

## RESOLUTION RE FIVE YEAR PLAN

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** I beg to move:

"This House records its general approval of the principles, objectives and programme of development contained in the Five Year Plan as prepared by the Planning Commission."

In moving this resolution, I have a feeling, first of all, of the stage of a journey being completed, of a duty done, and if I may say so, well done, and at the same time I have another and more powerful sensation of a harder duty and more difficult work ahead, of another journey immediately to be undertaken, because ultimately there are no resting places in the journey we have undertaken.

So far as this present Plan is concerned, it may be said to have had its beginning in preparation when the Planning Commission first came into existence. Of course, much thought had been given to this question of Planning in India even previously and discussions had taken place in this very House or the Parliament before. But this particular attempt was begun when this Planning Commission came into existence two and a half years ago. Now, perhaps, I may speak in this matter without any offence against modesty, because my own connection with the Planning Commission, though intimate, nevertheless, was one in which the burden of work fell lightly upon me. Others carried the burden, and therefore if I may praise that work, I do not praise myself or what I have done in regard to it. Therefore I said I can speak a little more freely about that matter than if I had myself been possibly a recipient of that praise.

The Planning Commission, and as such the staff of the Planning Commission—when I say the staff, I include all the members of it, whatever their degree or status might be—have worked very hard, very conscientiously, very earnestly and with something of the crusading spirit. In preparing this Plan,

I should like, therefore, to pay my tribute to them, not merely an empty tribute without knowledge but with due knowledge of what they have done. And that, if I may say so, need not necessarily have any relation to what we may agree or disagree with any particular chapter or particular part of the Report. This work was, in a sense, the first of its kind, certainly the first of its kind so far as we were

concerned, and I think we might justifiably say that in this particular context it was the first of its kind anywhere. We know very well, of course, that planning became well known and rather fashionable ever since over 20 years ago when the first Five Year Plan of the Soviet Union came into the field and was much talked about. Gradually planning became a popular subject for people to talk about, though very often those who talked about it, talked perhaps without really understanding what they were talking about.

What I mean is this. People talk about planning sometimes in limited spheres. Of course, there can be planning for a nation, it is something infinitely more than that planning in bits and spurts here and there. It becomes an integrated way of approaching this question of a nation's manifold activity. But the difference in the way of our approach and the way of the old Soviet approach—I am not comparing the two, I am merely mentioning it—has been a certain difference in our objectives, somewhat, though not perhaps so great ultimately as might be thought, but much more so in the methods adopted. And in view of the fact that we function under a democratic set up which we have deliberately adopted and enshrined in our Constitution and in this Parliament, naturally any planning that takes place must be within that set up and no Planning Commission has any right to go about producing something which has no relation to our Constitution or the set up under which we are functioning.

Now, that puts certain self-imposed limitations on a plan, but I would like to say that those limitations are not final limitations. And I do not think it would be right to say that that democratic functioning necessarily puts any limitations at all. It may make the way a little more difficult; the procedure adopted may be a little more complicated. But a democratic set up, properly worked, should permit of anything that we desire to be done. And, possibly, that, I suppose, is the justification of that democratic set up, apart from other justifications, that what it does, even though it might take a little more time, it does perhaps build on more firm foundation and in particular, it builds on a foundation of an individual, and not entirely forgetting the individual. However, that is not a point I wish to labour. What I wish to say is that accepting the democratic set up and accepting the functioning of this Parliament etc., we must consider this Plan, on that basis. We have made a Constitution and we should abide by that Constitution.

Nevertheless let it not be said that that Constitution, every part of it, every chapter and corner of it, is something that is so sacrosanct that it cannot be changed to the needs of the country or the nation so desired. Undoubtedly it can be changed wherever necessary, not lightly but after full thought, if it is thought that that part of the Constitution comes in the way of the nation's progress. But, generally speaking, we have to plan in accordance with that Constitution.

Now this Plan was produced, or rather the parent of it—the Draft Outline—was placed before the country a little over a year ago and placed before this Parliament also, and it was approved generally by Parliament then and it has been the subject of approval and criticism and, to a slight extent, condemnation in certain parts but much more so of approval generally all over the country during this year. And the Planning Commission has profited greatly by that criticism and even by the partial condemnation of parts of the Plan that has been placed before it. I doubt if there has been greater consultation of various, not only organisations, parties, States, but opinions, viewpoints etc. I doubt if there has been a greater consultation of the various elements that go to make up the nation's life anywhere in this matter than we have had in this particular Plan during the last year and a quarter. In that sense, therefore, it might be said to be not the production of five or six members of the Planning Commission, but rather a joint effort in which a large part of the nation has taken part and, therefore, it represents something much more than the opinions of the members of the Planning Commission. They had to deal with a very difficult problem. Of course, the country is big, but apart from the bigness of the country, we had to deal with a federal structure—the Centre and the great States, and the various States also divided in various degrees. We have to deal with an economy which is in many ways a very backward economy. We have to suffer the consequences of past acts and many things that have happened in the past. We have to deal with a new social consciousness which is very desirable. We have to deal with great ambitions, which we all share, to progress rapidly and we have to deal with limited resources to further those great ambitions. We have had to, and have to, deal with, looking at the world in a period of storm and trial and crisis and change, and generally speaking, disaster round the corner. We have to deal in India often enough with thinking in old ruts, with some-

times superstitions and outlooks which come in the way of progress. We have to deal even, if I may say so with all respect, with the reformer of yesterday who is a conservative today, the revolutionary of yesterday forgetting that today is different from yesterday. In other words, we had to deal with a dynamic and live situation, ever changing, which could not be resolved by any dogma, whether of religion or, of economic or, of anything else.

Apart from that fact, when you deal with a great country like India, you have to deal with India only and not with any other country or the conditions that exist in any other country and try to repeat them here. Of course, there are certain principles, certain ideals, certain objectives which hold for various countries, which hold for various ages too; they do not change. India herself has represented various principles of that type and I hope she will hold to them, while, at the same time, I hope and say that with emphasis, that she will give up a large number of superstitions and evil ways of old which have impeded her growth and which are taken advantage of even today to divert people from the principal subjects that we should consider here. So, for all this amalgam and variety that we have in India, we have to form a plan for future progress. And, when I think of this for a moment, I forget these two heavy and fat volumes of the Report of the Planning Commission and something much vaster comes before me, the mighty theme of a nation building itself, re-making itself, all of us working together to make a new India—that is a big job—all of us working together, not abstractly for a nation but for the 360 million people as individuals or as groups going ahead.

In fact, we are trying to catch up as far as we can with the Industrial Revolution which came long years ago in western countries and made great changes in the course of a century or more, which ultimately has branched off in two directions from the same tree, if I may say so, the two directions at present being represented by the very high degree of technological development represented by the United States of America and other represented by the Soviet Union, branches of the same tree even though they might quarrel with each other. Now, this Industrial Revolution has a long history in the past and we are apt to think in terms of European history when we look at India. Why we should repeat the errors of the past is not clear to me. Obviously we have to learn from the past and avoid these errors.

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Now, we talk in terms of industrialisation and it is obvious to me that we have to industrialise India as rapidly as possible. And, when I use the word 'industrialise' I include, of course, in it all kinds of industry, major, middling, small, village and cottage. The biggest step that we can take in the industrialisation of the country can absorb only—by any computation you like—a small part of the population of this country in the next ten, twenty or even thirty years, put it whatever you like. Yet hundreds of millions remain over who will be employed chiefly in agriculture but who, also have to be employed in smaller industries, in cottage industries and the like. And, therefore, the importance of village and cottage industries. I think, the argument that often takes place, the argument of big industry versus cottage industry and village industry is rather mis-conceived. I have no doubt at all that without the development of major industry in this country, we cannot raise our levels of existence. In fact, I will go further: We cannot remain a free country because certain things are essential to freedom: Defence—leave out other things—which if we do have, we cannot remain a free country. Therefore, we have to develop industry in that major way, but always remembering that all the development of industry in that major way does not by itself solve the problem of the hundreds of millions of this country and we have to increase the smaller village industry and cottage industry in a big way also remembering that in trying to develop industry, big or small, we do not forget the human factor. We are not out merely to get more money and more production. We want not merely more production but ultimately we want better human beings in this country with greater opportunities not only economic and the rest but at other levels also. We have seen in other countries that economic growth by itself does not necessarily mean human growth, does not necessarily mean national growth. So, we have to keep this particular picture and not think that the growth of the nation comes merely from the shouting that takes place in the market places and the stock exchanges of the country. So, to balance all these, to produce some kind of integrated plan for the economic growth of the country, for the growth of the individual, for greater opportunities to every individual, for the greater freedom of the country, you have to do all this within the framework of political democracy. Political democracy, ultimately of

course, will only justify itself or be justified if it succeeds in producing these results. If it does not, political democracy will yield place to some other form of economic or social structure, does not matter how much any of us like it or not. Ultimately, it is results that will decide the fate of what structure we may adopt in this country or in any country of the world. When we talk of political democracy we must remember that it is ceasing to have that particular significance which it had, say, in the 19th century. Political democracy, if it is to have any meaning must gradually, or, if you like, rapidly lead to economic democracy. Without that, if there is great inequality in the country, all the political democracy and all the adult suffrage in the world does not bring about the real essence of democracy. Therefore, your objective has to be—call it economic democracy, call it the putting an end to all these great differences between class and class—the bringing about of more equality, and a more unitary society. In other words, it has gradually to put an end to the various classes that subsist and ultimately develop into a classless society. That may be a little far off, I do not know. But you must keep that in view.

Now, it is clear that you cannot approach that by way of conflict and violence, so far as this country is concerned. We have achieved many things by way of peace and there is no particular reason why we should give that up and go into violent methods. There is a very particular reason why we should not do so because I am quite convinced that, however high our ideals might be, and our objectives, if we try to solve them by methods of violence, it will delay matters very greatly. It will help the growth of the very evils that we are fighting against. India is not only a big country, but a varied country, and if anyone takes to the sword, he will inevitably be met by the sword of someone else. Therefore, it becomes a clash between swords, or violence, and all the limited energies of the nation are destroyed in that process, or greatly lessened.

I P.M.

