the ceiling?” I am sorry he has not done us the honour of being present here, but you cannot raise the floor. I am like my friend Shri Gopalan or any other friend too anxious to raise the floor. If you raise the floor, the sky will fly away. All that you are trying to build or develop at the top will just fly away. That is the tragic dilemma of development. I am sorry to find that the Prime Minister on the one side and my friend Shri Gopalan on the other, both are trying to fly away from the dilemma. We have to face the dilemma and the only way we can face the dilemma therefore is to take the people into confidence, and you can take the people into confidence only when you make them realise that a common yardstick, a common rod of measurement is to apply to everyone. You cannot tell the people that it is the effort that counts and not returns and gains, and you cannot permit my friends sitting here to think in terms of gains and returns and ignore the very concept of effort that counts.

Then, on page 21 of the *Second Five Year Plan* you will find that the Planning Commission has said :

“These gains and returns are important, but more important is perhaps the satisfaction that a

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community gets from attempting a worthwhile task which gives it a chance to bend its energies to productive and socially useful purposes."

In a desire to draw the entire surplus you should gift away your surplus. Only by yielding what you get, only by surrendering what you earn that you really enjoy it. The profound teachings of the Upanishad, the profound philosophy that Acharya Vinoba Bhava is trying to popularise, unless that becomes an integral part of our thought and approach, there can be no economic transformation in the context of democracy and I find that our planners, as many people have pointed out including my leader, somehow or other do not realise the significance of this approach.

Then comes the question of raising the resources. Here again it is very significant because the resources have to be raised in a manner whereby those whose levels of living are not going to be raised will feel that the resources are raised in a manner whereby no gross inequalities are permitted to exist. I am surprised that even an elementary maxim is ignored by the Planning Commission—I hope my friends of the Planning Commission will forgive me if I use rather strong language. The Planning Commission ignores the basis maxim of development that the marginal rate of taxation should exceed the average so that the tax receipts grow faster than the national income. That is particularly necessary where the Government uses inflation as one of the means of increasing rapidly its share of national income. I would like the Finance Minister to tell us what is going to be marginal rate of taxation; in what way it is related to the increase in the national income. If these levers are not properly operated, even though those sitting on the Treasury Benches, may have good intentions, things will go wrong.

The Finance Minister's accent has been on indirect taxes. He has often suggested that direct taxes seem to have reached the limits. I do not know if after consultations that he has had with foreign economists his ideas have changed on the subject. The Planning Commission has thrown out a few suggestions, this tax and that tax. It means very little unless things are concretely worked out. It is this very Government

that repealed the capital gains tax. Why was that repealed? What were the reasons? Has better understanding come now? Or, has the Government's power to resist the pressure that is exercised from the other side grown in marked degree? These are things that I would like to know. There should not be any hush-hush when we want the co-operation of all concerned in the policy of economic development and transformation.

I shall not repeat what my hon. friend Shri A. K. Gopalan has said about how a substantial portion of Rs. 1,250 crores can be raised by an integrated system of direct taxes mainly from one per cent. of our people who are well-to-do. Nor will I refer to tax evasion and the learned Professor's suggestions and waste the time of the House. As the Prime Minister said, we have been planning our economy for seven years now. During this period, what has happened to our economy? There has been no integrated system of direct taxes; there has been no Capital gains tax. There are no gift tax, no tax on wealth. All these weapons are rusting in the armoury of the Planning Commission; I do not know when they will be utilised. What has happened in the last seven years? We are told that development has taken place. What has been the result of the development on the position of the different groups and different sections of our people? I read the day before yesterday, you must have read too, that the Nizam has a private fortune of Rs. 300 crores. Which tax is going to affect this fortune of Rs. 300 crores? There is one man in India having a private fortune of Rs. 300 crores, if that information is correct. What has been done about it? I do not know whether the estate duty will apply to him or not. For how many generations have we to wait before some kind of equality could be brought about.

Mr. Speaker: He is alive.

Shri Asoka Mehta: I do not know of any method by which this sum of Rs. 300 crores could be touched. Government is opposed to any form of capital levy. The idea of a ceiling on income is given up because a ceiling on income is meaningless unless there is a ceiling on wealth. Government shies away at the very idea of capital levy even for the purpose of crossing the threshold. We are called upon to put

our blood, to put in our sweat and toil, all that we have, forget our differences and harness ourselves and yoke ourselves to the chariot of nations economic transformation. But, people who have money, people who have wealth cannot be called upon to make contribution in terms of capital levy because then democracy would be in danger, and the whole edifice would crumble. Therefore all their powers, privileges and pelf must be treated as sacrosanct. It is only you and I and the millions of common people in the country who are called upon to make sacrifices.

Deficit financing of Rs. 1,000 crores will generate inflationary pressure. There is the Industrial Policy Resolution. I find not a single reference to any kind of tax on profits. So far as I have found, wherever there is inflationary pressure, two things have to be done. There is to be a stiff tax on profits and there is to be curb on wage increase. Take Sweden or any country where socialists are in power. What have they done? They have been compelled to do these things. Unless you do that, unless you have a very stiff tax on profits you cannot halt wage increase. A tax on profits is not even mentioned as one of the weapons in the planners' armoury. My hon. friends in the I.N.T.U.C. are very happy and naturally the A.I.T.U.C. are happier still that we are going to make a demand of 25 per cent. wage increase. Who would not be happy to have an increase in wages? There again, if we are going to work under the impact, of inflation, this kind of rise in wages and ignoring of a stiff tax on profits, will only result in adding to money inflation some kind of cost inflation also. I would like to know from the Finance Minister who is such an outstanding economist, what he thinks about the demand of the I.N.T.U.C. Is it that the I.N.T.U.C. and some of his colleagues in the Cabinet are permitted to go about evoking support from the workers by dangling an increase of 25 per cent in wages and on the other side, the Finance Minister will see to it that these things do not happen? This is not playing fair to the country. This is not an integrated approach to the development of the country.

Then again, currency expansion. Expansion of currency will lead to credit expansion, credit expansion in the hands of banks that are controlled, again, by big business houses. The Finance

Minister is, of course, averse or opposed to nationalisation of banks. The Prime Minister thinks that we are suggesting all these things merely to satisfy a theoretical urge for nationalisation, and because we seem to have a desire to collect junk. We are not anxious to collect junk just as the junkman goes about collecting in his morning rounds. I do not know whether banks are junks. I have no theoretical urge for nationalisation. What is happening? There will be credit expansion and that credit expansion is going to be utilised, as it has been, to a considerable extent for financing development of industries. Credit expansion is the result of the social policies of the Government and it will be utilised by banks that are owned by big business houses, who will use them for the development of their own industries. What would be the result, I would like the Finance Minister and the Planning Minister to tell me. A sum of Rs. 233 crores was spent in investment in organised private sector during the First Five Year Plan. How much of that amount has gone in developing and expanding the monopolistic position of the 20 big business houses in India and how much to new business houses that have come up in the country? Over and over again you may remember, I have requested the Finance Minister to tell us to what extent entrepreneurship is expanding, to what extent it is becoming more democratic, and to what extent the various regional differences have disappeared. With crores of rupees at his disposal, with a superb staff at his disposal, he has not been able to find time to give us an analysis of what has happened in the last seven years and what will happen in the next five years. A sum of Rs. 570 crores or something like that, a huge amount, will be invested in the private sector. May I know from the Finance Minister or from the Planning Minister what is going to happen to this? Will the big business houses become bigger and bigger, and will the monopolists become supermonopolists in this country? What are the checks? The Prime Minister said that we have legal powers to check them. We shall judge the tree by the fruit it yields. In the last seven years, we have seen the fruits that the tree has yielded. The Finance Minister and the Planning Minister will tell us whether the monopolistic tendency is increasing. I make bold to say that if a searching enquiry is made, the Prime Minister will find

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that all his legal powers have been lying in the Secretariat. They have not been used, they have not been available, they have not been successful in any way in restraining, curtailing and curbing the growing monopolistic tendency in our industrial economy. The industrial oligarchs are growing from position to position and from power to power.

These are the two difficulties. On the one hand, levels of livings cannot rise unless profits are checked. The essence of development is that the share of profits in national income grows year by year. These profits accumulate in a small sector, the capital consuming sector of the economy. If you permit this sector to be occupied by the big business houses, if you permit the private sector to have significant positions in this area where profits grow and tend to accumulate, the whole economy gets unbalanced, and democracy is endangered. That is where the idea of strategic heights comes in. The Prime Minister said that he is in favour of nationalisation of certain strategic heights. What are the strategic heights? I would have liked, if the Prime Minister was here, to discuss with him what his conception of strategic heights is. My conception of strategic heights is that because of these facts and forces that are at work, many more banks, many other key industries and enterprises will have to be nationalised, not because I have a love for nationalisation, not because I prefer bureaucratic control to private control, but because unless these levers are operated the whole mechanism of development will go away.

Let us take the relationship between the agricultural and the industrial sectors. I find that 28 per cent. of our investments will be more or less in the agricultural sector and about 52 per cent in the industrial sector. My friends of the Communist Party are anxious that we should spend more in the industrial sector. In the Soviet plans, the ratios were 20 and 60. Twenty per cent of the total investments were in agriculture and 60 per cent in industry, transport power etc. I would warn the Planning Commission against raising this proportion any further. This is the farthest that we can go. If we go any further, if we are going to pay heed to the advices that the makers of the plan-frame on the one hand and my Communist friends

on the other are going to give us, namely let us put more and more in industries, I tell you the democratic fabric will not be able to stand the strain.

Then again, in the agricultural sector the increase in income will be 18 per cent, because the over-all increase in national income is going to be 25 per cent. In the non-agricultural sector it will be 32 to 35 per cent. Please realise that the agricultural sector, for whatever reasons,—that question is a part of the dynamics of development—is at a disadvantage and the disadvantage is sought to be increased by what the Prime Minister said the other day. He said that the target of food production will be increased from 15 to 35 or 40 per cent. Theoretically there is nothing inherently difficult in increasing our food production in that proportion. I find—I am sure the Planning Minister knows more about it than I do—that the lowest ton-acre yield was in Western India in 1951-52 and that was 0.112, while the highest yield in terms of ten-acre was in Southern India in 1954-55—I am referring only to the First Plan period—which was in your part of the country. It was as high as 0.340. That means between the lowest and the highest yield in our country—the country is divided into three or four broad regions—is one to three. Surely it is not beyond the wit of man to increase food production in a substantial measure. But the point is this. If you are going to increase it,—what will be your in-put and the rest of it I will not go into—as the Prime Minister said we will have to export, which means there is going to be an increasing marketable surplus. Now, you get a marketable surplus only when you are prepared to give something to the agriculturist in return. What are you going to give him in return?

Your Plan is devised, fashioned, on certain assumptions. Suddenly one of the assumptions is changed. From 15 per cent it goes up to 40 per cent. You expect to have such a surplus of food at your disposal that you will be able to export it also, competitively I believe. What is it that the peasant will get in return? I am told that the Vice President of the Planning Commission has said that food production will increase by 40 per cent, but food prices will be go down by 20 per cent. I want to know what will be the effect. Is it going to provide the incentive needed for increasing food production? And I would like to know from the Planning

Commission whether, if the suggestions that have been thrown out by the Prime Minister are accepted, it will not demand, necessitate a complete rehauling of the Plan as a whole? Otherwise, the agricultural sector will be even at a greater disadvantage than where it has been placed in the Plan.

An Hon. Member : Not at all.

Shri Asoka Mehta : What about transport facilities. All of us are shouting here that transport will be woefully inadequate even for the increases that have been planned for in the Second Plan, and if suddenly our food production is increased from 15 to 40 per cent, where is the transport going to drop from? Will it drop down with the monsoons? I would like to know from where it will come.

An Hon. Member : Bullock cart.

Shri Asoka Mehta : Let them say bullock-cart. There is no point in making fun of the Member who said perhaps bullock-cart would be the only substitute for railways. You cannot have it bothways.

Then again I find that if we want to increase our food production, surely land reform should have been given top priority. I was one of those who were privileged to work on the Land Reforms Panel. We laboured hard and we produced an almost unanimous report. I thought that our report would receive the full consideration of the Planning Commission. But what do we find? The report was welcomed to begin with. Then there was, before this printed Plan came out, a cyclostyled plan, and if you will sit down and compare what is written about land reforms in the Chapter in that cyclostyled plan which was placed before the National Development Council and what is written here in this printed Plan, you will find how the chapter on land reforms, how the recommendations on land reforms have been emasculated, how they have been watered down. I do not know who is responsible for watering it down. But I am surprised that the standard-bearer of progress in India, the Prime Minister, should be willing to raise the targets suddenly on the spur of the moment, on an inspiration of the moment as it were—for the last two years the Plan has been in the incubator, no thought was given at that time to changing the targets—but the standard-bearer of progress will not throw in his weight, unmatched weight,

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against the watering down of the proposals of the Land Reforms Panel. And if you are going to permit prices to go down in the villages, the village people know it better than I do, let them tell us whether the peasant will be willing to put his shoulder to the wheel and produce 40 per cent more foodgrains.

An Hon. Member : No no.

Shri Asoka Mehta : There is another point. On page 83 the Planning Commission says :

“...the smaller the proportion of public savings available directly to the State in the form of surplus tax receipts or profits of public enterprises, the greater is the need for other measures or techniques for keeping down consumption within the desired limit.”