Now, the method of peaceful progress is a method ultimately of democratic progress. But keeping in mind the ultimate aim of democratic thought. It is not enough for us to say that we have given votes to all, and let the rest remain. The ultimate aim is economic democracy. The ultimate aim is putting an end to these great differences between the rich and the poor; the people who have opportunities and those who have none

or very little. That must be kept in mind. In the ultimate analysis, everything that comes in the way of that aim must be removed—removed in a friendly way; removed in a co-operative way; removed by State pressure; removed by law—because nothing should be allowed ultimately to come in the way of your achieving that social objective.

So, a plan of this type is not merely the putting up of a number of factories here and there; not merely showing greater production here and there—which is necessary, of course—but something more with a deeper significance; something aiming at a certain kind of structure of society that you want gradually to develop. Of course, you and I cannot lay down what will happen or what the next generation might do. You and I cannot even say what the next generation will be like. In these days of very rapid technological advance, no man knows what the world would be like some time hence. We are technologically backward. Therefore, sometimes when we discuss big problems, we discuss them—if I may say so with all respect—in a rather static way, forgetting that the very ground underneath our feet is changing or slipping away. Unless we move with it, we may tumble over or be left behind. The enormous pace of technological advance ever since the Industrial Revolution is generally known and appreciated, but nevertheless we are not emotionally aware of what is happening from day to day, and it may well be that in the course of the next ten years, or twenty years, or more, this technological advance might change the whole aspect of the things in the world, and that affects the life of human beings tremendously. It affects their thinking. It affects their economic structure. It affects their social structure. Ultimately, it affects their political structure also. Anything may come. We cannot hind the future. For the present, we have to deal with facts as they are.

But I mention these broader factors, so that our mind must have that dynamic quality, that quality of vision, that revolutionary quality which not only the average laymen, but even our experts—whether they are economists, or even planners—lack. They have become very static in their approach. I do not see this mighty change. We talk of revolutions and think perhaps that a revolution is a process where you can break each other's head. That is not a revolution. It may be or may not be—that is a side show. Good or bad, a revolution is something which changes fundamentally the structure—political

and economic—of the society, so that with this background we have to take into consideration this first attempt of ours to make a plan.

Naturally, it is not perfect. I do not claim perfection. Perfection is a big word. I think that it is quite easy to pick holes in it. It is quite easy to demonstrate that it is wrong somewhere or not right elsewhere, or that much could have been done, or something which could have been said has not been said, or that something which need not have been said has been said, and so on. All this can be done, and no doubt will be done. I have no doubt that after it has been done, the Planning Commission itself may like to profit by what has been said. But look at it in this broader context and not from the point of view of more criticism. This is the first attempt in India to bring this whole picture of India—agricultural, industrial, social, economic etc. etc.—into one framework of thinking. That is a very important thing, and I say that even if that thinking is wrong partly here and there—even then, it is a tremendous thing attempted and done. It has made not only those who have participated in it, not only Members of this House who have to deal with these big matters, but to some extent the whole country “planning-conscious”. It has made them think of this country as a whole, because I do think that one of the biggest things in this country at present is for us to make the country which is politically united and which is in many other ways united but which is not yet mentally and emotionally united to that extent to be united in that respect also. We often go off at tangents, whether they are provincial tangents, whether they are communal or religious tangents, whether they are caste tangents, or whether they are all kinds of other things. We do not have that emotional awareness of the unity of the country which we should have. It is planning and viewing these problems as a whole that will help greatly in producing that emotional awareness of our problems as a whole apart from our separate problems in our villages or districts or even provinces. Therefore, the mere act of this planning, the mere act of having approached this question in this way and produced a report of this type is something for which we might, I think, congratulate ourselves.

Remember this. When we talked about planning two or three years ago, powerful voices were raised against it. The idea of planning, to some people, was just helping industry, by let us say, tariffs or giving them money etc. and leaving it to

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them to do what they like. They did not like being controlled in any way. While the essence of planning is this broad picture of some kind of control of the whole economy of the country, this Plan talks about a public sector and a private sector. But the House must remember and everybody should remember, that the private sector is going to be a controlled sector also, not of course to the same extent, but it will have to be a controlled sector in many ways and an increasingly controlled sector as time goes on. It may be controlled, of course, in regard to the dividends and the profits that it makes, but it will have to be something more than that, because we have to control the strategic points of the economy of the country, and this report—rightly I think—is cautious about many matters. But if you read it carefully, you will find that it has stated what can be done and what should be done without definitely saying "Do it, because it has left the door open". Take important subjects like banking and insurance. They are highly important in the economy of a country. Strategically, they must be controlled in any economy. Well, how to do it, and what to do etc. have not been dealt with, because the Planning Commission did not think itself justified in laying down the details. But if you read the earlier chapters of this report, the Planning Commission has said that these are important and these have to be kept in view and steps will have to be taken to bring them in some form or other under control so as to fit in them more and more within the purview and sphere of a controlled economy.

So, this Plan suggests something definite to be done and also suggests many other things which can be done and should be done, but it does not go into details as to how it should be done or when it should be done. That, of course, can be done during the period of the Plan, and not afterwards, because after all the method of planning or the method of working out a plan is ultimately the method of trial and error. The best of us can only see dimly into the future, if at all. We can proceed by analogy. We can proceed by past experience. But, ultimately, you have to deal not with steel and cement and things that you can measure, but you have to deal with 360 million individual human beings in this country, each different from the other. All the statisticians in the world and all the economists in the world cannot say what a multitude of individuals may or may not feel, or may or may not do. You

have to proceed by the method of trial and error. I have no doubt that when the time comes for a second Five Year Plan, we would be in a far better position, and on far firmer ground, because we would have gone through this process of thinking and what will follow from it. Again, the process of working and trying to build according to this Plan would have been there, and we would have learnt much by it. The second Plan therefore will be a much more effective and far-reaching Plan, based on greater knowledge, and derived not from theory but from practice.

Now, remember this also, that we call this a Five Year Plan, but two years out of the five are over. Therefore, it really is a plan for the next three years or so. We started with this Plan under certain limitations, because we had to accept what was done. We did not start from scratch. We had to accept them. Our resources were tied up with things that were done; we had to accept that naturally, and with the balance of resources left we had to deal with the next period.

So that this Five Year Plan is partly in action and it would be over in the next three years or so. Also remember that this Plan is essentially if I may say so—preparatory plan for greater and more rapid progress in future. As I said, the second Five Year Plan, if we build our foundations well, could proceed at a much faster pace, or rate of progress than we have indicated here. We have indicated the various paces. People calculate them in their own way. Some people say it is too slow a rate. Others ask: "Can you do it—it is too fast." It is based on intelligent anticipations and calculations. If we can better it, certainly we will try to better it.

We talk about industrialisation. You will see in the earlier Chapters certain figures are given as to how much will go to industry, how much to agriculture, how much to social service, transport and the rest. Industry does not seem to come very well off in that picture. Agriculture takes a great deal. As far as I remember irrigation takes a very big sum. We attach the greatest importance to industry, but we attach, if I may say so, greater importance in the present context to agriculture and food, and other matters pertaining to agriculture, because if we do not have our agricultural foundation strong then the industry we seek to build will not be on a strong basis. Apart from that fact, in the country as it is situated today, if our food front cracks up everything cracks. So, we have to keep a strong food front; we

dare not weaken it. If our agriculture, as we hope, becomes strongly entrenched and is in a good way then it becomes relatively easy for us to go faster on the industrial front, while if we try to go faster in regard to our industry now and leave agriculture in a weak condition, we make industry weaken still. Therefore, first attention has been given to agriculture and food and I think it is quite essential in a country like India at the present moment.

But even so, certain basic industries, key industries, have been thought of and brought in. The basic thing even for the development of industry is power—electric power. You cannot develop industry, or anything, unless you have adequate power. You can judge the progress made by any country by how much electric power it has. That is a good test of the growth of any country. Now, we will get electric power by these various hydro-electric schemes, river valley schemes, multi-purpose schemes and the like.

I do not propose to go through these two big volumes in my preliminary remarks. I have no doubt that hon. Members would be studying them with great care, and make their suggestions in the course of the debate. If I may suggest with all respect, the Chapters that might be studied more than the others and might be dealt with in debate more than the others are the earlier chapters which lay down the general approach, the principles, the objectives and the structure of the Plan—the first four Chapters and if you like a few others. The rest, though very important, is after all working out the details of that and no Parliament can sit down to work out details or priorities. Parliament must lay down the objectives, the general structure, that we should follow.

So, I submit, Sir, that in approaching this question we should bear these general principles and objectives in mind. We should determine the methods. If I may say so, or if you like, we have already determined the methods and we are working along these methods—that is the general democratic approach to this problem. Although this is so, I wish to make it perfectly clear what our conception of democracy is. It is not limited to political democracy. We do not think that democracy means, as is sometimes said in some other countries, what is called *laissez faire* doctrine in economics. That doctrine may remain in some people's mind still. But as a matter of fact it is almost as dead as the nineteenth

century which produced it—dead even in the countries where people talk about it most. It is totally unsuited to the conditions in the world today. In any event, so far as we in India are concerned, we reject it completely. We are not going to have anything to do with it.

That does not mean, of course, that the State is taking charge of everything. The State is not, because we have a public sector and a private sector. But, as I said, the private sector itself which we wish to encourage must fit in with controlled economy. In that sense its freedom of enterprise will be somewhat limited. Now, in this context, I would ask this House to consider this plan.

This Plan—I am not going into figures—provides for two thousand and odd crores of rupees—about several hundreds crores more than provided for in the Draft Plan. There is a big gap between the estimate of our resources and the Rs. 2,000 crores. It is hoped that we may be able perhaps to find more resources. We may get some help from outside. We have got some already. Some hon. Members have occasionally expressed their fear that this help from outside may interfere with our freedom as to what we should do and should not do in this country. Well it is perfectly true that when in any matter one depends upon an outside authority, to that extent there is a risk. If we depend on outside authorities, let us say, to supply us with weapons of war for our army, well, to some extent, there is risk—whatever it may be. If we depend for our economic advancement on other countries, well, we are depending on them. And I am quite clear in my own mind that I would rather wish that our advance was slower than we become dependent on the aid of other countries.

Having said that, I really do not see why we should be afraid, provided we are strong enough ourselves, of taking this type of aid from other countries which obviously helps us to go more rapidly ahead. There are so many things which we could do with that aid which we have to postpone without that aid. On the one hand there is a slight risk, not a risk of being tied down, but if you like to put it, a slight moral risk, or whatever risk you like to call it. On the other hand, it is for us, for this Parliament, for this country to be quite clear of what it wants to do and not allow ourselves to be pushed this way and that way. After all almost every country has

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gone ahead with help in various ways from other countries in the past and I do not see any reason why we should prefer not to take aid, even though that aid does not influence our policy or our activities in the slightest.

Sir, it is late now and this subject is a very big one. But I intended my remarks to be more of a preamble to the consideration by this House of this voluminous report and not to go into the details. I have no doubt that in the course of this debate many points will arise which will require dealing with, and my colleagues or other Members of this House or myself may deal with them at a later stage.

But I would like to impress upon the House somewhat the feeling I have on this occasion, the feeling of dealing with this great theme of re-making this country of ours, that we are engaged in a tremendous task which requires not only all our united effort, but united effort with enthusiasm and a crusader's spirit attached to it. I have no doubt that if this House accepts this report in that spirit, and when all of us go to our respective constituencies and other parts of the country we go with this message from this House and from this Parliament, this Five Year Plan, and try to work it out, I have no doubt that this Plan from being something on paper, you will see it gradually rising and taking effect in the country. And as you do this I think it may well be possible for us to over-reach this Plan and go further ahead than even the Plan Commissioners have laid down.

**Mr. Deputy-Speaker :** Resolution moved:

"This House records its general approval of the principles, objectives and programme of development contained in the Five Year Plan as prepared by the Planning Commission."

**Shri H. N. Mukerjee** (Calcutta North-East): Sir, before we proceed with a discussion of this motion I would like to make a suggestion to you for your consideration. We have tried to go through the volumes of the report supplied to us as carefully as we could, but we feel we have had rather very short notice. We have had a full legislative programme throughout the week and this has made it rather difficult for us to study what we wish to study in the short compass of time which is allowed to us. That is why I suggest that we may have at least four

days for discussion of this report, that means Tuesday to Friday, and also that, if necessary, you might be pleased to adjourn the discussion of this till tomorrow morning so that we may be better prepared not only to consider what we have already read but also the remarks made by the Prime Minister.

**Mr. Deputy-Speaker:** So far as the number of days is concerned, even at the outset, anticipating that a number of hon. Members would be interested in taking part in the debate, I agreed to the House sitting from 10 A.M. to 6 P.M. with the usual interval for lunch. At present it is scheduled to go on for the 15th, 16th and 17th. As we proceed let us see what the progress is. I am sure we will be able...

**Dr. S. P. Mookerjee** (Calcutta South-East): 18th also.

**Mr. Deputy-Speaker:** Originally it was fixed for the 15th, 16th and 17th. That was the time that was prescribed. We have given to ourselves one more day at the rate of nearly two hours a day, about one extra hour in the morning and one hour in the afternoon.

**Shri A. C. Guba** (Santipur): On the previous day the Prime Minister was agreeable to four days.

**Mr. Deputy-Speaker:** The extended periods put together give us another day. Therefore this programme will stand till the 17th. Let us see the progress.

**Shri Jawaharlal Nehru:** So far as we are concerned we should like--I understand that the latest date up to which this Parliament session is to go on is the 20th; it will be difficult to go beyond that—we should like two clear days, 19th and 20th, to finish up some important legislation pending. Apart from that I am in your hands and the hands of the House. You have already been good enough to extend the hours of sitting. If necessary, and if the House agrees, we may drop the Question Hour, to discuss this problem, for a day or two.

**Hon. Member:** It is a very good proposal.

**Dr. S. P. Mookerjee:** The Prime Minister says he would like to have two days for the other legislation. Then this debate can continue till the 18th evening. That he can easily agree to.

**Shri Jawaharlal Nehru:** Yes, as a matter of fact what you, Sir, said was, I believe, that after a couple of days you will decide. So far as we are concerned we are prepared to go on till the 18th, provided it does not go beyond the 18th.

**Shri H. N. Mukherjee:** The legislative programme still outstanding is not of a particularly considerable character and in one day or one and a half days at the most we can dispose of it.

**Mr Deputy-Speaker:** We can consider. It will be not beyond the 18th in any case.

The House now stands adjourned till 3 P.M.

*The House then adjourned for Lunch till Three of the Clock.*

*The House re-assembled after Lunch at Three of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

**Mr. Deputy-Speaker:** There are some amendments tabled to this resolution. I find some of the amendments are not in order. Others will have to be moved. The first two amendments standing in the name of Mr. Vallatharas are as follows:

(i) That the consideration of the resolution be postponed to the next session; and

(ii) That for the original resolution the following be substituted:

"This House is of opinion that the Report of the Planning Commission be circulated for the purpose of eliciting opinion thereon by the 31st January, 1953."

Why does he want this resolution to be put off?

**Shri Vallatharas (Pudukkottai):** It concerns the entire nation. An expenditure of 2000 and odd crores has to be met by the people themselves. The scheme is brought for the first time. Two years and more have been taken for drafting the original Draft Plan. Subsequently 18 months have been taken. There has not been a single attempt on the part of the Government or any political bodies just to go about the nation itself directly and explain what the Plan is. The people do not know what the Plan is.

**Mr. Deputy-Speaker:** I have heard the hon. Member. This is dilatory in character and I will not allow these amendments. The Draft Plan was issued long ago and there was a

discussion on this earlier on the floor of the House. This is a five Year Plan. The object of submitting a Draft Plan to the House is only to enable not only the Parliament but others also to discuss. As a matter of fact, this was discussed by groups also elsewhere. If this is to be discussed there must be another Five Year Plan and it is endless. The Draft Plan was discussed long ago. This is dilatory. I rule both these amendments out of order.

Hon. Members who want to move their amendments may move them now. Those who are not here, I will treat their amendments as not having been moved. If any particular portion of any amendment is not in order, I will reserve my right to rule that portion out of order.

**Shri Vallatharas:** I beg to move:

That for the original resolution the following be substituted:

"This House is of opinion that the policy and the plan are permeated by a sense of over expectation and unwarranted optimism and the economic calculations on which they are based will inevitably lead to a disorganisation of the entire economic system."

**Shri T. K. Chaudhuri (Berhampore):** I beg to move:

That for the original Resolution, the following be substituted:

"This House records its general approval of the principles and objectives of installing a planned economy in India in terms of the Resolution of the Government of India in March, 1950 but is of opinion that the final draft of the First Five Year Plan as prepared by the Planning Commission fails to reflect in any adequate measure the national aspirations of the people of India and to formulate a programme for the most effective utilisation of the country's resources so as to secure all citizens the right to an adequate means of livelihood, the distribution of the ownership and control of the material resources of the community as best to subserve the common good and to ensure that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment in the real meaning of the Directive Principles of State Policy as enunciated by the Constitution of India."



**Shri H. N. Mukerjee:** I beg to move:

(i) That for the words "records its general approval of " the words "takes into consideration" be substituted; and

(ii) that the following be added at the end:

"but regrets that they fall far short of a real effort to achieve a social order for the promotion of the welfare of the people, even as directed by Articles 38 and 39 of the Constitution."

**Shri S. C. Singhal (Aligarh Distt.):** I beg to move:

That the following be added at the end:

"and congratulates the Planning Commission for their strenuous labours and single-minded devotion to the completion of their task and further calls upon the Government to take steps to enlist the co-operation towards a successful execution of this Plan of every political and social organisation and of the public in general whose well-being is the object of this Plan."

**Shri Borawal (Ahmednagar South):** I beg to move:

That the following be added at the end:

"and congratulates the Planning Commission and appreciates the strenuous efforts made by the Planning Commission in the completion of its huge task and further calls upon the Government to take necessary steps to enlist co-operation of all sections of the public in this country, whose well-being is the object of this Plan."

**Shri Poeker Saheb (Malappuram):** I beg to move:

That the following be added at end:

"but feels constrained to express its disappointment at the low targets fixed by the plan particularly for the increase in the national income."

**Shri Lokenath Mishra (Puri):** I beg to move:

(i) That the following be added at the end:

"and suggests that for a proper implementation and execution of the plan and for creating fervour in the country, the following preliminary steps should be taken:

(1) The introduction of more and more responsible democracy through formation of autonomous

statutory bodies in each village union with M.L.A.'s and M.P.'s as ex-officio members with power and responsibility to plan, organize and execute the programme in their respective areas;

(2) voluntary levelling down of the income and the way of living of the upper urban class in Indian life by patriotic persuasion and acceptance;

(3) ruthless austerity measures in the administrative sphere; and

(4) a renewed persistent emphasis on swadeshi and banning import of all unnecessary foreign goods in the interest of nation."

(ii) That the following be added at the end:

"but regrets that the plan lacks proper emphasis on the preventive side in the planning of wealth and by giving undue emphasis on the foreign system of the so called scientific treatment, has lost sight of the indigenous and local methods of easy and natural treatment which deserve immediate research, publicity and encouragement."

(iii) That the following be added at the end:

"but regrets that in planning housing, the plan does not provide for reconstruction of new villages by clustering together the innumerable small scattered and out-of-the-way 'basties' in the rural areas".

**Shri Chinaria (Mohindergarh):** I beg to move:

That the following be added at the end:

"and congratulates the Planning Commission for their labour and further calls upon the Government to take immediate and adequate steps to socialize the means of production including land to make the Plan a complete success."

**Shri S. V. L. Narasimham (Guntur):** I beg to move:

That the following be added at the end:

"and urges that Government should include the Kistna Valley Scheme as recommended by the Khosla Commission in the Five Year Plan and take immediate steps for the implementation of the same."

**Shri Madhao Reddi (Adilabad):**

I beg to move:

That the following be added at the end:

"but regrets that the Five Year Plan suffers from several limitations and lays stress only on production, paying very little attention to equal distribution and towards providing gainful employment to fifty million unemployed and under-employed and hence fails to restore faith in the people and to mobilize the masses for reconstruction."