Again we find that people take up a very curious attitude. They are opposed to tax, they are opposed to raising revenues from public enterprises and they are opposed to controls. You cannot have development if you oppose both these things. And the Members of the Planning Commission—perhaps they are more of politicians than a set of economists or planners—are willing to meet this kind of ill-informed public opinion more than half way. They are not prepared to get up and say : “No, for these reasons if we want to plan our development, if we want to get out of the realm of poverty into the realm of plenty, our taxes have got to go up to this extent or this kind of machinery of controls will have to be devised”. I do not know who writes the report of the Plan, I believe the five gentlemen who constitute the Planning Commission must be writing it, but whoever has written has said it is necessary, and then what? What is the operative clause? It is a beautiful chapter with no operative clause to it. I have in the past said that we must keep the machinery control in the background. I repeat it again even at the cost of being misunderstood by all concerned. If we want to plan, we must be prepared to raise our taxes and we must have the courage to build up a fair and honest machinery of control and keep it in the background, ready to bring it in whenever it is necessary. You cannot have planning unless you are prepared to face these responsibilities.

Acharya Kripalani (Bhagalpur cum Purnea) : How can you have control unless you have honesty in the administration?

Shri Gadgil (Poona Central) : That is the machinery of control.

Shri Asoka Mehta : Then, this is an important statement that the report makes : "That the generation of new demands proceeds somewhat ahead of the supplies is a part of the strategy of development". The strategy of development is that demand should always be a step ahead of the supplies. You can adopt this strategy only if you have adequate buffer stocks at your disposal.

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It means that buffer stocks can never be at your disposal, unless you have a well-knit organisation of State-trading. It is amazing that State-trading which is such an important part of the mechanism of planning receives just one line in this big Plan of five hundred pages. Not a chapter has been devoted to trade and commerce. Twenty-seven lakhs of people are going to find additional employment on account of the expansion of trade and commerce, but the planners have not thought it worthwhile to devote even a chapter to trade and commerce. Why have they not spelt it out. They perhaps think that the levers are going to work automatically. They call themselves planners, but they leave so many things to chance, in the hope that fortunate factors or fortuitous developments will come to their help.

I have two more points to make : one is about the administration. The Plan begins by saying that the district is the pivot not only of the administration, but the pivot of the whole structure of planning. On page 160 the great realisation comes : "The need for creating a well-organised democratic structure of administration within the district is now widely felt." It took ten years for the planners to realise that you cannot have effective development in this country, that democracy will not take deep roots in this country, unless the structure of administration from district downwards is democratised. When they realised what is being widely felt, do you know what they have said? They have said: "We, therefore, recommend a special investigation under the auspices of the N D C." I am afraid this British method of referring every thing to a committee and shelving it is meaningless. This is the key need the key to make the administration capable of shouldering the responsibilities of development, and if you want to evoke the co-operation of the people you cannot refer this thing to a committee.

What was being done for the last two years? Innumerable committees were appointed. Why was this key committee not appointed. When is this key committee going to be appointed? When will its results be available? When will they be explored? Is it going to be done after the second Five Year Plan? Let not the Prime Minister invite us to share his excitement, because we do not feel any excitement about it. The desideratum in the first Plan was employment, for there was no employment orientation. The desideratum in the second Plan is organisation, for it has not explored the dimension of organisation. In the United States of America in one year alone (1939-40) the National Youth Administration, the CCC and the WPA made 10,41,97 new constructions or additions and 3,92,000 repairs through youth camps. Terrific amount of energy can be poured forth by the youth provided they are organised or harnessed. There is again no reference in this to a programme for youth. The biggest asset that we have in this country, the capacity of our young people to pour forth their enthusiasm, has received hardly any consideration.

The Prime Minister talked about his equation of development : technology plus organisation. But there again we are not told how this technology is going to be trained. The river of technology has always been in the habit of flooding the lower level at the cost of the higher level. The more developed technique destroys the lower techniques. What are the locks that are going to train this river of technology. I find no solution offered here. What are the various ways in which organisations are going to be developed? Very often the dangers to lower technique that comes from higher techniques can be overcome by introducing the requisite element of organisation. How is it going to be worked out? The flexible plan remains an unspelt out plan. I would have liked that these things had been gone into.

Lastly, I would say that I have made certain criticisms of the Plan. I believe some of these criticisms are of a fundamental character. But I am neither cynical nor am I here to be hyper-critical. I am very anxious to co-operate with the Planning Commission to see that this Plan is revised, that the Plan is brought more in conformity with what the Planning Commission themselves have

said in the first four Chapters. If it can become a Plan of that type, I have no doubt that not only will we be very happy, but we will be only too anxious to give our co-operation for the building up of this country.

Lastly, I would like to make an appeal to the Prime Minister. I have to make it in his absence: I hope it will be carried to him. He should realise that if he is serious about his socialism, if he does not want that the very concept of socialism gets decried in this country, that men lose faith in the very idea of socialism, then this is the time when he has got to reshape the Plan, not only to reshape the Plan, but cease to be the pilot of a party however big and however influential it may be, but become the captain of the nation. This is one of the historic occasions. He wanted us to be aware, to become conscious, of the making of history that we are witnessing. That making of history is possible if only there is a rallying of the people. If only there is a re-assembly of all those who fought for the freedom of the country, reassemble to carry forward this struggle against poverty, against want, we can carry to fruition the struggle for freedom that we started. We can if we will cut a kind of spiritual suez between democracy and development that can shorten man's journey from poverty to plenty.

Shri K. P. Tripathi (Darrang): I rise to welcome this Plan and the statement made by the Prime Minister the other day while moving for consideration of this Plan. In the few minutes at my disposal, I would try to confine to certain suggestions which I have to make. I will not get the time which was available to Shri Asoka Mehta to go over the entire Plan and make certain references on all aspects of the Plan, but I will try to confine myself to certain ideas which have occurred to me.

The first point which I want to make is the point which was perhaps in the mind of the planners, but has not been marshalled well: that the risk element in the industry in the Plan period has diminished and as a result thereof certain steps should have been taken as suggested in the Plan with regard to profits, but they have not been taken. As Shri Asoka Mehta himself pointed out, so far as profits are concerned no

suggestions are there, whether they would be limited or they would continue to expand as they have been expanding in the first Five Year Plan. Now, in a planned economy, the scope for investment of the competitive type is reduced. Similarly, the consumption pattern of the country is expanded at a pace which makes it impossible for private industrial units to fail if they are tolerably managed. Consumption goes on expanding at a higher pace, at least the demands for consumption goes on at a higher pace and therefore industry if it is tolerably managed or even managed at an average efficiency can suffer no loss.

Now if this be so, then the industry cannot demand the same kind of remuneration which it was getting in a free competitive enterprise in an unplanned economy. This point has been overlooked and no effort has been made to restrict profits. I consider this an important gap. I think after the planned economy of the type which we are going to have, it is but necessary that profits must be curtailed. I think it would be better if the profits were limited to one per cent above the bank rate so that the profits above that, can be utilised or mopped up for the expansion of the Plan, or feeding the Plan. If the suggestions of the first few chapters were implemented then I have no doubt that sufficient resources would be available for the purpose of working out the Plan. In that case, it would not be necessary to have taxation of the type which is planned, namely the indirect type of taxation; it would not be necessary to tax the poorest man, the man who has no employment, or now, everybody will have to pay the indirect tax. The tax on salt, the tax on foodgrains and so on will fall upon the man who has no employment whatsoever and who is a beggar. Therefore, I think that it is very necessary that this aspect of the Plan should be reviewed, on the basis that the risk element in the Plan period has been reduced to the minimum, so far as industrial management is withheld.

Government have come forward to provide funds for running industries. They are under-writing funds, guaranteeing funds, and borrowing funds from foreign countries for the purpose of the private sector.

Shri B. S. Murthy (Eluru): And flooding them with funds.

Shri K. P. Tripathi: Flooding is good, but the profits arising therefrom should not be permitted to go to the private sector. They must be mopped up because they are not deserved profits, but they arise out of the social activity of development and not on account of something that the employers themselves are doing. If this idea had been in the minds of the Planning Commission, and they had tried to limit profits, then the amount which would have been available to Government would have been tremendous.

Professor Kaldor has pointed out that evaded taxation even at the present day is of the order of about Rs. 200 to Rs. 300 crores. No facts have been marshalled to controvert it, except a certain statements by the Finance Minister. If these evaded taxes could be realised, and the profits which will accrue as a result of the implementation of the Plan could also be mopped, I have no doubt that the Planning Commission will have the necessary resources at its disposal, and it will not be necessary to go in for that type of indirect taxation which is envisaged.

Now, what does the Plan do? It does create a certain amount of resource of the order of Rs. 7,000 crores or so, and it will put it to productive use. But then the poorest man will have to pay for it. But immediately, there will be capital formation in the shape of capital in the hands of the private industrialists there will be private profits. So, as Shri Asoka Mehta was pointing out, it is inevitable that while you may raise resources, they will ultimately become the private profits of the industrialists. Is there anything in this Plan to avoid such a thing?

It is true that in the first few chapters of the Plan containing an analysis of the principles involved, these facts have been brought up. But they have been inlaid there, and they have not been carried to their logical conclusions. The result is that the taxation policy or the industrial policy does not reflected the analysis of the first four chapters of the Plan. Perhaps, the courage of the Planning Commission failed at that time. But I hope that the defect arising out of that failure would be corrected now at least, so that in the middle of the Plan period, we may not find ourselves in a position where we may be drowned by the prosperity we are creating.

The third point which occurs to me is this. We have planned on the money basis. But money is only one item of resource. Men, or the individuals who constitute a country, are the second item of resource. Since we have put too much faith on money so far, we have become tied to the requirement of money in order to expand our Plan. If we look at China, we find that China has gone forward to utilise both these resources, men as well as money. On the one hand, money is available, assistance is available, and they have based their plan on that money and assistance from outside. But they have planned also on the basis of the human resources. But what do we find in our country? We have not taken into account the resource of man-power. The other day, the Prime Minister quoted figures to show that even after the fourth or fifth Five Year Plan, if the income generated were distributed, it would be very small indeed, there would be a rise in the *per capita* income from Rs. 281 to only Rs. 500.

In an under-developed economy, if you have the science of developing the man-power resources also, then the tempo of development will be much quicker. From this point of view, I feel that the Planning Commission should have utilised both these resources, men as well as materials, so that the tempo of development might have been quickened.

With regard to wages, Shri Asoka Mehta said that there was a certain conspiracy between the INTUC and the Communist Party, and suggested that it might be a conspiracy between the Congress Party and the INTUC. The Communists may say and the INTUC also may say that there must be an increase in wages by 25 per cent, but Government may have a policy not to raise the wages. This will help Government to get the votes on the one hand, and on the other, they may not raise the wages. That was the suggestion. Obviously, Shri Asoka Mehta was wrong when he said this. I do not know what kind of socialism he canvasses. He himself said that profits should not be permitted to rise. But what is to be done with the profits?

Either you take the profits away directly from the industrialists, so that the industrialists do not get the profit, or in the alternative, you expand wages. If you do not do either of these

things, then what will happen is that the profits will go to the private individuals, and you say that that is not socialism. I agree that that is not socialism. So, in that case, the only thing that has to be done is to give the profits to the workers in the form of increased wages. If you distribute the profits to the workers then there will be more incentive for the workers. They will work more, and they will produce more. It may be, of course, that Government may think that the amount of wage increase is so great that it will create inflation. In that case, Government have in their armoury the sales-tax, the turnover tax and so on, and by these things, they can easily mop up the purchasing power and the real wages can be reduced at any time by the taxation policy of Government.

So, Government must be clear in their minds as to where the profits should arise. Are they to arise in the hands of the industrialists only? In that case, it is not socialism. In order to create a socialist pattern of society, it is absolutely necessary that the income should be generated and distributed at the lower levels, and it should be taken away by Government also only from the lower levels.

Our suggestion is that Government should create income at the lower levels. Then, they can take it away from the lower levels. We say, take the money from us, not from the profit-maker. We also suggest that you should make us capable of paying income-tax. We are ready to pay the income-tax. After all, why should we not be prepared to pay income-tax? You have got the highest and best machines from the world. In other countries, the people who work those machines get salaries and incomes, subject to income-tax. But in our country, we are given such low wages that we have not the chance to pay any income-tax. Why should we not be given the same salaries and wages as are given in the other countries, so that we also may be in a position to pay income-tax? If you make us capable of paying income-tax, then the amount of tax evasion by the industrialists will be reduced. In other countries also, it has not been possible to reduce evasion of taxes by creating profit in the pockets of the industrialists. But tax evasion has been reduced because of wage and salary expansion at the lower levels, so that even the lowest

man pays income-tax. That is the way tax evasion has been reduced in other countries. Why should we not do such a thing in our country also? The position at present is that the number of people who have to pay income-tax is very small, because it is only the profit-making people who pay huge taxation. You do not depend upon the wage-earners or the salary-earners for your taxes. If you reduce the profits in the hands of the industrialists, then you need not have to depend upon the profit-makers for your income-tax revenues. The income of the wage-earning class and salaried class is clear and open; nobody can hide it. But the income of the profit-maker is a hidden book; you cannot find it out; therefore, he can evade tax. I claim full responsibility when I say that we want to pay income-tax. Raise the level of wages of the wage-earner to such an extent that he can pay income-tax. Do not create profit in the pocket of the employer; create wages and salaries in our pockets and we are ready to pay income-tax.