**Shri Vallabharas:** I beg to move:

(i) That the following be added at the end:

"but is of opinion that the industrial policy is reactionary and tends to continue and intensify class domination."

(ii) That the following be added at the end:

"but is of opinion that the policy and the plan do not aim at a planned economy and are devoid of any scope for a centralised economic planning, besides being a total abstention from making any attempt to inaugurate or devise a policy or scheme to establish a socialistic order of things."

(iii) That the following be added at the end:

"but is of the opinion that the policy and plan tend to severely regiment the national economy and lower the standard of living of the bulk of the population."

(iv) That the following be added at the end:

"but is of opinion that the policy and plan do not envisage any scheme to have the plan worked out free from corruption and waste."

(v) That the following be added at the end:

"but is of opinion that the policy and plan to effect a land reform is misconceived and portentous of very grave consequences, without a proper and adequate data regarding land ownership and distribution being prepared beforehand."

**Shri U. C. Patnaik (Ghumsur):** I beg to move:

That the following be added at the end:

"but regrets—

(a) that the Plan has totally ignored to examine and adopt modern trends of man-power

mobilisation which envisage the integration of defence with socio-economic planning;

(b) that the Plan has overlooked the possibility of utilising the defence organization not only for national service in emergencies but also for appropriate nation-building activities which do not hamper the efficiency of military training;

(c) that the Plan has made no provision for education and training facilities for the defence personnel to enable them to be resettled in civil life and to help the implementation of the various programmes chalked out by the planners;

(d) that the plan discloses no programme for absorption of ex-servicemen, with their training and discipline, in the contemplated socio-economic drive;

(e) that the Plan gives no indication of building up potential nation-wide reserves, not only for war emergencies but also for civilian national-service activities;

(f) that the Plan does not seek to enthuse the country for national service by satisfying the aspirations of every patriotic citizen to be associated with national defence;

(g) that the Plan has failed to explore the possibility of manufacturing defence material requirements as far as practicable in this country, at least to save foreign exchange;

(h) that the Plan, in indicating priorities, has not adopted a unified approach, taking into consideration not only the socio-economic but also the defence needs of the country; and

(i) that the Plan has failed to attempt an integrated solution of the various problems (including those of the Backward classes and the refugees) by correlating Defence with socio-economic Programmes."

**Shri Sivamarthi Swami (Kush-tagi):** I beg to move:

That the following be added at the end:

"and suggests—

(a) that an agency of officials and non-officials should be created in each group of villages to advance loans and grants and to help the villages with all possi-

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ble modern equipments and technical guidance to increase the village production and thus to utilise the man-power in villages in building our national economy;

(b) that our defence forces should be utilised to execute our First Five Year Plan as most of the countries in the world are utilising their defence force in building their socio-economic plans;

(c) that collective and co-operative farmings should be started among the Harijans, backward classes and other agriculture labourers in each group of villages to improve the economic condition of the poor class of people in villages;

(d) that 'Ghata-prabha' project in Karnatak should be included in the First Five Year Plan; and

(e) that immediately new small irrigation projects and roads should be undertaken in the scarcity areas and that the present provision for scarcity areas should be increased as it is too small to meet the situation even in Southern India."

**Shri Teotikar (Nanded):** I beg to move:

That the following be added at the end:

"and welcoming this gigantic and completely co-ordinated plan as an earnest attempt on the part of the Government to eradicate famine, poverty, backwardness and unemployment from the land, assures the Government of its whole-hearted support to the stupendous task undertaken, that will change the very face of India."

**Shri K. Subrahmanyam (Vizianagaram):** I beg to move:

That the following be added at the end:

"and, while congratulating the Planning Commission for their strenuous labour and single minded devotion to the completion of their task, regrets that the Plan presents a great disparity between the objectives in the industrial sector and those in the rural sector, that there is no promise of full employment in the urban sector, that after the completion of the Plan, as at present conceived, private vested interests will be more firmly entrenched in power in the industrial sector, that even in the

rural sector there is no deadline set for basic reforms such as fixation of ceiling on land holdings, that that part of the Plan dealing with public administration amounts to a mere repetition of pious platitudes, and that in respect of foreign aid, the Plan fails to insist on and secure assistance from U.N. agencies, rather than from individual countries."

**Mr. Deputy-Speaker:** All these amendments are now placed before the House. Discussion on both the resolution and amendments may proceed. Because the proceedings may go for two or three days, let it not be understood that any more amendments will be accepted by the House.

**An Hon. Member:** This afternoon.

**Mr. Deputy-Speaker:** A notice of the resolution had already been tabled long ago. Therefore amendments also could have been moved two days ago. This is not a clause by clause discussion. It is a single resolution and hon. Members must have thought of amendments. No more amendments will be allowed.

**An Hon. Member:** Will there be a time limit?

**Mr. Deputy-Speaker:** Certainly.

**An Hon. Member:** What is that limit?

**Mr. Deputy-Speaker:** Time limit for hon. Members who are desirous of taking part in the debate is 15 minutes excepting in cases of leaders of groups where it may be extended to 20 minutes.

**Some Hon. Members:** That is all right. For leaders there should be more time.

**Mr. Deputy-Speaker:** Let leaders make their statements. Then I will consider. The leaders of the groups will have 20 minutes each, others will have 15 minutes each.

**Shri Syed Ahmed (Hoshangabad):** Leaders of groups may be given 30 minutes. We want to know their views.

**Some Hon. Members:** Twenty minutes.

**Mr. Deputy-Speaker:** Leaders of groups will have 30 minutes. There will always be the discretion of the Chair.

**Dr. Lanka Sundaram (Visakhapatnam):** Sir, when I listened this afternoon to the eloquent speech of the Leader of the House introducing...

पंडित बलगू राय शास्त्री (जिला भाड़)  
मगढ़—पूर्व जिला बलिया—पश्चिम) :  
उपाध्यक्ष महोदय, मैं अभी यहां पर नहीं  
था, मेरा एक अमेंडमेंट नम्बर २२ है,  
उस को भी मेहरबानी कर के मूड  
(moved) मानिये।

**Mr. Deputy-Speaker:** All right.

**Pandit Algu Rai Shastri:** I beg to move:

That the following be added at the end:

“but wishes to draw the attention of the Planning Commission to the provisions made by it for providing irrigation facility and other improvements in U.P. and especially so in the eastern parts of it which are disappointing and inadequate and urges upon them to allot more funds for the purposes aforesaid.”

**Mr. Deputy-Speaker:** Discussion may proceed on this amendment as well.

**Dr. Lanka Sundaram:** As I listened to the speech of the Leader of the House this afternoon, I was struck by one or two very remarkable statements that he made, in introducing this report for discussion by this House.

**An Hon. Member:** Are you the Leader of a Group?

**Dr. Lanka Sundaram:** He said that there is no pretence that this report is perfect. He also said that it is very easy to pick holes in the report at various points. He also said that what is required in this country is some sort of a crusading spirit, to ensure that the moral and material well-being of the community and also the reconstruction and development of every aspect of our national economy are carried forward. I was rather struck with another statement by the Leader of the House this afternoon, namely, that he would expect this House to devote more of its time to the earlier part of the Report and not to the latter. Since I believe in economy of words, I would like to state categorically that I will have to disoblige the Leader of the House by making reference to one particular chapter of this report which, to my mind, supplies the Achilles' heel to this Plan. I am rather surprised that the gigantic and thorny food policy was only given a treatment not exceeding 14½ pages. It is not the mere bulk of the matter which goes into a chapter which adds importance to its contents. I said ad-

visedly that this treatment of the food problem is going to supply the Achilles' heel to the entire planning and development of this country.

I may be permitted to say here that when the Planning Commission invited some of us, dozens and dozens of us to take counsel with it and to offer our comments on it five or six weeks ago, this particular chapter on food was not made available to us. I am here to say with a sense of responsibility that I am not raising this question in any partisan or party spirit. Why I make reference to this chapter is to disprove the point sought to be made by the Leader of the House that we should concentrate more attention on the objectives and not on the details. Here are a few figures worked out from Chapter XI on Food. From 1946 to 1952, every year there was food deficit of 2.25 million tons, 2.23 million tons, 2.84 million tons, 2.71 million tons, 3.13 million tons, 4.17 million tons and 3.90 million tons, involving a total expenditure of 750 crores within a period of seven years. I would like to be corrected if I am wrong. Are there food import targets for the coming years? I am given to understand that the target of food imports during the coming three years, that is, the remaining years of the first Five Year Plan period, will be of the order of three million tons each year. My hon. friend the Finance Minister is shaking his head. If I am wrong, I would like to be corrected.

**The Minister of Finance (Shri C. D. Deshmukh):** It is going to be less.

**Dr. Lanka Sundaram:** I am prepared to accept his amendment because these are figures which are approximates which have not been made very clear in the report. It may be less. May I assume that it will be two million tons? Six million tons in three years, possibly, involving Rs. 300 crores. I hope I will not be far wrong in that estimate.

**Pandit Algu Rai Shastri:** You are never wrong.

**Dr. Lanka Sundaram:** I would like to say that there is no provision made for this import of whatever quantity, two million tons or two and a half million tons a year, during the coming three years, equal to 300 crores or possibly more in the three years of the first Five Year Plan period. I have made reference to this question for one reason. I am greatly aggrieved that the treatment given to the food problem in

[Dr. Lanka Sundaram]

the Planning Commission's report, as I have said earlier, is cavalier; it is meagre, insufficient and is not calculated to assist this House and the country to have a proper assessment of the entire problem, because I fear that the entire planning and development schemes of this country might collapse.

Having said this, I would like to direct the attention of the House to one or two very important points arising out of this particular subject. I find here that there is provision for irrigation, 168 crores, provision for multi-purpose projects, 226 crores, for power, 127 crores. In addition, there is provision for minor irrigation works, 77 crores. In other words, about 800 crores out of the 2068 crores projected, will have been spent on this particular aspect of the question. In particular, I would like to direct the attention of this House to para 42 of Chapter 26 where you will find the following remarkable statement. I am quoting:

".....it would not be correct to say of all the projects included in the plan that works were started after detailed technical investigation and careful assessment of the economic aspects."

I have given the assurance that I am not indulging in any analysis of this question in a carping or hostile spirit. I am here to say that the entire approach to the problem of food and agriculture, is not particularly properly developed and not particularly properly directed. Only if a little more money was spent on minor irrigation works, our problems would have been solved overnight. I am here to say very freely as I had occasion to say in the last session more than once, that unfortunately, as regards multi-purpose projects the highest possible type of group pressure, pressure politics is brought into existence. Why? Only a few days ago, you have read the report placed on the Table of the House about the Krishna-Pannar project. I am not here to bring in any local problem with which I may be quite familiar and make it a national problem. What I am trying to draw the attention of the House to is that the entire scheme of multi-purpose projects will take ten or fifteen years for fruition. If I am not mistaken, on a number of occasions, in this House, serious charges have been levelled against the manner in which these multi-purpose projects have been pursued, especially, as regards

corruption, nepotism, and so on and so forth, involving colossal waste of money with the result that if only a greater amount of attention is devoted greater funds are diverted to minor irrigation works, allocating so much for each taluk and each district. I am sure the problem on the food front would have been solved overnight. I am most anxious to have results in the next crop season itself. Instead, multi-purpose projects will take decades to come to fruition, and on top of it, we will have to import food, colossal amounts of food, involving perhaps three or four hundred crores of rupees during the remaining three years of the planning period.

There are one or two other small issues also. What are called new multi-purpose schemes have been listed in the Plan, like Kosi, Krishna, Chambal etc., involve an estimated expenditure of Rs. 200 crores, of which financial arrangements have been made in the Plan for only Rs. 40 crores. I had occasion to go through the earlier draft because the Planning Commission was good enough to call me for consultation about six weeks ago, and I find that a number of items overlap or run one into the other. There is not much of a precision of approach. In other words, no accurate yardsticks of measurement as regards the amount of finances involved are to be found. In other words, this sort of telescoping of items of expenditure, one into the other, will detract eventually from the value of the Plan as well as the direction of the Plan.

Shri C. D. Deshmukh: It is called dovetailing.

Dr. Lanka Sundaram: I am glad that in a very light-hearted mood he calls it dovetailing, and I hope there is some dovetailing about the three or four hundred crores of rupees required for financing food imports at the rate of two or three million tons for which I find nothing is provided for in the financial structure of this Plan.

Shri B. Das (Jaipur-Koonjhar): This is going to be met out of their revenue expenditure.

Dr. Lanka Sundaram: My hon. friend says that it will come out of revenue. I had thought that the maximum amount of revenue had been sought to be squeezed in the coming few years as regards the structure of the Plan—the financial scaffolding for this Plan as I would

like to call it—but Mr. Das would appear to suggest there is more revenue to come into it.

**Shri B. Das:** May I point out that whatever money the Government earmarks for the purchase of food-stuffs has been going on for the last three or four years, and it will go on. That has nothing to do with planning.

**Dr. Lanka Sundaram:** I do not wish to enter into a long debate or argument with my hon. friend Mr. Das for whose views I have very great respect.

I am reading now Paragraph 10 of Chapter 4 of the Planning Commission's report:

"As brought out in the assessment of financial resources for the Plan, the balance of Rs. 655 crores necessary for the public development programme will have to be found from further external resources that may be forthcoming as far as possible and by deficit-financing."

The point is this. To the extent to which every possible projection into the financial resources of the country is possible it has already been made in the structure of the financial scaffolding.

**Shri Bansal (Jhajjar-Rewari):** The fact is that food imports will be paid for by exports. They need not come into plan at all.

**Shri C. D. Deshmukh:** We only find ways and means for buying the food in the first instance, and then that is sold to the community and the money is recovered. Therefore, the net result on our finances is nil in course of time.

**Shri B. Das:** Here, the point is about subsidy.

**Dr. Lanka Sundaram:** I am very grateful to the hon. Finance Minister and Mr. Bansal for their interruptions. I am not forgetting what you have written in this Plan about balance of trade, but the maximum amount of financial availability has been prospected and projected into this Plan; with the result, I feel very much concerned about the possible lacunae and financial gaps which might confront us in the implementation of this Plan.

I would like to refer to one other aspect of the question to which I attach the greatest amount of importance. That is in regard to public co-operation, coming in part two of the Plan proper. As I was listening

to the Leader of the House, I had the greatest possible amount of mis-giving in my mind as to whether by the dynamic approach which is sought to be presented to the country, public dedication by each individual, a spirit of comradeship and co-operation would become possible, and the method, sought to be adopted, would become national and realised. The Gorwala Report has been copiously quoted in this report. It is perhaps the only report which has been quoted from outside sources. But what has been done?

**An Hon. Member, Gorwala Report?**

**Dr. Lanka Sundaram:** Yes, the Gorwala Report on corruption, improvement of public administration etc—a magnificent report. The affirmations contained in that report must become, if I am not mistaken, not only part of the regular law of the land, but also of administrative procedure.

But, what are the facts today in the country? There is provision for a National Advisory Committee on Public Co-operation, and since it met on the last day or the day after we dispersed in this House after the last session, till now nothing has been done after that. I had occasion to say more than once publicly that the so-called Bharat Sevak Samaj, its composition, its personnel, its approach to public life, to various sections, especially political sections of the community and political parties, have been defective. In fact, I feel terribly worried on this issue, viz., everything would become bureaucratized. The District Magistrate and the Collector, that patient beast of burden, will be loaded on with further tasks for which he will not be equipped.

In part 2 of this report, a number of suggestions have been made. Will there be a duplication of administrative machinery? Will there be enough training for all these new cadres of officers to be created for the purpose of ensuring public co-operation? We have seen how planning and development especially in relation to the activities of the Bharat Sevak Samaj has been handled—we have recently seen in this country what has happened to community projects. My heart bleeds when I say this, but I must say it on this occasion. (Interruption). My hon. friends; especially on my left are accustomed to only one attitude—hankering for power which has come their way fortuitously,—but let me proceed with that sense of dedication which I would like to apply

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to this important question. We have seen the manner in which community projects have completely collapsed in this country. (Interruption.) Barring what the Leader of the House did in Delhi, what has happened to the road-making business here?

**The Minister of Revenue and Expenditure (Shri Tyagi):** The road has been completed.

**Dr. Lanka Sundaram:** I will take you to my part of the country and show you what is happening.

**Shri Ragubaramah (Tenali):** I deny it.

**Dr. Lanka Sundaram:** I want to convey to the hon. Leader of the House one important point, that I expect him, of all people in the country, to rally round him the co-operation which is there available from people who do not belong to his party. I am sorry it has not been attempted so far. I would have welcomed if he accepted what we might call some sort of directive control of planning and development instead of even the Presidentship of the Congress. It is a non-party affair. This country must march forward. Every little that can be done by every individual must be mobilised. I am sorry to say, and I say without fear of contradiction, that it is not being attempted. Statements made by the hon. Leader of the House and people of his calibre about dynamism and so on and so forth only remain in the official records of the proceedings of this House. I want them to be translated into action. I want to rally every section of the community irrespective of party politics so that the country may march forward. Otherwise, put a man like Cariappa or some other person who can give the drive necessary. It is a whole-time job to see that the Plan's project is carried out. (Interruption.) I do not belong to Cariappa's part of the country. We are 1400 miles away from each other. The point that I am driving at is this. I am anxious that this Plan must succeed. But as I see it, I do not find the ingredients of success in it, in the sense that public co-operation will not be available to the extent to which my hon. friend the Leader of the House has projected in his speech this afternoon. I only hope that now that this Plan has been launched, an attempt will be made to retrieve the lost ground, and some sort of consolidated national approach would

be possible. Otherwise all these Rs. 2,088 crores will go down the drain and enrich the pockets of certain people who have come, in the wake of freedom and especially after the recent elections, into office or power.

**Prof. Agarwal (Wardha):** The publication of the Five Year Plan in its final form is a very important landmark in the progress of economic planning in this country. It is also an event of great national significance, and I take this opportunity of warmly congratulating the Planning Commission, on their very hard and sincere work in producing this Plan. The final Plan contains not only a wealth of information about various sectors of economic planning, but it is also in more than one sense unique, and I say that as a close student of economic planning in this country for the last several years. We heard of planning first in Russia. But that was in the totalitarian regime. But so far as planning in democratic countries is concerned, we heard of the NRA and the 'New Deal' in America, under President Roosevelt, we heard of the Beveridge Plan in England, but being some piecemeal planning in some restricted spheres of economy, these plans could not be called economic plans as such. The credit goes to the Planning Commission for having framed a complete and comprehensive plan for the all-round economic development of the country under a democratic set-up. That is very important, because whenever we study economic planning in the world, the question is asked 'Can planning be democratic? Is planning consistent with democracy?' The Planning Commission, in producing this Plan, has supplied the answer, and an effective answer too, that it is possible under democracy to plan and to plan effectively as well. I am one of those who have always felt that if real planning has to succeed, it has to be on a voluntary basis and under a democracy. From this standpoint, I regard this Plan as important not only in the annals of economic planning in this country, but in the world as a whole.

It is said that the Planning Commission has taken a very long time for the preparation of the Plan. But we very easily forget that in a country like Russia where planning was first tried, it was only eleven years after the Revolution, that the First Five Year Plan was produced. The Revolution took place in October, 1917, and the First Five Year Plan in U.S.S.R. was produced only in 1928. But in India even before the advent of political freedom, as early as October, 1946 when

the interim Government was formed, an Advisory Planning Board was constituted under the chairmanship of Mr. Neogy, and that gave birth later on to the Planning Commission, and within less than two years, the Commission has worked hard, has tried to study various problems from mere scratch—because there was no tradition of planning before it—and has finally produced this Plan after consulting various parties and various shades of public opinion in the country. Therefore, I do not agree with those who are apt to think that the Planning Commission has rather delayed in the production of this Plan. If we study the draft outline minutely and also go through the latest form of the Plan, we are apt to conclude that the latter is an improvement on the draft plan, in several ways.

Let us take, first, the very important and big problem of unemployment. When I spoke on this draft Plan, last time in this House, I laid emphasis on this aspect and had suggested that the Planning Commission should consider and analyse the problem of unemployment, and if possible add a chapter on that. I am very glad to find that a chapter has been added. In a very valuable chapter they have tried to analyse the implications of full employment, how it might lead to inflationary trends, and how within the limited resources at our command, it is possible to provide for fuller employment.