As regards the taxation structure, I think it is very highly unfair that we, who are workers, have such a small salary, such a small wage, that we have hardly any surplus. And out of that you tax.

Shri B. S. Murthy : Worker is intended only to work, not to have any surplus.-

Shri K. P. Tripathi : Yes. We are not permitted to have any surplus. There is no old-age pension and other things for us. Therefore, where is the surplus to come from? The surplus is not there; still we are taxed through indirect taxes. The surplus is there in the hands of the profit-maker; you permit surplus to be created there because incentive is necessary there. If you create income in our hands, we are quite ready to pay. You create the surplus for us by way of provident fund, insurance and other things which other socialist and capitalist countries have had to resort to. Even in America, which is one of the capitalist countries, they have taken by the New Deal all those processes and measures which are open to a socialist country for the purpose of bolstering up to the working man at the bottom. Even in a capitalist country, they have had to undertake those measures for the purpose of bolstering their economy so that the purchasing

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power of the country might be stabilised. Stabilisation of purchasing power is necessary and, therefore, there is a socialist structure at the bottom and free enterprise or capitalist structure at the top. This is the economic structure of America.

Therefore, at the bottom you have to adopt all those methods whereby the purchasing power of the country might be stabilised. You cannot stabilise the purchasing power at the bottom, if no stable income is there at that level. I think the only way by which you can do it is to change your taxation policy so that surpluses are made to arise in the hands of the poorer man. Then you mop up those surpluses in the form of provident fund, insurance and other benefits, so that they may be a saving for him. The Labour Ministry has already initiated, and got passed, legislation regarding extending the Provident Fund Act. It should be extended further. The rate should be increased so that more and more money might be saved in the names of individuals. After all, it does not matter for the Government; if the money comes by way of taxation or by way of saving, it is the same thing. They can go on developing the economy through investing that money, howsoever they have got it. Therefore, I would request Government to request the planners to give some thought to this.

Then I must say that in a planned economy, the scope for collective bargaining is very much reduced. The other day the Prime Minister made a statement and then the Planning Minister made a statement. They have said that in a planned economy, the scope for lock-outs and strikes is nil. I agree that in a planned economy the scope for these things is reduced. What is the meaning of that? The meaning is that the scope for negotiation for higher wages and other things is also reduced. My hon. friend, Shri Asoka Mehta, was saying that if we had higher wages, then the whole Plan would go to the skies. You must calculate in the case of every industry and try to find out for yourself whether there is any scope for wage increase. It should not be left to private negotiation between the concerned parties only as to whether wage increase is possible or should be permitted. After all, in a planned

economy, you have to know beforehand how much wages you should pay. The entire Plan is based on that calculation.

Now, Government say 'Go to the employer and ask for higher wages; if he gives higher wages, well and good'. Then what happens to your Plan? Therefore, I must say that one of the greatest gaps in this Plan is the lack of a wage policy. I know that there are Wage Boards. But what will the Wage Board do? When a case goes before the Wage Board, as Shri Asoka Mehta has said, it will say: 'No, wages cannot be increased, because if you do so, the plan will fly to the skies'. Obviously, no tribunal or no man, howsoever great he may be, can allow the Plan to go to the skies.

Therefore, what will happen to the wage demands? No increased wage demands will be conceded and consequently, there will be no enthusiasm among the workers. This is a vicious circle and no solution has been offered by the Planning Commission. There cannot be any plan in any country in the world unless there is a wage policy. The plan itself is based on the wage policy. Therefore, here is a gap. You must have some wage policy in regard to your entire Plan, as to whether the wages are to be increased. Shri Asoka Mehta did not know on what he had based our claim to higher wages. We have based our claim on figures which have been given by the Government. I am told the figures have been collected by the Labour Ministry. Compared to 1939 (base 100), the wage index is 102 and productivity index is 113. What happens to this extra productivity. Now the workers are getting low wages, minimum wages. Therefore, it is necessary that with increased production there should be an increase in wages, because according to the agreement arrived at in the Planning Commission, from out of the increased productivity the wages will be increased, till the wage reaches the level of living wage. Now it is not even fair wage. So what should be done with this increased productivity? Obviously, it should go to labour. There is no plan for that now.

Now, the wage increase from 1950 to 1954 has been from 131 to 151. The increase in production from 1950, at the beginning of the Plan, to 1955, has been from 105 to 166. Therefore,

the increase is more than 51 per cent, whereas the wage increase has been only 20 per cent from 131 in 1950 to 151 in 1955. So here is a clear case for a wage increase. If there is a clear case for wage increase, how are you going to meet it? Am I to take it that although there is a clear case for a wage increase, there will be no increase because the Plan will go to the skies? Am I to take it that wages cannot increase but profits may rise? Therefore, I say that there shall have to be a rise in wages. If you do not give that for the purpose of consumption, at least freeze it for the purpose of provident fund for old age. I agree to that. Calculate it on the basis of justice. If you find that increase of wages will create inflation or destroy your Plan, freeze it for all purposes now, do not give it for consumption now, but keep it for our old-age. But all the same give it. That is my demand. I do not think that this is an unreasonable demand. If this demand is refused, I do not think there can be any socialist pattern of society in this country.

We have based our claims on the existing industries. In the Labour Panel of the Planning Commission, there was a decision that there would be set up a committee for each industry to investigate the economic structure thereof. Unless you have the figures of the economic structure of the industry at your fingers' ends, how can you say what is the cost structure, and how much wage should be paid? Whenever we ask a question, the Minister says, 'O we do not know. We cannot do anything'. You have got a Plan, but you have no census of the economic structure of industries. So this is a gap. Each industry must be investigated to find out its cost structure, so that at any point of time you can know what will happen to it.

What is the position today? You set up a committee which reports after three years, and by the time it reports, the report is out of date. Then you cannot take any action. The Government does not have that amount of data by which at any particular time it may take action.

A very interesting suggestion was made in the Planning Commission discussion, namely, that wages should be based on the average of the economic

units. In every industry there are some uneconomic units. If you raise the wages, they will go to the wall. In order to protect them, you have to have a very low wage structure. Because you have got low wage structure the economic units make high profits and hide them, and enjoy them without giving them to you or to us. This is highly unfair. We have made suggestions in this regard. So far as the uneconomic sector of each industry is concerned, it should be the State responsibility. After investigation into the cost structure if you find that there are uneconomic units, with regard to their finance, or management, or any other thing, you can utilise the law you have got for the proper control to be exercised over them. England is a capitalist country and even there is a law whereby if a land resource is ill-managed the Government, by means of a committee, has a right to take charge of the lands and manage them. If the land-owner does not manage it well, the power is there for the Government to take the land over from him. Because of that power, most of the land resources are well-managed. In our country there is no such law. If you ill-manage your land resources, if you do not manage your industry well, there is no means to take them over, and if the Government takes over the management, the Supreme Court comes upon it. Of course, we have now amended the law. Therefore, so far as uneconomic units are concerned, they should be made the responsibility of the State. I do not find any mention of this in the industrial policy statement. How can there be an industrial policy statement without any mention of uneconomic units? So far as uneconomic units are concerned, there was the question of amalgamation that was suggested as a remedy. That is hanging fire. Everybody says there should be amalgamation. Unless you are serious about this question, you cannot solve it and the whole nation suffers thereby. If you have uneconomic units in an industry, the whole nation suffers. Now we are going in for *ambar char-khas*, which is a less rationalised sector, and all the capitalists of India shout and say that we are going back to the bullock-cart age. But what about the uneconomic sector of their industry? Nobody says a word about it. Whenever we say and talk of amalgamation, the question is put to us, how can the sacrosanct private sector be touched, or abolished?

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One of the cardinal points missed is that you must have a policy with regard to the uneconomic sector. That must be made the responsibility of the State with regard to management, finance, amalgamation or any other requisite step and you can have the wage based on the economic sector.

In the Plan it is stated that by 1960 the number of jobs created will be exactly half the requirements, that is, only 50 per cent of our problem will be solved and the other 50 per cent will remain. How can unemployment be solved? You are having rationalisation of the industry and by that workers are thrown out of employment. Since 1951 to 1954 in the factory industries, employment declined instead of expanding in spite of the fact that there have been so many new factories set up. The employment declined from 25.39 to 24.92 lakhs. What has happened is rationalisation? In the whole calculation which the Planning Commission has before it, it is on the basis that the existing employment will continue. Everyone knows that there is a plan for rationalisation in the textile industry, in jute industry and so on, and the result will be reduction of employment in those industries. So, the reduction in employment in every sector of our industry transport etc. in the course of the next five years due to rationalisation or such other methods which are higher than what exist today, has not been taken into account. Although you have taken credit for employment of 8 to 9 million people, actually the amount of new employment created will be less. How will you provide employment to the rest? In a machine economy, you cannot avoid higher wages because you throw out men from the primary sector and then they are to be absorbed in the tertiary or secondary sector. In every advanced country there has been a gradual reduction in the employment in the primary sector and expansion of employment in the secondary and tertiary sectors. Why? Because people had to be thrown out. With the machines, higher wage economy, comes in. You want to have higher machines, less men to work machines and at the same time you want to have the low wage economy. The two things cannot go together. Therefore, when you provide for machine economy you have also to provide for higher wages, which you

have not done. Without that you will not be able to create that amount of employment which you have planned for.

It is stated that democracy will be imperilled if higher wages are given. May I ask Shri Asoka Mehta this: will not democracy be imperilled if there are unemployment and low wages?

Shri B. S. Murthy: So far it has not been imperilled and, therefore, he takes it that it will never be imperilled.

Shri K. P. Tripathi: The danger to democracy is not merely from higher wages but also from unemployment. No answer has been given to this. In the beginning when the Plan was mooted, I was glad to find that the Prime Minister stated that the Second Plan must be based on employment. There was a great spate of hope in the country. Time passed and events happened and the employment base was given up but production base was taken up. At one stage there was conflict, but now we have come to the stage when production base has been taken up. I humbly beg to submit that the danger to our democracy is equal from unemployment if not more.

Shri Algu Rai Shastri (Azamgarh Distt.—East cum Ballia Distt.—West): More.

Shri K. P. Tripathi: Actually, you want 15 million jobs and you have provided for about 8 million jobs. In an undeveloped economy, you cannot get away from the fact that you must secure human material with money resources and plan for both. The Planning Commission has completely failed with regard to looking at the problem from this point of view. They have not been able to have a plan which will generate that amount of employment which is required by the country. After all, what is a plan if you cannot utilise the entire resources of the country? Plan means utilisation of the resources. You have got two types of resources—you have planned for one and neglected the other. I hope the planners will reconsider this point and recast the plan accordingly.

Some time back Shri Asoka Mehta stated that the necessity for controls exists. I agree with that. But it is also true that in this country as there are no data, it is very difficult to administer

controls. If you do not administer well, then controls are a leaky boat. There may be controls and yet there may be no means of working it. Therefore, we suggested that there should be certain commodities which should be taken out of the taxation policy and the whole policy should be based on the plan that the prices of those commodities should be maintained throughout the Plan period on an even keel. We have suggested that these commodities should be coarse cloth, foodgrains, pulses, edible oil—wherever they are so, kerosene, and salt. We have said that these commodities must be used as indicators of our economy so that they will continue at the same price level all through. You maintain the price level, not by controls, but by buffer stocks.

Shri K. C. Sodhia (Sagar) : What about foodgrains ?

Shri K. P. Tripathi : I include that.

So, in a planned economy, you must have buffer stocks and have your transport system and distribution system ready so that immediately there is a necessity, you may rush your buffer stocks to those places so that prices may be stabilised. It is said that the prices have increased because of speculative trading. But, I have to cut my standard of living. A man who has got much money and resources can wait and do things. But for me, a person who earns daily to eat, what happens? I cannot wait. I have to purchase at higher prices and my standard of living—just the bare nourishment standard—goes down. Therefore, I beg to submit that the Government should consider very seriously as to whether they should maintain these economic indicators with buffer stocks.

With regard to the capital formation, I beg to submit that the economic structure of our country should be so recast that the capital comes from the bottom and not from the top. People should have a feeling that they are contributing and that the Government does not depend upon big business. They will then feel it their duty to save and help the Government and if you ask their surplus by way of savings, they will not misunderstand. Running a society is a science. After all, a society knows how savings can be created. There is provision for old age for death

for maternity. The western economy is stabilised by all these. After all, you can do this by legislation and compulsory contribution. How are you getting money for the purpose of financing the building programme? There were the savings in the provident fund and other funds. These funds were diverted for building houses.