The greater emphasis on village and cottage industries is certainly very welcome. In the draft outline, the provision of Rs. five crores which had been made in this connection, has now been increased to Rs. 15 crores, in addition to Rs. 16 crores which would be spent by the States. There is also provision for non-expansion of large scale industries. So far as consumer goods are concerned, taking textiles for instance, the House has before it a Bill introduced, which seeks to levy a cess on mill cloth. I only hope that this principle of levying a cess on large scale industries, to encourage and help corresponding small scale and cottage industries will be pursued further, in the sphere of sugar, rice and oil mills.

In the draft outline, there was mention about the reform of administration. I am happy to find that in the final Plan this aspect has been given additional importance, and rightly so. We all know that without an honest and efficient administration, it will be very difficult to implement the Plan. The subject of declaring the properties of all Government servants, which was

debated in this House some time ago, finds a place in the Plan, and it is laid down therein that as a matter of policy, all Government servants should be asked to declare their movable and immovable properties, not only theirs but also of their near relatives. If that is followed—and I have every hope that it will be followed—it will go a long way in making our administration clean and efficient.

So far as the problem of food is concerned, the Plan has given it topmost priority. A substantial portion of the Rs. 2,000 and odd crores, is going to be spent on the development of agriculture, and stepping up the production of food. I would, however, say that the original target of achieving self-sufficiency in food should be fixed more definitely. In the draft outline, it was visualised that imports of foodgrains will have to be to the tune of three million tons for some years. In the final Plan, hopes have been expressed that imports should be stopped as early as possible. I would humbly suggest that it should be very clearly and categorically stated that at the end of the Plan, namely at the end of 1956, all imports of foodgrains will be stopped completely. I say this, not because I have any doubts about it, but because there is an additional reason that in planning, in order to make it successful, we have to rouse the will power of the nation. And it has a very great psychological advantage. If we decide about a thing, then we must try to achieve it at all costs, and that arouses and evokes the enthusiasm of the masses.

So far as land policy is concerned, I had suggested and many others as well, that there should be a ceiling on the existing holdings also. So far as future resumption or acquisition of land is concerned, even the draft outline had provided that there should be a ceiling. But I am very happy to find that the final Plan lays down categorically that an absolute limit to the amount of land which any individual may hold, ought to be there. That, I think, is a definite improvement on our land policy. I may add further that the limit also may be indicated, so far as the existing holdings are concerned. Just as the Planning Commission has laid down three times the family holding as the limit, for future acquisition or resumption, we may lay down roughly the limit for the existing holdings also. Of course, it will differ with different States. We may lay down still that the existing holdings also should be ten times the family holding, subject to a maximum of 200 acres.

**As Hon. Member:** Too much.



**Prof. Agarwal:** Such a clarification, I think would result in arousing more enthusiasm in the people.

So far as education is concerned, I am glad to find that basic education has been given additional importance. I think the time has come when basic education should not be tried only on an experimental scale in a few parts. It is now high time that this 'learning through doing', 'learning through some production and manual labour' is made the very foundation of our future educational structure. And I am confident that if we desire to achieve success so far as this Plan is concerned, basic education on a very large scale will be given a fair chance in this country.

So far as competitive private enterprise is concerned, some structural changes have been suggested, firstly, about cooperation and secondly, about State-trading, that is to say, trying to eliminate the profit motive as far as possible. That is one of the structural changes which, I hope, will be implemented in all earnestness.

So far as finance is concerned, the final Plan has suggested a number of additions. There are 90 crores for community projects, 30 crores for minor irrigation works on which many of us had laid emphasis, 50 crores on the development of an integrated steel plant as a very important basic industry in this country, 49 crores for industrial housing, 15 crores for assistance in scarcity areas which upset our plans—and it is good that we have provided for this contingency, 15 crores for local works, on which also we had laid emphasis because we thought that if we tried to arouse the enthusiasm of the people, we must take up these small local projects which could be implemented under the very nose of the people and they could watch their progress from day to day. This provision of 15 crores will be a very helpful addition. Four crores have been provided for social welfare agencies, especially for women.

A lot of criticism is directed against foreign aid which is visualised in the Plan. So far we have received about 156 crores. Now more may come. Although I also believe that foreign aid on a very large extent is bound to be hazardous even politically, I do not understand the criticism of those who are against foreign aid as such. Do we forget that even America had to resort to foreign aid in the early stages of her economic development? Even Russia had to take aid from America. But is Russia today under America? Or has America anything to do with

Russia? They are just poles asunder. Therefore, that our taking foreign aid merely from some country or the other is undesirable—even though it may be even less than ten per cent. of the total outlay—is something which I cannot understand. But when some friends opposite tell us that India is under the shadow of America, that merely taking some money from America—although it may be without any strings—is very hazardous, I would like to make it very clear that our country will accept, and I think the Government will have no hesitation to accept, any foreign aid from any country provided it is free from any political strings.

So far as our financial resources are concerned deficit financing to the tune of 290 crores has been visualised. Now, this corresponds to the release of sterling balances during the period. Therefore, I do not look at this deficit financing in any suspicious way. In fact, our Finance Minister who is very moderate in these things and who will never take a leap in the dark, has provided for it as a very safe thing, and whatever gap is left over could be made up either through internal taxation or borrowing if we could not get some additional aid. I would, however, lay emphasis on one point and that is—let us regard the tapping of idle manpower in this country as an important aspect of capital formation. We talk of capital formation as if all planning can succeed only with money—rupees, annas and pies. But we should not forget that the manpower, the enforced idleness, in this country is the most important asset in this country and that we must care for that capital formation in that sense. If we depend on this voluntary effort, it will not only save us enormous amounts of money but will also be helpful in tapping, in arousing and evoking the enthusiasm of the people, because without tapping this enthusiasm it will be impossible to achieve any great results.

I will not go into other details. So far as commercial policy is concerned, the Plan has added a valuable chapter on stepping up of exports and restriction of imports. But I would only suggest this: let the Planning Commission think in terms of planning for *Swadeshi*. Unfortunately, in these days we have forgotten that word.

**Shri B. S. Murthy (Eluru):** Yes, yes.

**Kumari Annie Mascarene (Trivandrum):** Very much.

**Prof. Agarwal:** We purchase things. We do not see whether it is made in India or outside. When I was in

Japan a few years ago when Japan was under occupation, I found that although Japan was under the Americans, they would not forget to write on every minutest, small, commodity that they produce 'Made in Japan', although it may be made in occupied Japan. We in India have to lay more emphasis on this *Swadeshi* spirit, not *Swadeshi* spirit only for mill goods but *Swadeshi* spirit in the sense that I found in Japan. There almost every household uses cottage products, not mill products, but cottage products and they take pride in it. Why not we do the same thing? We can of course ask the Government to purchase *Khadi* and cottage products. But why should every Indian household not patronise these cottage products? It is from that point of view that I attach the greatest importance to this *Swadeshi* spirit.

पंडित भल्लू राय शास्त्री : सब स्वदेशी हो, मगर भाषा न हो (व्यंगत्मक) ! भाषा भी स्वदेशी हो ।

**Prof. Agarwal:** The Plan, of course, cannot be called perfect. No Plan can be perfect in that sense, because we can always find faults and suggest some new developments. But I would like to take this opportunity of appealing to all sections of this House and all shades of opinion in this country to take this Plan as an honest effort in the right direction and to harness all our resources and all our enthusiasm for making it a success. The Press, the Radio, the Cinema and all of us can gather together our resources and see that this first Plan of this country under a democratic set-up gets a fair deal and the country marches from progress to progress.

**Shri Meghnad Saha** (Calcutta—North-West): My predecessor just now said that planning in this country started from the year 1946. He has just overlooked that a National Planning Committee was formed in 1938, and I recall the circumstances under which that Committee was formed. At that time the Congress Government had just taken office and one of the provincial Ministers of Industries, who now occupies a very prominent place in the Treasury Benches, opened a match factory and said: "We have taken a very great step towards industrialisation." Sir, it was at that time that Netaji Subhas Chandra Bose who was President of the Congress convened a conference of the Members of Industries and certain other scientists and industrialists at Delhi. And, there they unanimously passed the resolution that our problems of poverty, un-

employment, national defence and economic regeneration could not be solved without large-scale industrialisation. At this meeting it was proposed that the National Planning Committee be formed and the present Leader of the House was elected to be the Chairman. And, as we all know, the National Planning Committee met for two years at Bombay and held many useful discussions, until the leaders were clapped in jail. But the labours of this National Planning Committee have been published in 26 volumes due to the energy of my friend, Prof. K. T. Shah, who is very much missed in this House today. I have compared the headings of the different topics of the National Planning Committee and I find that the present headings are almost identical with the omission of four items. These are: Chemical Industries, Mining and Metallurgical Industries, Manufacturing Industries, Engineering and Scientific Instrument Industries, because, according to the resolution of the Congress Government in 1948, all industrial development has been relegated to the private sector, which I think is a very dangerous and retrograde proposal. Sir, the deliberations of the National Planning Committee were looked upon with derision by the powers that were then, but such was the force of public opinion and world opinion that a number of captains of industry met at Bombay in 1943 and produced what is called the Bombay Plan and, in deference to the recommendations of this Plan, one of the members of this Committee, Sir Ardeshir Dalal, was appointed to be the Minister of Planning and a Department of Planning was formed. He appointed about 36 industrial panels so that they may produce short and long-term targets for the industrialisation of the country. But, instead of confining itself to planning, this department also tried to do the execution of the planning. The proper function of the Planning Commission is to be the architect of national re-construction, but not to take upon itself the burden of reconstruction. This is to be left to the Ministries and it was on account of this reason that it met with hostility from other Ministries and it was abolished. When the National Government took power, there was no Planning Commission. But, for the first few years, as far as Industrial Planning was concerned, it was left to the Director General of Industries; as far as Power and Irrigation was concerned, it was left to the Central Electric Board, and to the CWINC. I do not know what the function of the Planning Advisory Board was. I was appointed a member of it but I resigned on the second meeting, because I found it was packed with reactionary officers.

[Shri Meghnad Saha]

The National Planning Committee as well as the Bombay Planners, all thought that the standard of living in this country could not be raised without industrialisation. As a matter of fact, the Bombay Planners, who were all hard-boiled industrialists, held that the standard of living in this country could be doubled in a period of 15 years if you spent about 10,000 crores of rupees, in three stages, each of five years. And of this amount, rupees four thousand five hundred crores or 45 per cent. was to be spent on industrialisation. They thought that in the first Five-Year Plan, it will be possible to spend 1,400 crores of which 790 crores were to be spent on industries. Now, this was the money of 1939 and since there has been the force of inflation, if we have to follow the Plan, we have to spend rupees 5,600 crores in the first five years. Now, our Treasury Benches cannot find more than 2,089 crores of rupees and therefore what they have done is to drop industrialisation altogether; along with that also Education and Health.

Now what has been our income? Before the War, the income of the average man in this country was calculated to be Rs. 65 in terms of the 1937 rupee. We are now told, that as a result of five years of Congress rule, the income has gone down by Rs. six and therefore the income has fallen to Rs. 59. There has been a progressive deterioration about ten per cent. in our average income. And, remembering further the fact that most of the profits have been concentrated in the hands of a few industrialists, some of whom from a mere figure of two crores have grown to be possessors of 200 crores, you must admit that the average man's income has gone down by 20 per cent. And we all feel that; everyone of the people excepting a few officials and industrialists feel it. And, in order, probably, to arrest this worsening state of affairs, a Planning Commission was appointed just two years ago with fresh men and minds. We have got their plans before us. Now, according to their own admission, our income would be doubled in 27 years. Now 27 years is a long period in this competitive world of these days. Naturally, I think, even after 27 years, our income would come to about one-tenth of the income of the average citizens of U.S.A. So, this Plan is leading us to what we might call the economic extinction and political nirwan.

Let us analyse the cause which has led us to the strange Plan. In place of the 2,500 crores of rupees set apart by the Bombay Planners for industrialisation, we have provided a meagre sum of Rs. 306 crores. This sum in-

cludes the sum which will be spent on industries proper and also half of power and irrigation. Of this 94 crores are to be obtained from the public sector and 212 crores from the private sector. Therefore, we find that industrialisation has been completely ignored. Of course, the Government has got in hand the Sindri Fertiliser Factory which is not due to this Government but due to the initiative of my friend, Sir Ramaswamy Mudaliar. We also have the River Valley Projects in our hands, the multi-purpose projects, which have as I have a mind to say, led to multi-purpose corruption. This is also due to the initiative of my friend Dr. Ambedkar.

4 P.M.

In fact, I have myself gone and seen the Sindri Factory. I think it is a wonderful record for us. It completely belies the industrialists' statement that when industrialisation is left to Government, it is bound to be expensive and very ruinous. I totally differ from that view. Though the original capital was to be Rs. ten crores they have spent Rs. 23 crores, but I do not think it is unjustified, considering the fact that the factory is producing as much as was contemplated and the fertiliser is being produced at a much less cost than in other countries. Unfortunately, this Sindri Factory has been made over to a section of very reactionary industrialists, with consequences which I see will be very dire for the country. In company with my hon. friend Dr. S. P. Mookerjee, who was responsible for the growth of this Factory, I went there and we heard loud complaints from the labourers. The Prime Minister always wants the cooperation of everyone and I hope he will listen to this. While the Factory was being built, the labourers worked with a determination thinking that this was the country's work, but whereas in the planning of this Factory the industrialists had no hand, they have now come in and they are trying to take all the subsidiary industries into their hands. They are trying to reduce the wages and amenities of the labourers, and the labourers told us that if this thing goes on, it will have very dire consequences on the Factory.

**Shri T. K. Chandhuri:** There is a strike notice.

**Shri Meghnad Saha:** I find that in the industrialists' plan, for which Government accepts responsibility, it is envisaged that from 1.32 million tons of iron and steel in 1950-51, the production would go up to 2.30 million tons after five years through the private sector. I have calculated the

rate at which our production of iron and steel would be doubled. It works out to eight years. Iron and steel is the key of key industries. We had an installed capacity of 1·2 million tons in 1943 and actually produced almost that amount, but after that the industrialists of this country have been going on purposely reducing the production. Their idea seems to be, "Produce less. If the country is in short supply, earn more." This is the eternal policy of the industrialists. We have been told that the present requirements of iron and steel are two and a half million tons and we are probably buying the remaining 1·5 million tons or so from foreign countries by paying exorbitant prices. Now, why should this be so? I think that in 1949, at the initiative of the Director of Industries, this question was carefully gone into by the Ministry of Industries and I shall read to you from the Press Communique issued then:

"Government therefore intend to set up new works for increasing the indigenous steel production by one million tons. Two alternative schemes are under consideration—the establishment of a unit with a capacity of one million tons and the setting up of two plants with a capacity of half a million tons each. Three engineering firms of international reputation have been obtained to make a rapid survey and give a technical report to the Government with regard to the types of works to be installed, and they are actually working. The consultants have completed the survey..."

Mind you, this was in early 1949, i.e. nearly three and a half years ago—

"...and the reports are expected by the end of this month..."

They got the reports. And then they said—

"...Government expect to take a decision in three months."

So, we ought to have started these iron and steel factories for the production of one million tons of iron and steel, which would have removed the long-felt need, even as far back as 1949. No action was taken by this Government for the last three years and now we have surrendered ourselves to the iron and steel producers of this country. We have given them about Rs. 18 crores on their own terms. Government have gone before them with

bended knees, and requested them, "Please produce more iron and steel for us." Can anything be more shameful than this act?

**Babu Ramnarayan Singh** (Hazari-bagn West): No.

**Shri Meghnad Saba:** I am telling that as regards iron and steel this country is in the best position. No other country in this world has got such advantages. We have the best iron ores. We have the best raw materials in one place, and the last twenty-five years' working has shown that we can produce iron and steel at half or two-thirds of the cost in other countries. As a matter of fact, at one time the cost of production in India was Rs. 150 less than that in America per ton. Instead of trying to force up this industry, what are we doing? The Government remained inactive for three years and now we have taken in hand a programme of production which will give us double the quantity of iron and steel in eight years. If this thing goes on, to reach a goal of ten million tons we shall require something like 24 years. This is a state of affairs which no Government ought to tolerate. It is on account of the short supply of iron and steel that it is impossible for us to start many other industries. I have been told by this Planning Commission that our requirements of iron and steel locomotives is 2039 by the end of 1956, but the Chittaranjan Factory would give us 170 locomotives and the Tatas will give us 200 locomotives. So, we are barely getting one-sixth of the locomotives we want by 1956. Consequently we have to order all the remaining locomotives, wagons and coaches from abroad. Why we are tolerating this kind of position is because there is no iron and steel in this country. Plenty of resources exist all around, but we do not know how to explore our resources. Our total shipping tonnage is 0·384 million tons and in the Five-Year Plan it is contemplated that it will be raised to 0·6 million tons in five years. The present amount of shipping will be doubled in about seven and a half years. If we go on in this way, to get a decent amount of shipping—not to sneak of the amount of shipping which England has got—we shall take about hundred years. And why can they not produce shipping in this country? Because there is shortage of steel.

I can give you many other examples. These will show that not only has our programme of industrialisation been

[Shri Meghnad Saha]

sacrificed but we are going on in a direction which is absolutely ruinous for the country. Now, take basic industries. Government says that it will take responsibility for the development of basic industries. What are basic industries? Power, iron and steel, aluminium, heavy chemicals, etc. I shall illustrate my point by giving you an example. Take one heavy chemical alone—sodium carbonate which you require for the soap industry as well as for the glass industry. Both these industries are in a state of collapse. Why? Because soda ash is a very important ingredient. Soda ash sells in England at Rs. 160 per ton. In this country, there are two very inefficient factories, whose work was reviewed by the Tariff Commission. They told the Tariff Commission that soda ash cannot be produced at less than Rs. 360 per ton. We gave them protection. What has been the result? Production is going down every day, because these producers, who are, I suspect, probably getting licences for the purchase of soda ash from abroad are making more money by buying it from abroad and selling it dear in this country. The other day I put a question about the price of soda ash. I was told that the price of soda ash in England was Rs. 252 per ton and therefore the price of Rs. 360 in this country is not exorbitant. I was not at all convinced. I consulted the *Chemical and Engineering News* and found that the price of soda ash in England is £13-4s., which comes to about Rs. 160. I do not know why our Minister of Commerce and Industry is giving us always wrong information.

The other day I put another question about preferential duty on scientific instruments. If you buy scientific instruments from England you have to pay only a duty of 25 per cent., while if you buy it from Germany or some other countries you have to pay a duty of 37½ per cent. The hon. Minister in charge stoutly denied that this was a fact. The next day I gave him the schedule of tariffs and he had to admit that he had not this information at his disposal. I think hon. Ministers ought to study their subjects and not come here unprepared.

I have not finished my tale of this soda ash industry. Now we are paying these two incompetent companies, —whose names I do not want to disclose—about Rs. 240 per ton for production of 45,000 tons for years past.

The Tariff Board went into this question and they said that it was quite possible to produce soda ash at competitive prices in this country. They recommended that the Factory at Sindri should be expanded to produce soda ash, and that a number of other factories should be set up. That was in the year of grace 1949 and no action has been taken on it. If the Sindri Factory is expanded, it can produce soda ash at competitive prices, because the main thing required is ammonia which is being produced there and we have also got people who have been trained in this kind of work and we need not import foreign experts.

**Mr. Deputy-Speaker:** The hon. Member must have an idea of the time. I rang the bell, but nothing happened. He is going on. The hon. Member can take five more minutes.

**Shri Meghnad Saha:** You have granted protective tariffs to about forty industries. If you go into the history of each industry you find that taking advantage of the protective tariffs they have forced up their prices and they have made more money as middlemen.