Today the difficulty is this. What is a socialist structure? We do not know. You have analysed the capital gains tax but you do not say when you are going to impose it. It is the same with regard to expenditure, gift tax and so on. If you have all these taxes, there will be no difficulty for the resources. After all the big business should not grumble if you take away their wealth and give them sufficient income. What is wealth for? You want income out of the wealth. If you assure me Rs. 10,000 or Rs. 5,000 a month and take away my wealth, there is nothing wrong. Wealth is nothing if it does not give any income. You take away the wealth and assure the income. The wealth may be taken away and invested and that is what is necessary in this Plan. But no such steps have been indicated in this Plan. The Prime Minister and the Planning Commission are bold. But they have the feeling that it would be necessary to continue to give incentives to the private sector. The whole question before this country is this. What is the level of wealth and income up to which the private enterprise in this country will be permitted? If that level is fixed correctly, then the people in the private sector would be ready to co-operate with you and give their best to the country. There should not be any suspicion that the private sector people are somewhat different from others. After all, the capacity to earn of 90 per cent of society is limited. Ninety per cent of our society can function efficiently within these limits. You expect the people in this sector—these 90 per cent of society to function efficiently. Why should not expect the same thing from the other sector which has been functioning in a different system so long. It need not necessarily continue to function in that old system. Therefore, I think it is highly wrong to say that a ceiling on income is unscientific. It is a *sine qua non* of socialism. There cannot be equality in a country where there is no ceiling on wealth or income. Let there be a ratio of income at least if not ceiling. In China, I find that they

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have set up a ratio of income 1:10. The capitalists and others are permitted to work. They have also a mixed economy. Nobody there said that the capitalist was working or the manager was working and therefore the ratio should be abolished. After all, what is the position of a man who has a very high standard of living when he is surrounded by slums on all sides? The standard of living is not depending upon the individual alone; it depends upon the society. Sufficient thought has not given to this question. So far as wage and salary incomes are concerned, you may not go in for a ceiling but you may go in for a ratio. The ratio of 1:30 was suggested by the Planning Commission. We want less. But, if you do not agree with us at least implement that suggestion. You must also come forward with a ceiling on wealth so that the people may know that they cannot hold property beyond a limit. Then, corruption, nepotism and all these things will disappear because a man knows that he cannot have more than a particular amount and so he will not think or act in terms of amassing more money. So, an individual will have enough and he will not lack the resources which he needs for the investment and development of the country. He will not have more for purpose of personal aggrandisement.

The other day, the Prime Minister was trying to define socialism. I was sorry that he could not go ahead. The planners have kept a picture of the Plan before the Parliament. The picture of socialism in the Plan is not very clear. However, I have no doubt that the workers of this country will rise to the occasion, because if the Plan fails their labours will be fruitless. It is to our interest that the Plan should succeed. We have no doubt that the working classes of this country will play their part in right earnest and we expect from the rest of the society to give them a fair deal. It will not be in our interest alone but in the interest of society as well because with low wages, the society itself cannot advance in a machine economy.

श्री क० पी० त्रिपाठी : प्लानिंग (योजना) की पुस्तक के सारांश को पहले आठ अध्याय तक मैंने ध्यान से पढ़ा है। यहाँ पर आज सबेरे से जो बहम हो रही है उसको भी ध्यान से सुना है। प्लानिंग (योजना) के सम्बन्ध में यहाँ पर कई बातें कहीं गयीं।

मेरे मित्र अशोक मेहता साहब ने कहा कि अगर हम साधारण लोगों से इस प्लान (योजना) के सम्बन्ध में स्वार्थ त्याग की भावना की आशा करते हैं तो हमारे लिये यह आवश्यक है कि हम इस तरह की आशा पूंजीपतियों से भी करें। अभी हाल में हमारे मित्र त्रिपाठी जी ने जो भाषण दिया उसमें उन्होंने वर्कर्स (श्रमिकों) की तनखाह को बढ़ा देने के लिए बहुत काफी बज्रहात पेश कीं।

इस प्लान (योजना) के सम्बन्ध में एक बात जो मेरी समझ में आयी है वह मैं कह दूँ, और वह यह है कि अगर हम प्लानिंग कमिशन (योजना आयोग) से यह उम्मीद करें कि वह प्लान (योजना) के बारे में सारी बातें ब्योरेवार वर्णन कर दें या अगली पांच सालों में जो कुछ इस गवर्नमेंट को करना है वह सब कुछ लिख दें तो हमारे लिए यह आशा करना नामंजूर होगा। आखिर यह प्लान (योजना) पांच साल तक चलेगी और इस बीच में सरकार इस प्लान (योजना) में इसको सफलतापूर्वक चलाने के लिए समय समय पर कुछ परिवर्तन भी करेगी। मैं समझता हूँ कि इन सब बातों का वयान प्लानिंग कमिशन अपनी रिपोर्ट में नहीं कर सकता, और अगर वह ऐसा करे तो पार्लियामेंट के सदस्यों को उसे पढ़ने का शायद ही मौका मिले। आज भी जो पोथा हमारे सामने है उसको भी पढ़ने की हिम्मत मैं तो नहीं करता, लेकिन एक बड़ी अच्छी बात यह हुई कि इसके साथ एक छोटी सी समरी बड़े टाइप में हम लोगों को दी गई है और उसी में से मैंने पहले आठ अध्याय पढ़े हैं।

अभी यह बात कही गयी है कि हमें एक बात की तरफ बड़ा ध्यान रखना चाहिये और वह यह है कि जितने कारखाने अभी चल रहे हैं या आगे चलेंगे उनमें कारखानेदारों के नफे का हम धरातल मुकर्रर कर दें। इसके सम्बन्ध में मुझे कोई भी ऐतराज नहीं है। मैंने कुछ दिन पहले यहाँ बोलते हुए कहा था कि यदि सरकार कारखानेदारों का मुनाफा ६ परसेंट मुकर्रर कर दे और जो बाकी मुनाफा हो उसको पूंजी के रूप में ले लिया जावे तो वर्किंग क्लासेज जो बार-बार हड़ताल करते हैं और ज्यादा तनखाह के लिए मांग करते हैं यह कुछ न कुछ कम हो जायेगा। लेकिन जब तक ऐसा नहीं होता तब तक बराबर कारखानों के मजदूर लोग अपनी बेहतरी के लिए कोशिश करेंगे और उनका यह कहना, कि अगर कारखानेदार बीस बीस और पच्चीस पच्चीस पर सेट

का मुनाफा बांटते हैं तो हमें क्यों न ५ या १० परसेंट उसमें से मिले, बिल्कुल वाजिब होगा। इसलिए सरकार को इस बात पर खूब संजीदगी के साथ विचार करना चाहिये कि वह इस देश के कारखानेदारों के मुनाफे की कुछ न कुछ सीमा मुकर्रर कर दे। लेकिन इस सम्बन्ध में सरकार को एक बड़ी भारी कठिनाई है और वह यह है कि हमारे देश में बहुत से विदेशियों ने बहुत रुपया लगाया हुआ है और शायद सरकार ने उन विदेशी कारखानेदारों से इस तरह की शर्त भी कर ली है कि उनके मुनाफे के ऊपर किसी किस्म का बन्धन नहीं होगा। इसी लिए सरकार कारखानेदारों के मुनाफे की हद कायम करने में हिचकती है और ऐसा करना है भी सही। इसलिए मैं सरकार को इस बात के लिए आगाह कर देना चाहता हूँ कि उन्होंने जो विदेशी पूंजी को ४ करोड़ की राशितक नये प्लान में फिर से निमंत्रण दिया है उस निमंत्रण पर वह गौर रखें। शायद मैंने यह भी पढ़ा है कि इसके सम्बन्ध में सरकार के बड़े भारी कारकून विदेशों में जा रहे हैं और विदेशों में जाकर वे वहाँ के पूंजीपतियों को इस देश में कारखाने खोलने का न्योता दे आने वाले हैं। लेकिन यह न्योता देने के पेशतर सरकार को इस बात की तरफ ध्यान देना चाहिए कि अगर विदेशी पूंजी यहाँ पर आवे तो उसके विषय में सरकार को रोक लगाने की आवश्यकता पड़ेगी और इसके साथ सरकार को यह भी देखना पड़ेगा कि ऐसे विदेशी कारखानेदारों की पूंजी के ऊपर उनको जो इस देश के अन्दर मुनाफा हो उस पर भी कुछ बन्धन लगाना होगा।

[Mr. DEPUTY-SPEAKER in the Chair]

मैंने इस बात को भी ध्यान से पढ़ा और सुना कि इस देश में चाय और काफी के प्लांटेशन के मालिक बड़े बड़े पूंजीपति हैं जिन्होंने हजारों एकड़ भूमि पुराने वक्त से नाम मात्र के मूल्य पर १९ साल के लिये पट्टे पर ले रखी है। उसके बारे में भी सरकार को ध्यान देने की आवश्यकता है।

इसके साथ सरकार ने यह भी कहा है कि हम इस देश में चार सौ या पांच सौ रुपया छोटी बचत के रूप में इन पांच सालों में इकट्ठा कर लेंगे। उसके सम्बन्ध में मेरा निवेदन यह है कि अभी हाल में राष्ट्रीय आय की बढ़ोतरी के सम्बन्ध में सरकार ने हमको एक पुस्तक दी है। उससे यह नहीं मालूम होता कि जो पहली पंचवर्षीय

योजना में राष्ट्रीय आय में बढ़ोतरी हुई है वह क्या सब वर्गों में समान रूप से हुई है। लेकिन यह बढ़ोतरी सब वर्गों में समान रूप से नहीं हुई है इसको मानने के लिए किसी सबूत की आवश्यकता नहीं है। अगर आप देहातों में जायें तो आपको मालूम होगा कि हमारे किसानों की आय में, जो कि देश की जनता का ७० प्रतिशत है और जिनकी संख्या २० करोड़ है, कोई बढ़ोतरी नहीं हुई है। अगर कोई बढ़ोतरी हुई है तो वह बहुत से सेल्स टैक्स और एक्साइज टैक्स आदि लगाकर समाप्त हो गयी है। पहले किसान ४० रुपया मानी गेहूँ बेचता था और अब ८० रुपये मानी बेचता है, लेकिन इन टैक्सों के कारण उसको वही हिसाब पड़ जाता है। इसलिये उसकी आमदनी में किसी किस्म की बढ़ोतरी नहीं हुई है। अगर पिछली पंचवर्षीय योजना के काल में किसी की आमदनी में बढ़ोतरी हुई है तो वह बड़े बड़े ठेकेदारों और कारखानेदारों की आमदनी में हुई है। सरकार ने कहा है कि सारी राष्ट्रीय आय में दस या १२ प्रतिशत की बढ़ती हुई है। पर यह बढ़ोतरी बीस करोड़ किसानों की आय में और छोटे सरकारी नौकर की आय में, जिनको सरकार ने थोड़ी तनख्वाह वर भरती किया था, नहीं हुई है। उनको आज भी वही तनख्वाह मिल रही है। तो इतने लोगों की आमदनी तो जैसी की तैसी ही रही है। ऐसी हालत में हम जो छोटी बचत में ५०० करोड़ की राशि की आशा करते हैं इसके लिए चाहे कितना भी प्रयत्न किया जाय, मैं नहीं समझता कि यह आशा पूरी हो सकती है और इतनी राशि इकट्ठा हो सकती है। इसलिये मैं सरकार से निवेदन करना चाहता हूँ कि जिन जरियों से प्लानिंग कमीशन इस प्लान के लिए धन जुटाना चाहती है उन जरियों के बारे में उसको कोई खास इत्मीनान नहीं है।

2 P. M.

उन्होंने यह कहा है कि अगर यह सारी शर्तें पूरी हो जायं, जितना हम चाहते हैं उतना पैसा मिल जाय, अगर देश के आदमी उतना कर्जा दे दें जितना कि हम चाहते हैं या अतिरिक्त टैक्स लोगों पर हम लगाकर उतनी रकम प्राप्त कर लें जितनी कि हमें जरूरत पड़ेगी तो हम इस प्लान को कामयाबी के साथ अमल में ला सकेंगे। इसके साथ ही एक जगह पर उन्होंने यह भी कहा है कि सरकारी आमदनी में ३५० करोड़ रुपये की बचत पांच साल में होगी, मेरी समझ में यह नहीं आता है कि यह आंकड़े उन्होंने कहाँ से एकत्र कर लिये हैं कि पिछले चार सालों

[श्री के० सी० सोबिया]

के केन्द्रीय सरकार के बजट को मैं बड़े ध्यान से देखता आया हूँ और उससे यह मालूम होता है कि सरकार साल के आखिर में बिना टैक्सों के लगाये अपना खर्चा नहीं चला पाती है और आप स्वयं समझ सकते हैं कि जब केन्द्रीय सरकार की यह हालत हो तो प्रान्तीय सरकारों की तो बात ही क्या पूछना। प्रान्तीय सरकारों की अवस्था तो और भी गई बीती है और उन्होंने तो केन्द्रीय सरकार से खूब सहायता लेना, खूब अनुदान लेना और उन्हीं अनुदानों के भरोसे पर अपने कामों को चलाना सीख रक्खा है। जब हमारे यहां ऐसी हालत है तो मुझे नहीं मालूम कि यह ३५० करोड़ रुपये की रकम कहां से प्लानिंग कमिशन ने यह मान लिया कि यह सरकार के बजट में से बच जायगी ?

प्लानिंग कमीशन ने एक बात यह भी कही है कि नेशनलाइज्ड इंडस्ट्रीज की आय अधिक होगी और मैं समझता हूँ कि आय अधिक होनी चाहिए लेकिन हमारा दुखद अनुभव हमें कुछ दूसरी ही बात बतलाता है। आज तक जितनी भी नेशनलाइज्ड इंडस्ट्रीज हैं, उनके काम को अगर आप देखें तो आप पायेंगे कि उनमें करोड़ों का घाटा रहा है। एक सिदरी फ़ैक्टरी ज़रूर इस दिशा में अपवाद सिद्ध हुई है और उसने अपने बजट में अच्छी खासी आय की आमद दिखलाई है। वहां भी अगर सरकार उसका कुल का कुल माल न खरीद ले और उसको रकम न दे दे तो उसका नकशा पलट जायगा। केन्द्रीय सरकार प्रान्तों की सरकारों को फटिलाइजर्स के लिए काफी रकम देती है और प्रान्तीय सरकारें उन्हें किसानों को बांटती हैं और इस तरह करोड़ों रुपया किसानों के ऊपर चढ़ा हुआ है, ऐसी हालत में अगर सिदरी फ़ैक्टरी कुछ थोड़ी सी आमदनी बता दे तो बात दूसरी है लेकिन बाकी और सरकार द्वारा खोले हुए जितने कारखाने हैं उनमें तो मुझे इस बात की उम्मीद नहीं दिखाई देती कि अगले पांच सालों में वहां से कुछ ज्यादा मुनाफा हमें प्राप्त हो सकेगा और जब तक इन बातों के बारे में हमको कोई इतमीनान न हो, तब तक इतने बड़े भारी प्लान को बना लेना कुएं में छलांग लगाने के समान है। लेकिन आज हमारी ऐसी हालत हो गई है कि हम कुएं में छलांग लगायें बिना भी नहीं रह सकते क्यों कि प्रथम पंचवर्षीय योजना में जो जो हमने चीजें बना रक्खी हैं, वे अधूरी हैं और उनको हमें पूरा करना है और अगर हम देश के आदमियों को काम करने के लिये न उकसायें और जिस तरह से हमारा

काम चलता आ रहा है उसी पर संतोष मान कर हाथ पर हाथ धर कर बैठे रहें, तो यह भी एक किस्म की बहुत बुरी बात होगी।

जहां तक इस सेंकेंड फाइव इयर प्लान का सम्बन्ध है, मैं इसकी सराहना करता हूँ और स्वागत करता हूँ और मैं मानता हूँ कि इसके बारे में काफी सोच विचार करके प्लानिंग कमीशन ने इतनी बड़ी पुस्तक तैयार की है और आप उस प्लान को शुरू से लेकर आखिर तक पढ़ जाइयें, आपको कहीं कोई अड़चन नहीं मालूम होगी और हर कोई पढ़ने वाला यही कहेगा कि वाकई बहुत अच्छा प्लान इन लोगों ने बना कर देश के सामने रक्खा है। लेकिन जिस समय की वह प्लान काम में आयेगा उस समय इस सरकार को मालूम होगा कि यह प्लान क्या चीज है ? जब इस पर अमल करना शुरू किया जायगा तब हमारे फाइनेंस मिनिस्टर साहब को पता लगेगा कि इसको पूरा करना कितना कठिन है। आज वाकया यह है कि लोग आपके निरंतर टैक्स लगायें जाने के भार से अपने को थका महसूस करते हैं और वे आपके इन टैक्सों से ऊब गये हैं लेकिन वे बिलकुल मुक्त हैं और उन सबको सहन करते चले जाते हैं। आपके इस प्लान में जनता पर और और टैक्स लगाने का जिक्र आया है और इस नाते हमारा यह कर्तव्य हो जाता है कि बहुत समझ बूझ कर हम अतिरिक्त करों का प्रस्ताव करें। इस सम्बन्ध में इस पार्लियामेंट पर बहुत बड़ी जिम्मेदारी आ जाती है और यदि इस प्लान पर पार्लियामेंट की स्वीकृति की मुहर लग जाती है तो वह इस देश के ३६ करोड़ आदमियों के गले पर लटक जायगा और सरकार यह कह कर पत्ला झाड़ कर अलग खड़ी हो जायगी कि भाई हम क्या करें, इस प्लान को पार्लियामेंट की मंजूरी मिल चुकी है और इसलिये हमें अब इस सेंकेंड फाइव इयर प्लान को अमल में लाना है। इसलिये मेरी सरकार से यह विनती है कि वह इस बारे में जरा सोच समझ कर आगे बढ़े और नये टैक्सों का भार जनता पर डालते समय उसे पूरी तरह इस बात का इतमीनान कर लेना चाहिये कि क्या उनके बिना काम नहीं चल सकता है।

सरकार को बड़े बड़े पूंजीपतियों के मुनाफे के ऊपर एक किस्म की हदबंदी कर देना चाहिये। सरकार को उन बड़े बड़े यूरोपियन कारखानों, आयल रिफाइनरीज इत्यादि से एग्जीमेंट्स करते वक्त गफलत नहीं बर्तना चाहिये और इस पर निगाह रखनी चाहिये कि वे बेशमार मुनाफा न कमा सकें

और मुनाफे की हद मुकर्रर कर देनी चाहिये । उनके साथ ३०, ३० साल का एग्रीमेंट्स उनके सुभोते के बास्ते कर लेना, में समझता हूँ कि कोई अकलमद आदमी इस तरह से एग्रीमेंट्स नहीं करेगा और में चाहता हूँ कि सरकार इस सम्बन्ध में अधिक सतर्कता से काम ले और इस तरह के उनके साथ एग्रीमेंट्स न करे जो कि उन यूरोपियन कारखानों और पूंजीपतियों के मुनाफे को और बढ़ाने वाले साबित हो ।

में इस सेंकेंड फाइव इयर प्लान का स्वागत करता हूँ लेकिन इसके साथ ही साथ मैं इस सरकार को आगाह कर देना चाहता हूँ कि सरकार इसके सम्बन्ध में खूब सोच समझ कर काम करे । १२०० करोड़ की डेफिसिट फाइनेंसिंग को कामयाबी के साथ चलाना कोई हूसी खेल की बात नहीं है, मुंहसे हम भले ही कह देते हैं कि हम इसको इस तरह चलायेंगे और उस तरहसे चलायेंगे लेकिन याद रखिये कि अगर कहीं दुर्भाग्यवश इस देश में यह प्लान फेल हो गया तो इस देश में क्रान्ति हुए बिना नहीं रहेगी और में यह सामायिक चेतावनी इस अवसर पर देना चाहता हूँ ।

Shri Anandchand (Bilaspur): Mr. Deputy-Speaker, I would like only to make a few observations about the Plan. Before I proceed to do so, I want to draw the attention of this House to some observations that I made in Committee on the Second Five Year Plan where I asked for certain information about the resources position during the First Five Year Plan, especially during the last 1½ years. My objective was this. We are absolutely in the dark as to the resources position from October 1954 to March 1956 with the result that we cannot project our mind into the soundness or otherwise of the resources position as it is given in the Second Five Year Plan. Unless we know what was actually derived, for example, from foreign aid, what was the amount of deficit financing during the First Five Year Plan, especially during the last 1½ years, and also what was the measure of taxation adopted and whether it was in consonance with the Taxation Inquiry Commission's report or otherwise.

Then, I would like to say something about the structure of the Second Five Year Plan. The Plan, as has been said by many speakers here, leaves not only a gap of Rs. 400 crores to be covered out of Rs. 4,800 crores, but there is also a proposed external aid or resources as they are called, to the extent of

Rs. 800 crores and deficit financing to the extent of Rs. 1,200 crores. I would first touch the external resources. I was reading a certain statement in the New York Times the other day. From that I find that during the year that is coming the aid, which is available from the United States to this country would amount to something like 60 million dollars. That was written there. I think Pakistan's is about 36 million and India's 60 million. That comes to about Rs. 30 crores, at the rate of Rs. 5 to a dollar. There might be other countries from whom we expect foreign aid, but I certainly do not agree with my hon. friend Shri Sodhia when he was very much worried about certain companies coming from outside or certain capital being attracted from outside to this country for the very simple reason that as far as I have been able to get the figures, the income-tax structure in this country is very high, and probably that is one of the reasons why we have been able to induce so little capital into this country from other countries. Because, if they come from outside, if they build a factory here or if they sink their money in these places, they would naturally want some return, and if our tax structure is very high, that return is not easily forthcoming. So, my contention is that the foreign capital is shy and we need not worry that even with our Government officials going round to these places we will be flooded with foreign capital because they will only invest in this country if they are able or if they are capable of or if they hope to get a good return for the moneys invested.

So far as Rs. 1,200 crores of deficit financing is concerned, practically every hon. Member has mentioned it. I need not try to enlarge upon it. The whole point is that during the last two years of the first Five Year Plan we have indulged to a certain extent in this deficit financing. As I saw the budget figures when we were discussing the budget for the current year. I think it was estimated that during the year 1955-56 the amount of deficit financing was something of the order of Rs. 368 crores, and I am not quite sure what it was during the period immediately preceding that, that is during 1954-55. Whatever that might be, the position is that the prices today of essential commodities have not gone down, in spite of the 20 per cent increase in agricultural production, in spite of the 6

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million acres for land which they say has been brought under irrigation. The prices of foodgrains are still high in Delhi itself, why go elsewhere? I made it clear a few days ago also in the committee itself. My contention is that the deficit financing which are indulging in is the direct cause of the high prices, and if we indulge in more of it—perhaps it will not be Rs. 1,200 crores because my fear is that here there is a gap of Rs. 400 crores, but the hon. Prime Minister was pleased to state here the other day that this Rs. 400 crores gap would not be there if we step up our agricultural production; he was definitely of the opinion, if I understood him correctly that we can so increase our agricultural production that we will be able to export foodgrains to other countries and thereby we would get some resources which would cover this Rs. 400 crores gap—the position would become worse. I do not think the position would be as mentioned by the Prime Minister. So far as the question of getting any additional money from increased agricultural production is concerned, my friend Shri Asoka Mehta has illuminated the point very ably, and I will not go into it. My fear is that instead of meeting this gap, instead of getting these Rs. 400 crores as we expect them to come, probably a time will come when we will have only the option of either levying additional taxation to the extent of Rs. 400 crores, or of adding it to our deficit financing figure, raising it from Rs. 12 to Rs. 16 hundred crores—may be a little more if the foreign resources are also not forthcoming to the extent we believe they will come, and this will result in still greater deficit financing with all its inflationary tendencies. An idea has been mooted that because we are indulging in this deficit financing, we must re-impose controls. Quite a lot of discussion was there in the committee itself as you know, Sir, You were also there. But the point is that the people as such have seen these control working for a number of years now during the war and the after. They feel that control would be very irksome and a lot of difficulties will arise, a lot of favouritism and administrative difficulties will come in the wake of these controls which make them very difficult not only of adoption, but also of satisfying the people at large.

That is why the resources position, to my mind, is not very properly worked out, and if we are not quite clear in our mind as to what we are going to get, as the years advance each year we might have to whittle down the Plan in certain sectors which are more important, and at that time we might find it very difficult to choose the sectors which we can do away with or curtail. or we will have to indulge in deficit financing to a larger extent leading to the difficulties which come in its wake.

So far as spending is concerned, naturally this is also to the extent of Rs. 4,800 crores, out of which agriculture and community development is allotted Rs. 568 crores and irrigation and power Rs. 913 crores. I have nothing to say about industries and mining because, as it has been rightly said in the Plan itself, I believe the future of this country lies in heavy and large-scale industries to the extent that we can provide them. Therefore, I think so far as this figure is concerned there can be no doubt that it is not on the higher side as some people might think.

So far as agriculture and community development are concerned, the figure of Rs. 568 crores is split up into various things, for example into agriculture, forestry, community development and so on. I believe for the community development programme the outlay in the First Five Year Plan was something like Rs. 90 crores. In the Second Five Year Plan the outlay for this is, I believe, put down at Rs. 200 crores. Although the idea is laudable, although I agree to a large extent with the Prime Minister when he said that so far as this community development is concerned, not only will it result in improvement in agricultural production, but it can also set itself the task of village and small-scale industries, I am of the view that unless the administrative structure at the level of the district and the level of these community projects is suitably revised and is suitably modified, better results will not be forthcoming, and this additional investment would not give us that much surplus in the directions in which we visualise them today. I will come to the question of administrative structure a little later on.

The second point that I wanted to make was the allocation to social services in relation to the size of the Plan. We have got Rs. 945 crores provided for social services in this Plan, out of

which so far as education is concerned, the allocation is Rs. 307 crores or 6.4 per cent. My feeling is that we are already under-spending or we have under spent on educational facilities during the First Five Year Plan. The result has been that there is a large-scale illiteracy in the country. The mass of the people are illiterate and hence unable to understand the working of the Plan. A lot of criticism has been made here against the Planning Commission saying that it does not reach the village, it does not educate the people properly about the benefits of the Plan and so on, but to my mind the basic or the chronic difficulty is that the people are not educated enough to understand. We have supplied them charts. I have seen many reading rooms in the mofussil villages where charts have been placed on the walls. There are other booklets going round. But with the chronic difficulty is their being able to understand, in their being uneducated, the point remains, and it will remain as we proceed along with this Plan, as long as the literacy percentage remains low. The masses are uneducated, and in this Plan out of such a large total outlay, we have not provided, to my mind, enough money for education, with the result that in the long run we will have a mass of uneducated people in this country which will not be a good sign or a healthy sign for the progress of democracy.

Having said that about the expenditure side, I would like to say a few things about unemployment. This question has been very brilliantly discussed by the speakers who have preceded me. I would not like to add very much to what they have said except this that when we see this Plan we find that the national income has risen from Rs. 9,100 crores to Rs. 10,500 crores in 1956. By 1961 it would have risen to roughly Rs. 13,500. This is good so far as it goes, but with this increase in the national income there is a simultaneous increase in our population which stands at 384 crores now and is expected to go up to 400 crores in 1961. With the increase in population even if we provide opportunities for employment to the people in these Plan periods, there will always be a lag, a left-over, something left behind and that process will continue and unemployment therefore grows. What happens is that the expansion of employment opportunities is

not commensurate with the increase in population and unemployment is therefore the direct result. Now India, as has been said in the Plan, has 70 per cent of its people engaged in agriculture. My hon. friend Shri Sodhia said that 20 crores of people out of 36 crores are engaged in agriculture and they must be contacted. He has not mentioned that in this 70 per cent of people living on agriculture, many are living at wages or at incomes which are not conducive even to giving two meals a day. Why is this so? This is so, because, so far as agriculture is concerned, it has not been taken, the concept has not been to take it, on an industrial basis. It is also an industry and we must try to see how many people can be absorbed in it and how many people would be surplus to it, so that they can be absorbed in some thing else. Now, we see in this Plan that a beginning has been made. How has it been made? It has been made in a way that it is proposed to fix a ceiling on agricultural land. Then certain agrarian laws have been passed that a tenant will not be deprived of his holding, that so much land must be available for the tiller of the soil, and so on and so forth. But these laws vary from State to State. Now, I agree that conditions are not the same in every State. Probably, in an area which is irrigated, or where intensive cultivation can be made, even 5 to 6 acres of land can give a living to a man, but in a place which is barren, even 30 acres of land will not give a man the wherewithal to earn for himself and his family. Then, it is necessary that we must see that we lay a ceiling in each State. We must say that henceforth so much of land only will be available for each individual or family, and so far as the extra land is concerned, that must be redistributed to the landless, or the State can take it over. We must release from agricultural occupation those people who are tilling the soil simply because they have nothing else to do.

Once you release those forces which are at present tied down to agriculture, what is going to happen to the surplus? That really is the basic point to my mind about this whole unemployment problem. When you release those people how are you going to give them opportunities to work elsewhere? Once you put a ceiling on land, how are you

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going to absorb those extra forces in other activities? So, the most important question, to my mind, is has our development resulted in a transfer of a part of our working forces from agriculture to secondary activities? Whatever we may have done in the last five years, have we been able to so adjust our economy that whatever additional forces were available in agriculture, we have taken them out of it simply to make agriculture more lucrative, because land is really the basic problem in India. Millions of our people live in villages. Have we been able to give these people who have been living on a very low level of subsistence, other opportunities? My view is that, looking at this Five Year Plan as a whole we have not been able to do so. Therefore, I am not at all hopeful that as the structure of the second Five Year Plan is before us we will be able to achieve that even in the second Plan period unless we work out a very precise data of agricultural holding in each State and lay down a ceiling on land in each State and provide opportunities in the secondary sector to those people who are not in agriculture and also make some provision for the extra population that is coming year after year. Unless we do that, the unemployment problem will not be solved.

Having said that I would like to say a few words about the administrative machinery which is necessary for working out the Plan. The administrative machinery is responsible for translating the policy of Government into actual practice. We draw up this plan, discuss it in Parliament and are willing to spend so many crores of rupees on it. But the question comes after the policy stage when it is put into practice. Is there adequate link between, our administrative personnel and its actual fulfilment? Is our administrative structure today geared to cope up with the execution of the plan? To my mind it is not. To my mind the administrative structure, our services, are today labouring under three chronic defects. Firstly, insecurity of service, secondly, absence of integrity and thirdly large-scale political influence. I have not the time to go into these in great detail.

Shri B. S. Murthy: Is not the third responsible for the second?

Shri Anandchand: I am just coming to that.

There is no doubt today that in the services at the State level—I do not know what the position today at the Centre is—political influences are playing a large part in their thinking and acting. I know—I cannot vouchsafe for it in other States—this so far as my area is concerned. I can give any number of examples to show that the services are losing not only their initiative, but also a will to work, because they are not allowed to work except in a certain way on account of political influences that comes into play. If they try to tackle a problem in a way which is free from political influences, those political influences see to it that either they do not function in the manner they are required to by law, or by Parliament and all of us here, or they have insecurity dangling over their head like Damocles sword. They are either transferred or put at a lower level; their seniority is not taken into consideration. So many other things go into the picture.

The other thing is the absence of integrity. I do not say that it is a disease, which cannot be cured. If it were so, then we could have said goodbye to all our development plans. But the disease exists. The Plan is there. The Plan has made provision for it. It says that there are agencies to check corruption. The Plan has made provision for the integrity of government servants. There are the Government Servants Conduct Rules according to which an officer cannot purchase property beyond a certain limit, and even if he does so he must report it to Government. But the checks are not enough. But here again somehow or other the political influences are working. This is a matter which, in my opinion, must be carefully analysed; this is a matter which must be taken up by Government here at the Union level, because I think this is the only structure which can rise above political thoughts and considerations. We must make it clear to the State Governments as well as to the administrative machinery that is functioning there in those areas that so long as an officer works honestly, as long as he works for the fulfilment of his task, he must not be hampered, he must not be hindered, or slandered. He must be kept away from these influences, so that he can put this Plan into operation and thereby bring happiness to millions of people who are in their charge.

Lastly about the district administration and I will resume my seat. The district administration is the pivot of the whole administrative structure in this country. On the efficiency of the district administration lies the success or failure of the Plan. I am glad that a lot of study has been made. We find it stated here that non-official opinion must be given more and more opportunities to come and coalesce with the administration at the district level and work as partners for the fulfilment of the objectives of the Plan for the raising of the standard of living of the people of this country. So far so good; but the question is, is the district administration, as it exists at present, fit to undertake this task: I was just looking through one of the books and I find—I am open to correction—that there are 319 districts in the whole of India—the total number of districts is 319. Now in many of these districts—at least I know about my part of the country—we still do not have district officers of the necessary calibre. So far as Part C States are concerned, I can say with certainty that there has been a lot of dilly-dallying with the integration of the services of these states with adjoining larger States so much so, that in certain of the States we have today got district officers who are neither of the Indian Administrative Service, what to say of either services? Sometimes, they are totally ignorant in law, or totally ignorant about financial procedure and so on. And here, we have crores of rupees put into their hands to execute these schemes, which in my opinion, they would find it very difficult to do, because they are not properly trained.

So far as the lower structure is concerned, namely the panchayat structure, unfortunately, enough emphasis has not been put on it so far. The Plan, of course, says that the panchayats must pay an increasing role in the district plan and the panchayats must be associated. But here also, we must have a uniform law for the election of these panchayats, and we must have a uniform code for the giving over of certain sums of money to these panchayats, whether they are percentages of the land revenue or other taxes. We must make these panchayats feel that as the representatives of the people their help is wanted in the district plan, and with them we must associate the other elected representatives also, thereby giving a fillip to

whatever is there. If that is done, I am sure this Plan would have much better chances of success.

Swami Ramananda Tirtha (Gulberga) : It is a proud privilege to participate in the debate on the Second Five Year Plan, because it is going to decide the destiny of millions of people in this country.

We have been supplied with ample information in a big volume and other ancillaries, and they form really an exciting reading and not a dull one. Within the short time at our disposal, we have been able to probe into the literature to some extent, and having done so, I stand here to give certain ideas and suggestions if possible to those who have laboured to make the Plan what it is.

The impression left upon me is that the planners have laboured hard; with all the expertness and the ingenuity, they have planned well. I take this opportunity of congratulating all those, including the Planning Minister, and also those who have helped him in bringing out before the people this scheme of future development.

But there is one small observation which I would like to make in this regard. We know that every plan which deals with the lives of millions has to have a perspective. So far as that perspective is concerned, it is clear that we want to evolve our own developmental schemes in a democratic way; and further, we want to minimise the disparities, remove the inequalities, and create a new social order where there will be no classes and there will be no distinctions. So far as that perspective is concerned, it is quite alright. In view of this perspective, we also know that the programmes to be initiated will have to be of a long-range character and also a short-range character.

However, there is one thing which I would like to bring to the notice of the hon. Members of this House. I quite agree that there is a development-sense or a development-consciousness generated amongst the people. That has to be admitted. You may go to any part of India, and you will find people there wanting something. That is there. But to call this a people's plan is to claim something which the Plan does not deserve, in the sense that this has not been planned at the lowest level, namely, the village level.

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Having been in close association with those whose task was to plan at various levels, I know that as compared with the First Five Year Plan, the Second Five Year Plan has been dealt with by various persons, bodies, representatives, organisations and at governmental levels also, and therefore, it is // the nation's plan. But so far as the people at the lower strata are concerned, I do not think they have been associated with the planning; they could not be, perhaps. But the Plan has to be for those people who are at the last rung of the ladder.

Planning as the scheme suggests to us, is to be a continuous process. It has to take into consideration the non-material aspects of life also, social, cultural and otherwise. If that is the conception of planning, if that is the conception of an integrated plan which touches life at all points, then, there is something wanting with this Plan.

I would just like to point out what I feel about the Plan as a layman. I am not an economist, though I have tried to study something of economics. I cannot claim therefore to have that fund of knowledge and information which an economist like Shri Mehta, possesses, though I could not follow all that he said, when he was speaking here.

The people today are in a mood of expectancy. They expect something and are waiting for what the nation or Government is doing. In this mood of expectancy, how do we touch the important cord of the human life? The other day, when I was reading a certain newspaper, though much reliance could not be placed upon it, I found one significant observation, namely, that production is growing. Yes. Who says it is not increasing? It is a great thing that we have added to the production, agricultural and industrial and so on. We have grown fat. But we are growing pale. There is not that glow of having advanced in those whose advancement should be assured.

If income has increased, I ask: Whose income has increased? If production has increased, in which sector has it increased? I would like to say this much. I know the Planning Minister very well, intimately well; he is more progressive in his outlook than many of us can claim to be. But there is something in the whole hierarchy on account

of which the progressive ideas have not made much headway in the actual planning, or implementation or even the results.

I would like to give just one small instance. I attach the greatest importance to it. I have had something to do with that problem, namely, the land problem of the agrarian problem. In all sincerity, I would like to plead with the Planning Minister, the Prime Minister and those who have something to do with this Plan, do not for God's sake leave the problem to the State Governments, because they are hedged in by various forces, and the most progressive laws visualised will be defeated by the conservative elements which have entrenched themselves into the State machinery. I say this with the fullest sense of responsibility. What has happened in Bihar? The land legislation seems to have evaporated there. Why? Cannot the Planning Commission, the Government of India or the Planning Minister say that the ceiling must be applied within a particular period, otherwise the man at the lowest rung of the ladder is not going to get any benefit after being promised, all these things? The Prime Minister said he was against a ceiling on income. Well, he feels that way. Nobody can stand in his way. But I say, why? Why do you refuse to impose a ceiling on income? This ceiling on income does not mean distribution of poverty. Ultimately, I say if India is poor, if poverty is there, if plenty is wanting, just as we want the people to share plenty, what is wrong, what is immoral, in asking the people to share poverty? Is it not moral? I say with all the sincerity in me that if India is wanting in something, it is this. Let the people feel that those who are well placed are prepared to share their wealth with those who are down-trodden, who are under-dogs. That moral tone is lacking in the whole economic structure, in the whole economic development, of this land.

The one man, the saintly Vinoba, has created it. Let us learn something from him. Let us learn why he is asking the whole nation to share whatever we may possess. After all, if India is to cut a new line, a new social order, if India is to give a new message to the entire humanity, it is only on the basis of sharing what you possess with the rest who do not possess. That is one point which I wanted to make in this regard.

Secondly, we know that the socialist pattern of society is not an institutional pattern like a democratic society. It is a way of life. Now, what is going to be the way of life? I have no quarrel with the private sector. Let it prosper, if it functions within the orbit of the national interests. But there cannot be any concentration of wealth over and above a certain ceiling. Why don't you plan to that extent? Why should there be a hesitation in regard? That is the complaint I want to put before the Planning Commission.

This is an ambitious Plan. I am not a cynic. I know, after having gone through these big volumes, as far as I could, that it is going to change the face of India; I have no doubt about it, that India will make tremendous progress. But what I am anxious is that that progress should not touch the person, the citizen, who is now the lowest, who has no wherewithals of life. Now, that seems to be absent in this. I know something of Hyderabad. As the President of HCC then, I said I could not shoulder the responsibility of the organisation unless the land problem in Hyderabad was solved here and now. But then what? The ceiling is there. It takes so much time for actual implementation. As my hon. friend, Shri A. K. Gopalan, said, it is quite true that there were divisions and divisions and divisions. The surplus land was something quite small, quite meagre. I do not know what the actual figure is. Even today the actual figure has not been arrived at. The process is continuing. Therefore, I say, do not leave this problem to the sweet will of the State Governments. I have no grudge or complaint against any State Government. But the progressive role that this House can play, and the Planning Commission can play, and the Prime Minister with his dynamic personality can play, is absent at the State level.

Therefore, I say that fundamental matters which are so vital for ushering in a just social order must be dealt with at the national level and not left to the sweet mercies of State Governments. I am quite definite about that.

The objectives have been very clearly set. But there is one thing which I would very humbly suggest. The question of unemployment is there. We are promised 8 to 10 million newly created

jobs. There is some element of uncertainty about this figure. I have no sense of complaint about the Finance Minister. I am not afraid of deficit financing; I am quite confident that in his hands the economy of the nation will have a smooth and safe sailing. But the problem is tremendous. The question of under-employment in the rural areas is also of equal importance. Now, how is it going to be solved? You have provided Rs. 200 crores for small-scale and cottage industries in the Second Five Year Plan, if I am not mistaken. I do not mind the amount also. But do you agree that in order to give substantial employment—I do not say full employment—to the rural sector, the pattern of the Plan is right? If you agree that cottage and small-scale industries are the only panacea and nothing else, then you have to change the pattern of your Plan to that extent. That is how I feel, and unless that is done, I say you will be creating, I do not say false hopes but hopes, which may not come true.

The question of employment is intimately related to the pattern of education. Here we want to solve the problem of unemployment and there the educational factories are throwing out people who will find no job or who are fitted for no job at all. This educational pattern must be closely related to the developmental pattern. The Plan admits it. Then why not gear it up? I say with the fullest sense of responsibility that the educational reorientation is as important as, even more important than, the addition of a few yards of cloth or a few tons of foodgrains. Let me tell you with all the emphasis at my command that I would like the educational pattern to be reorientated.

One thing more and I shall close. People's co-operation has been sought. Well and good. All political parties have come forward pledging their co-operation for the successful implementation of this Plan, though they may have got their own points of criticism. The point is, how is this enthusiasm going to be generated? I gave one suggestion. Let there be a feeling that those who are privileged are giving up their privileged position in order to uplift those who are un-privileged. That is the first thing. The second thing is this—it is a painful admission, not concerning one party, not the Government alone, but the whole nation, the

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whole public life. We talk of corruption; I know that there is ample corruption in the administrative machinery. Corruption is in the public life itself. I, you and others, who have to deal with the problems of the people must know clearly that it is purity of conduct, purity of the position you hold, whether as a Member of Parliament, a Minister, a member of the Planning Commission, a commissioner or a collector, that is demanded of you. It is an onerous task, and all that is expected of these positions is that every ounce of energy goes for the betterment of the downtrodden and the unprivileged. But we know that because of our positions we exert undue influence on the administrative machinery, we divert the programme from one part to another as that would benefit one particular constituency. I am speaking all this from experience and with fullest sense of responsibility. Then, those for whom the Plan is meant are disillusioned, frustrated or they lose faith in it. Losing faith in the democratic way of life is the most dangerous thing which we shall have to face. I remember that remark made by Shri C. Rajagopalachari, when he assumed the Chief Ministership of Madras some years back—"I shall have done my duty if I can give to the people a less corruptible machinery and a more efficient administration." Added to it, I say a more honest public life.

Mr. Deputy-Speaker: In addition to the amendments already moved on the 23rd May 1956, there are some other amendments also.

Shri Sivamurthi Swami (Kushtagi): I beg to move :

That in the resolution—

add at the end :

"but is of opinion—

- (a) that development programmes in rural areas should get priority over urban and industrial development so as to bring about economic stability in the country as a whole ;
- (b) That too much deficit financing will give rise to inflationary conditions which might become uncontrollable and smash the progress of the country ;
- (c) that backward areas and backward classes of people should get preference in the matter of

allotment of funds and various schemes in order to raise the economic standard of people to the minimum that is necessary to bring about equality in the country;

- (d) that cottage and small-scale industries should be made self-supporting by the creation of an economic market for goods manufactured by them; and
- (e) that the Service personnel should be engaged in various socio-economic activities of the country so that the idle man and machine power of military may be fully utilised."

Shri N. Sreekantan Nair (Quilon cum Mavelikkara): I beg to move :

That for the original resolution, the following be substituted :

"This House, while recording its general approval of the objectives contained in the Second Five Year Plan as observed by the Planning Commission, resolves that modifications be made on the following lines in order to improve upon the principles and programmes of the Plan :

(i) While tolerating the Private Sector in light and consumer goods industries for a short time to come, all private ventures in the basic and heavy industries should be nationalised.

(ii) Ceilings on total wealth, dividends, incomes, land-holdings etc. should be imposed.

(iii) The small man should get much better returns for his efforts and the rich should be taxed heavily on a graded scale in order to bring in the major portion of Rs. 4,800 crores required for the Second Plan.

(iv) The Plan should not at all place any reliance on foreign aid.

(v) The backward regions and thickly populated areas must get favoured treatment in the Plan.

(vi) The developmental and constructional activities should be so co-ordinated as to absorb all existing hands in the Damodar Valley Corporation and other Projects and in the Ordnance Factories without throwing them out of service even for a day.

(vii) Greater attention should be paid to solving urban and rural unemployment as well as educated unemployment."

Shri Gadilingana Gowd : I beg to move :

That for the original resolution, the following be substituted :

"This House while approving the objectives, principles and programme of development of the Second Five Year Plan is of opinion that the experience in working the First Five Year Plan has shown that implementation is not effective and that the schemes remain nice only on papers."

Mulla Abdullabhai (Chanda) : I beg to move :

That in the resolution—

add at the end :

"and calls upon the nation to take it as sacred duty to carry out the plan so as to achieve the targets before time."

Shri S. V. Ramaswamy (Salem) : I beg to move :

That in the resolution—

add at the end :

"and calls upon the Nation to strive its utmost to make the Plan an unqualified success."

Shrimati Sushama Sen (Bhagalpur South) : I beg to move :

That in the resolution—

add at the end :

"and further suggests that the Social Welfare Board should take necessary steps to solve the beggary problem which is growing at an alarming rate specially in urban areas."

Shri Deogam (Chaibassa—Reserved—Sch. Tribes) : I beg to move :

That in the resolution—

add at the end :

"but is of opinion that the Plan has failed—

(i) to fix the remuneration of teachers of all stages on par with the other services requiring equivalent qualifications ;

(ii) to provide for all possible steps to be taken by State Governments from within their resources for the improvement of the lot of the teachers ;

(iii) to provide for free and compulsory primary education ;

(iv) to take special measures designed for the welfare of the Backward Classes ; and

(v) to raise the lot of the common man in the villages."

Mr. Deputy-Speaker : These amendments are also before the House.

Shri U. C. Patnaik (Ghumsur) : After the attainment of political freedom, it was but just and proper that our country and government should interest themselves in planning for socio-economic improvement of the country, that is, in trying to plan for socio-economic freedom for the suffering masses. We are grateful to Government for the First Five Year Plan which, in spite of certain handicaps and shortcomings, should be treated as a landmark in our national history. The draft of the Second Plan that has been presented bears testimony to the thought bestowed upon it by the planners, to the interest in national uplift etc. But there is an important aspect of planning which has somehow or other been lost sight of by our planners, both during the First Plan and during the Second Plan. That is perhaps due to the fact that our administrative machinery during the British rule was accustomed to a particular approach. It was accustomed to think of the different wings of our national life as different subjects, as being in mutually exclusive air-tight or water-tight compartments. The two major wings of our national life, the civilian and the defence, were completely left separate. Defence was a non-votable subject and the other department had no business to pry into the Defence Organisation. You will find that every country, during recent years, which tries planning, which tries national reorganisation, tries to correlate the two wings of national life to ensure greater economy and greater efficiency in the execution of the different socio-economic plans. Not only in other countries, but even in our own country, during the British rule, when the two wings were separate, a great thinker, Shri Visveswarayya, thought in terms of the two wings being co-ordinated. Even in those days

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when the Britishers wanted these two wings to be kept in two exclusively separate compartments, Shri Visveswarayya conceived the idea of having a co-ordinated plan. He took the expenditure on defence to be part of the national expenditure. In the course of his plan, at the end, he says :

"If the operation of the plan system proceeds uninterruptedly for a couple of decades on the scale and in the spirit indicated, the three fundamental arms of the country, namely education, industry and military training will have been adequately supplied and very notable progress made towards economic recovery and nation building."

In every country, for instance, education in the Defence Organisation is treated as a part of national education drive, social education drive and technological education drive. It is the Defence Organisation with its disciplined forces, with its excellent facilities for educational training, that can do this. In every country there has been an attempt to correlate education in the army and other services with education on civil lines, general education and technological education. Here we are told that education is a State subject, and the Centre has very little to do with it. I do admit that education is a State subject, and except at certain levels and for certain purposes, the Centre is not interested in education. But it maintains a large army and a huge navy and an air force through which education and technological progress could be achieved. It does not debar the Planning Ministry taking into consideration how other countries have developed education through their Defence Organisations. In the U. K. the scheme for army education began in 1840 and army certificates of education were issued from 1860 onwards, and the efficiency with which cardinal reforms could be introduced was due to the fact that education was a programme of the army. A number of Commissions were established and they raised the army education standard to the standard of the civilian education so that certificates and diplomas from the Defence Organisation on education, technological and general, were treated as on par with similar certificate on the civilian side, with the result

that every Defence personnel, after a service of four to seven years, was anxious to go back to civilian life and get absorbed with the civilian life. They have got E.V.T. courses and some other courses ; in fact, a very large part of the Defence expenditure in U. K. is spent on army education. We are told that our Defence education was based on U. K.'s model. But at the same time we have not got an educational wing in the Defence Forces. You started a nucleus in 1939 and at that time a few professors and others were recruited. Then it was given up. Now you have got Havildars and others to go on with the education, which is of a nominal nature, with the result that a man having the so-called education in the Defence Organisation finds no suitable avocation in civil life. So, he tries to mark time till he completes his army period. In America, the education programme in the Defence Organisation is being given very high priority—the education and information programme, the informative motion pictures, radio programme and pamphlets, the army service school programme, the army areas school programme,—and thousands of service personnel are graduating every year. Similarly, the USSR initiated its adult education and technical and vocational training courses mainly through the defence organisation with its very first five year plan. A Russian conscript who entered the army course as an illiterate returned after 2—4 years to civilian life a new man, highly educated with a fund of general knowledge as well as specialised training. The Chinese People's Liberation Army—the CPL as it is called—started two non-military programmes in 1949—the education programme and the national labour programme. They started with five hours a week and they gradually increased it to twelve hours. That is a planned offensive against illiteracy through the armed forces with a three year plan and it claims to have achieved wonderful results. The work of the PLA as the labour force has ended in splendid results in the construction of dams, reservoirs, roads and bridges.

3 P.M.

I have given two examples from this side and two from the other side to show that the education programme is given the highest priority in the defence organisation because you have got trained and disciplined personnel. You have

also got facilities for training. Why should not the Planning Commission take advantage of the defence organisation which is under the Defence Ministry for furthering education in the country—social as well as technological education?

Similarly, in the defence organisation here, in the twenty ordnance factories, for the last three years, we are hearing people being declared as surplus though they have not been retrenched as the hon. Minister accused us. We have got twenty factories with wonderful machinery, most of them lying idle. Our strength has come down to fifty per cent of the war-time strength. Still, about 10,000 and odd have been declared surplus. When we are talking in terms of more employment for the people, why should our own factories, the biggest factory organisation in the public sector, be retrenching people and declaring them to be surplus though the percentage of workers has come down to fifty per cent as compared to the war-time strength? We have got an excellent art furnace and very high frequency electric furnace which are ten times more powerful than the similar one in Tatas. Still, it is lying idle. We have suggested that a number of things could be done in these factories—not merely toys but other things for civilian consumption. They can do, for instance, alloys which are required for defence as well as commercial purposes. They are necessary for the manufacture of arms and ammunitions and other weapons for the service requirements or for private purposes. They constitute an important requirement in the machine world. We can easily get that done in certain factories whose names I have suggested to the hon. Minister. Special mention may be made of stainless steel which is now supplanting various items in the metal world. It is also required for civilian and defence industries. There is a growing demand for it in the country. There was, during the war, production of a certain quantity of stainless steel in a particular factory under the Defence Ministry but this production was stopped in 1949-50. Similarly, nickel and chromium wire which is an important requirement of both the defence and civilian industries was produced. An attempt was made to produce it by the Britishers in a particular factory but it was stopped after the war. Why should not our Planning and Industries

Ministries be associated with the Defence Ministry in trying to produce them. The same is the case with non-ferrous alloys, aluminium alloys in particular. It is necessary for the civilian requirements and also for guns and other things. It can be produced here. Similarly, we are thinking of closing down a particular factory—cordite factory—in South India whereas we are importing firearms, dynamites, and commercial explosives which we can easily manufacture here and keep the factory going.

The Prime Minister has told us that certain industries are of basic importance for our defence requirements. Certain metals also are like that. But, here our factories are lying idle with fifty per cent of the war-time strength. Still, you are not able to think in terms of taking up certain new items of production which can be done. You can not only keep those employees. Here are twenty factories. If you draw up a scheme in each of these probably thousands of our boys would be trained every year in some important techniques. Our Planning Commission which is thinking in terms of new technological institute should also think in terms of utilising the existing twenty idle factories for the purpose of training.

Similarly, what about your engineering organisation? In every other country, the military engineering organisation is not only doing military work but it is also taking up a number of civilian items such as the execution of dams, etc. In America, for instance, the Alatoona dam was completed a couple of years ago by army engineers. In France, bridges and roads are built by army engineers. In our country too we have got a nucleus of the MES staff. Most of them are like the Major General who went back to England a short time back; they were all infantry officers with three to six weeks' training. We have got a total of about 600 men for the whole country in the three engineering centres. Over and above that, you have about 31 small units of 120 men each; they are specialised units. Still 98 per cent of the military work in this country is being done through contractors and there are reports of a lot of corruption, nepotism etc. in these contracts. You do not think of taking up civilian works; you are giving 98 per cent of the military works to the contractors with the result that even during the war emergency you

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will have to depend upon the contractors to take their people to places where you require strategic things.

All these different organisations in the Defence Ministry can be correlated with the nation-building. What I mean by correlation is this. Wherever without detriment to military efficiency you can do certain things, such cases, which are of the same type as defence works, could be taken up very easily by them. Our planners who are finding it very difficult to have a machinery to execute the Plan will have the right machinery if they can bring about co-ordination in these fields.

The times are gone when the Britisher wanted to keep our two wings separate. If our planners want the best machinery for planning, they must utilise the resources of the defence organisation. Fifty per cent of our entire expenditure is on defence. There are splendid men—trained and disciplined men and splendid machinery and installations.

We have got a number of depots where very valuable materials are stored. They lie exposed to the inclements of weather, without proper covering. They have been lying there for the last seven or eight years simply because the defence authorities have not been able to declare these as surplus and our planning organisation is not associated with them. Some of us had the privilege of seeing some of these depots and we believe that they are valuable assets. You have got Rs. 600 or Rs. 700 crores worth material lying without proper cover and without proper accommodation. Why should not the planners be associated with it? If your strategic maps can be entrusted to two Britishers on the Survey of India side and, in the engineering side, you can have 10 or 11 British officers out of 20 as superintendents in your ordnance factories, why should not our Planning Minister, why should not the members of the Planning Commission, why should not the officers of the Ministry of Planning be associated with the defence organisation?

Then our Planning Ministry is finding it difficult to organise a proper planning machinery in the whole country for the execution of our plans. Last time they tried through the Bharat Sevak Samaj and it has not been very successful. We have been suggesting all along from the Defence Study Group,

that you co-ordinate all the youth organisations, that you try to give a sort of military training to them, that you co-ordinate the Bharat Sevak Samaj with the National Volunteer Force or the present *Lok Sahayak Sena*, that you co-ordinate the Rifle Association, that you co-ordinate the scouts movement, put them all together and give them the basic military training. You should utilise the basic military training that has been given during the last one year to about one lakh of NVF or LSS personnel. You, Sir, and other Members of this House who were associated with the LSS organisation know with what enthusiasm this *Lok Sahayak Sena* was started and with what lead our Prime Minister wanted it to grow and to be organised. But, after one month's training, on which our Government is spending so much money, the men become useless. They go home and lapse into their cultivation or other things; of course, they have the advantage of having got the basic military training and nothing else, except probably a few new habits acquired during the training. There is no follow-up or continuation of the training. Why not the planners think in terms of utilising the five lakh National Volunteer Force that will be built up during the next five years? Why not they maintain records with a view to organise them in groups of villages and to have them subsequently absorbed in the nation-building organisation for various purposes? They can also be utilised again as some sort of pioneers or some sort of auxiliary sappers in emergencies and for other purposes.

Similar is the case with every other organisation. Co-ordination of defence and planning would result in many advantages. We have been suggesting for a long time that when you allot money for ship-building or for coastal shipping for merchants' navy, you should try to see that you give money on a nominal rate of interest and longer time of payment as is being done in America, provided the construction conforms to the specifications and designs given by shipping engineers. Sir, the technique of harbour defence has become a very complicated one and in other countries harbour defences are being organised by army, navy and the airforce with the civilian organisation co-ordinating their efforts. Here our harbour defence is entrusted only to the Transport Ministry with the result that

the army, navy and the airforce are not co-ordinated with it.

Similarly, the Grow More Food Scheme, which is being done very well in China and which was attempted some 7 or 8 years ago in this country, has been given up about 5 or 6 years ago. It is for the planners to consider why the Army Grow More Food Campaign was given up and why it has been found to be uninteresting. If, probably, you had done what China is doing, namely, given a part of the product to the jawans who are producing the things, then you could very well have had an Army Grow More Food Campaign going on throughly. But, here no part of the products is given to the jawans with the result that they lose all interest. Sometimes the Major Saheb would send them to Delhi with the result that the jawans had no desire to produce. Therefore, the Army Grow More Food Campaign was a failure. It is for our planners, who are thinking in terms of agricultural development, to think also in terms of reviving the Army Grow More Food Campaign.

On the navy side also, certain units may be utilised for the purpose of deep-sea fishing. Deep-sea fishing would get some more money for the navy and, at the same time, it can help us in building up naval auxiliaries. Some 10 years ago there was an Act passed in this Legislature for building up naval volunteers, reserves and auxiliaries. Till now you could not have them because there is not the right approach. You can have them only if the defence can be co-ordinated with planning.

Then, what about these *ex-servicemen* and *ex-service officers*. you have got in them officers with training in command of men. When they come after short service, they go home and lapse into idleness. You have to utilise them. You have to utilise your *ex-service men*. From that point of view the reorganisation of the *ex-service* organisation, the Soldiers, Sailors and Aviators Board, is also the concern of our planning organisation.

Therefore, from every point of view, I would submit,—later on with your permission, Sir, I would like to go into it when the details are examined—the industries, engineering services, education and other things can be accelerated through the defence organisation without much of expenditure.

Shri Ramachandra Reddi (Nellore):
It is really heartening to notice that the

Government have been persistently and consistently pursuing the Plan and it is really laudable that they have been able to frame such a good Plan and place it before the House. No doubt, there may be a lacuna here or a lacuna there, but when the details of the Plan are discussed, probably some of these can be filled up.

One noticeable thing is that the Government does not hesitate to invite the co-operation of all people and all sections of people in the country, including the sanyasis for the propagation of the Plan.

When initiating the debate on this resolution day before yesterday, the Prime Minister has made a very significant statement in regard to this Plan. He said: "First of all, there can be no real, stable industrial economy in this country without a stable agricultural basis". I wish to dilate on this particular subject with a view to invite the attention of the Government to the great importance of the agricultural economy of the country in preference to any other development. I do not for a moment think that the industrial policy will have a secondary place at all. But, on the other hand, I would suggest and emphasise the fact that the agricultural economy for some time to come cannot be given a secondary place.

In fact, food being the mainstay of the economy of the country, greater attention has to be paid for the production of food in this country. No doubt, in the First Plan it has been noticed with great glee and gladness that we have reached the target even in the second year of the Plan. I do not hesitate to tell the Government that it is not Plan alone that is responsible for this reaching of the target so soon as that. The seasonal conditions were fair and happy and greater food production was made available through timely rains and timely action of the agriculturists. It is not the Government alone that is responsible for the production of food to reach the target so soon, but also the other factors like the nature as well as the capacity of the agriculturists are responsible for that. While it is so, and while it is very necessary that on the food front the fight has still to go on, secondary importance has been given to the development of agriculture and the wherewithal for the development of agriculture. There was, no doubt, slight increase in food production from 54 million tons to 65 million

[Shri Ramachandra Reddi]

tons under the First Five Year Plan. The target under the Second Five Year Plan is only 75 million tons. Evidently, the planners have not taken into consideration the vast growing population in the country and the low purchasing power which was not able to secure as much foodgrains as were needed. The price factor was one that made the reaching of the target more easy. There was a comparatively higher price when the First Plan started and as such, every agriculturist was able to put forth more and more energy towards producing more and more foodgrains. It is no doubt true that the supply of fertilisers, to a large extent, has been able to help the agriculturists with the wherewithal for improving agriculture. I would like to place greater emphasis not upon more agricultural operations, but on the need for the provision of irrigation facilities in the country to a larger extent than it has so far been possible to make.

The area under irrigation when the First Plan started, that is, in 1950-51 seems to have been 51 million acres. In 1955-56 it is expected to reach 67 million acres and in 1960-61, at the end of the Second Plan, it is expected to reach about 88 million acres. This is only a small area compared with the very large area which is still to be brought under irrigation. Apart from the dry and wet areas, according to the First Plan, there seems to be an area of nearly 98 million acres of cultivable waste in this country. This large area of nearly 10 crores of acres as well as the dry areas in the country have to be covered up by irrigation. While there is no plan for the reclamation of these cultivable wastes in the country, there is no bold plan for covering the uncovered portion in the country by providing irrigation facilities. In fact, unless irrigation is available and reclamation also goes hand in hand with that, the possibility of increasing our food production will have to wait. It is sometimes said by the spokesmen of the Government that production of rice in this country has not increased. They simply think of the traditional 800 pounds an acre. It should be an area where there is no irrigation possibility. In all places where irrigation facilities have been secured, the 800 pound figure has shot up to nearly a ton which comes to 2,240 lbs. Even in small irrigation projects where inten-

sive cultivation goes on, 3,000 to 4,000 pounds of rice are realised. Apart from intensive cultivation that is now being very much supported and helped, extensive cultivation on a large scale has to be taken up. Otherwise, the growing population will not be fed to the extent that it is expected to be fed by the Planners. As such, any attempt to stint by way of reducing the allotment for irrigation development would be an unwise thing. If you want to know the disparity in production, between an irrigated area and an unirrigated area. I would only advise the planners or the Planning Minister to have a few sample areas taken up at random and find out the disparity. With irrigation, affluence comes. With developed irrigation and a few acres of land in his possession, an individual becomes happy and probably well to do. In a dry area, the owner of 100 acres would not be equal to an owner of 10 acres in an irrigated area. That being so, greater attention has to be given for the development or irrigation in this country. In the First Plan, a sum of Rs. 384 crores was provided for irrigation, that is about 16.3 per cent. In the Second Plan, they have provided Rs. 381 crores, that is only 7.9 per cent, for irrigation. That shows that the Government has not taken nicely to the idea of providing greater and greater irrigation facilities. If irrigation is assured, foodgrains, rice and millets, and even cotton could be benefited. The improvement in the case of sugarcane will be noticeable. Vegetables and all those which constitute food for the man could be grown much more easily. Sometimes it is said that it might be possible to grow all this by lift irrigation. Whoever knows anything about agriculture will say that direct irrigation is less costly and the cost of production from lift irrigation will be higher by about 50 per cent. Electricity, no doubt, may help to some extent. But, it is not possible to take electricity under the Second Plan to every village that is backward in this country. While a sum of Rs. 381 crores has been provided for irrigation, it seems that some of the spill over projects are included in this amount. If that is so, new projects under the Second Plan will be very few. I, therefore, suggest rather seriously that every attempt should be made not to give a secondary place to irrigation projects, but to develop irrigation in the same way as industrial projects have been

thought of. Then, you could give enough food to the country. As has been pointed out by the Prime Minister there can be no real stable industrial economy in this country without a stable agricultural basis.

For finding funds for further development in irrigation works, one would say that we are already lacking funds, we are already running into deficit and deficit economy has become the order of the day. I am not an economist to discuss the wisdom or otherwise of a deficit economy. I would only suggest diversion of certain funds from certain other aspects to irrigation.

Shri B. S. Murthy : From what sections?

Shri Ramachandra Reddi : My hon. friend Shri B. S. Murthy will kindly wait for a minute and hear me. The amount that has been provided in the Second Plan for irrigation is Rs. 381 crores. It must be possible if proper attention is paid and proper anxiety is shown to provide more funds for that. In regard to the N. E. S. a sum of Rs. 200 crores has been provided. Everybody who is acquainted with the work of the N. E. S. would feel that the money that is provided for them may not be properly spent. With so many factors working there, with so many faulty ideas and thoughts prevailing there, with mere publicity-mindedness that is going on in those areas, it may be a waste if this sum of Rs. 200 crores is going to be spent on them. Perhaps it will be more profitable even to those areas to provide more of irrigation facilities and communications than mere national extension schemes.

Mr. Deputy-Speaker : Is the hon. Member likely to finish or he would like to continue ?

Shri Ramachandra Reddi : I would like to have five more minutes.

Mr. Deputy-Speaker : He may continue tomorrow.

Private Members' Business now.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

FIFTY-FOURTH REPORT

**Shri Negeshwar Prasad Sishu (Hazari-
bagh East) :** I beg to move :

"That this House agrees with the Fifty-fourth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 23rd May, 1956."

Mr. Deputy-Speaker : The question is :

"That this House agrees with the Fifty-fourth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 23rd May, 1956."

The motion was adopted.

RESOLUTION RE. CEILING ON INCOME OF AN INDIVIDUAL

Mr. Deputy-Speaker : The House will now resume further discussion of the Resolution moved by Shri Bibhuti Mishra on the 27th April, 1956 :

"This House is of opinion that Government should take suitable steps immediately to fix a ceiling on the income of an individual."

Out of four hours allotted for the discussion of the Resolution, one hour and 29 minutes are still left. Shri N. Rachiah may continue his speech.

Shri N. Rachiah (Mysore—Reserved—Sch. Castes) : The other day I was speaking about the implementation of Panch Shila to external affairs. I wanted the spirit of Panch Shila to be implemented internally in our society by way of according equal economic justice to the citizens of our country. Article 38 of the Constitution says:

"The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life."

Further, sub-clauses (c) and (d) of article 39 state :

"(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment ;

(d) that there is equal pay for equal work for both men and women ;"