The glass industry has an installed capacity of 12,000 tons. Last year they produced only 5,000 tons. And this year for the last three months there has been no production at all. They have dismissed or sent away all their staff. Now what is the reason? These manufacturers of glasses are also agents for import of Belgian and English glasses and taking advantage of these protective tariffs they are making more money by selling foreign glass than by producing glass here. This has been the effect of protective tariffs. Leaving all these industries to the private sector would create very bad consequences. There are many things which I wanted to say, but I am sorry the time at my disposal is very short.

**Some Hon. Members:** He may be given more time.

**Mr. Deputy-Speaker:** I have given him more than the hon. Members have contemplated. I have given the hon. Member 27 minutes.

**Shri Meghnad Saha:** I will just finish. I will give my points to other friends. I can speak for three hours on this subject.

I find that the whole question of national planning has undergone a ship-wreck on the question of capital formation, because the Government

cannot find enough capital for it. They can find only Rs. 400 crores per year, but I think that unless we can find a capital of about a thousand crores per year, it is not possible to industrialise this country and to increase the productivity of this country. Here we are putting the emphasis on the consumer industry. We are not putting any emphasis on the basic industries. That is the source of all trouble.

We have been talking of Russian Five Year Plan. The basis of the Russian Five Year Plan was quite different. This is a quotation from a letter from Lenin. He said:

"We shall economise on everything, on our clothing, on our diet, even on our schools. We have to do this because we know that if we do not establish heavy basic industries we cannot build up any kind of industry at all and without that we shall perish as an independent country."

Now, our Planning Commission think otherwise. They have given a step-motherly treatment to industrialisation and if it represents the ways of thinking of the powers that be, it means the perpetuation of our colonial status in world's economy. Please do not forget that capital formation is not a difficult thing, if you just pay your attention to these things.

You must nationalise all your banks. You must nationalise insurance. You must put a ban on the import of gold, jewellery and articles of luxury. You must control export and import trade, so that capital may not make a flight from this country as in the case of the jute industry you were allowing the flight of capital from India to Pakistan and from India to Scotland. Then you must impose a turn-over tax. As a matter of fact I would ask our Minister of Finance to read the book of Baiko on Russian Planning. He will find that more than 50 to 60 per cent. of the money which was obtained by Russia for her plans was from the turn-over tax. I heard several Members say that there was a lot of foreign borrowing. Foreign help came only to about 937 million roubles. Two hundred and fifty roubles make a pound. So, it just meant four million pounds. That is about Rs. five crores. That is nothing but .001 per cent. of their total expenditure on planning. They obtained a major portion of the money for planning from the turn-over tax.

Now what is turn-over tax? Turn-over tax is a sort of sales tax. It means that Government controls all the consumer goods including food and you have to pay about 50 to 60 per cent. more than the actual cost of production; it is in other words black-marketing by Government for the sake of the country's industrial advancement. All this black-marketing money goes to production. Now it certainly means a life of austerity. Unless you impose upon yourself a life of austerity for years to come you cannot do any national planning.

I remember, in 1932 my friend Pandit Dharmnand Koshambi had gone to the Dneiper Dam to see how the Russians were working. He told me that those Russians were working like devils and their only food was potatoes, bread and water. On that meagre food they were working for their great dam, at that time the greatest in the world, which increased Russia's productivity very much. They were doing all that because they knew that they were doing work for their own country. Here our Prime Minister always tells us that the common labourer should work hard for the country's interest. But if you allow black-marketing and blackmailing of the type which I have exposed in the case of the glass industry, the sodium ash industry and the iron and steel industry to go on, how do you expect him to work hard? I would just remind you of my experience in the Damodar Valley. We went to see the Bokaro station. There are about 2,000 workers here, mostly educated young men. They were being kept like beasts. They loudly complained that they had no good place to live in, or proper food. It is a jungle sort of place. But the Directors have erected palatial buildings for themselves and once in six months they bring their friends to show them what wonderful work they are doing! When your workers are being starved and treated like beasts, what could you expect of them? They have certainly a right to non-cooperate and take the consequences. National planning requires national austerity, austerity which should be imposed on everybody.

**Mr. Deputy-Speaker:** Let there be less talk across the benches.

**Shri Meghnad Saha:** Sir, I have done.

**Shri Razhurnamah:** I crave for the indulgence of this House because I seem to have suddenly lost my throat. But my enthusiasm for the Plan is so

[Shri Raghuramaiah]

great that I could hardly suppress my desire to say a few words on this very auspicious occasion. I consider it a very great pleasure and privilege to support a plan of this nature put forward for the first time in the annals of our country, a plan which has got the greatest tribute to be paid to it that it is a plan produced by a democracy in its early and most infant stage. In spite of all the unruly elements that pervade in this country and in spite of all the heterogeneous elements that compose the national thought of this country, to be able to evolve a plan of this nature in a democratic setting is a very creditable thing.

**Mr. Deputy-Speaker:** I do not know if hon. Members hear at that distance, but my ear is constantly troubled by "Oh, bo's" and "yes, yes's". It is unnecessary. All hon. Members must hear patiently. It is not a matter where any one person can have his last word. It is the progress or course of development. I therefore appeal to all to bear patiently. Democracy consists in toleration, and therefore let the House hear hon. Members on either side patiently.

**Shri Raghuramaiah:** Sir, I am very grateful to you for the help you have rendered in making the passage of my speech easy. But I would say I would otherwise miss the Opposition, because I have always taken their interruption as a compliment, and that is the only way in which they have always been appreciating me!

When the Prime Minister said this morning that the way to look at the Plan is not to pick holes in it I thought he said the most simple and elementary thing that should be said about this Plan. And when Dr. Lanka Sundaram referred to it I really thought I was going to see my good friend on the right side for the first time. But then when he went on to refer to his "heart-bleeding" I was wondering whether I was actually seeing my friend in his physical existence or something else. He was referring to community projects "in my side of the country", and when he said that obviously he was referring to my side of the country also. I could see nothing there which would bleed a human heart, not even a chicken's heart. But I do not know if Dr. Lanka Sundaram has a heart weaker than a chicken's heart.

**Dr. Lanka Sundaram:** Hard boiled you are!

**Shri Raghuramaiah:** I am only saying that the right approach is not to pick holes. You must see what a colossal and grand attempt has been made to assess the national resources of a country which had been suppressed for ages. I was amazed at the colossal ignorance to which I and people like me have been put by the foreign rule which preceded this. I was surprised when I was reading this morning that our water resources are equal to those of the United States. I was surprised how little of the water we have been using and how few are aware of the great resources we have. The foreign rule in this country had resulted in one great calamity for us more than any other, and that is it made us forget our own greatness, our own great resources, and they made us mere parasites on other countries. For the first time this Government and this Planning Commission have been able to assess our real resources and have planned for the proper utilisation of those resources. Of course, criticism there will always be. To those friends who always look to Russia for inspiration I would like to tell what Knicker Broker said about the Soviet Five Year Plan. He was referring to a conversation between two Moscow citizens. One Moscow citizen was addressing the other who was running away. He asked him, "Where are you running?" The other said, "I am going to fall into the river." The first asked, "Why?" The other replied, "Because there is no bread, there is no butter, and there is no meat in this country". The man who hailed him said, "But we are in the Five Year Plan; we have just begun it; wait till the Plan is over. There will be plenty for all." And the running man said, "If I wait there won't be even water to fall in the river". Of course it is amazing how the news leaked out of the Soviet Union. Knicker Broker himself said that.... (Shrimati Renu Chakravartty: But what happened to the river?)...although there are 200,000 citizens in Moscow there are two million different opinions among them about their Five Year Plan. And somebody asked him, "How do you know? They could not have said it in public." He said, "No doubt in the day time they showed us an astonishing agreement on all its phases but those dissentient views could be heard if you turn your ears to the bed covers." I am only trying to point out that criticism is the cheapest thing for anybody to do. It does not cost anything. Probably it gains cheap publicity. But that is not the way that responsible Members and repre-

sentatives of the people, as we are should look at it.

I look forward to some constructive criticism, and that is the only way this nation can show to others that we here are people bent upon doing something great at the very commencement of our national existence. I hope the rest of the speakers from the Opposition that will follow will take it in that spirit and not try to pick holes as Dr. Saha said—I do not know whether he meant it—that this will lead to economic ruination. While he himself criticises that we have not planned enough, that our national income will go up by eleven per cent. only, that it is absolutely nothing, that it will take twentyfive years to double the income, he suggests why not nationalise all banks, nationalise all insurance companies—and nationalise all thought also, I suppose. I mean the point is when we have not the money to go ahead even on a reasonable, modest scale and when all the available money we have can only enable us to have a ~~scheme~~ which would take us twentyfive years to double our income, what is the meaning of thinking of nationalising banks, nationalising insurance and frittering away all the little financial resources we have on those things? No doubt they are important; they are basic. But then first things must come first. If we have not planned for food you sav, "What is the use of this plan; we are dying of hunger and of starvation: life is not worth living" When we plan for food you sav, "What is the use of this plan: we have not got nationalisation of industries: we have not got any other improvement except this." I would sav that that is not a very happy criticism; at any rate that is not a criticism which I expect from responsible Members of this

[SHRI PATASKAR in the Chair]

House. And the most astonishing thing is that instead of supporting a plan like this which aims at self-sufficiency in food, Dr. Lanka Sundaram, in spite of his reference not to pick holes in the statement of Panditji, has been picking leaves out of the two volumes. He says only 14 pages relate to food while he forgets that more than Rs. 400 crores are to be spent directly and indirectly for food. After all, irrigation projects, whatever you spent on them go to improve agriculture, apart from the power which they generate which will be useful for industrial purposes. Then Community Projects. One of the main points of community development is the improvement of agriculture to

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rural areas. We should not forget that. Therefore, Sir, I would say it is no good picking out holes. Of course, some people cannot help because they cannot pick anything better. When I was hearing Dr. Lanka Sundaram, I was reminded of somebody trying to scratch the Imperial Secretariat, North Block, with the little finger. It is a grandiose Plan and it irritates me to see such petty thinking.

**Dr. Lanka Sundaram:** You have said the right thing.

**Shri Raghuramaiah:** I am only trying to reflect you in a mirror.

The most interesting criticism about this Plan is this. They object to foreign aid. They say foreign aid means slavery. Most of these criticisms come particularly from one quarter and I would like to remind this House that the area from which I come or rather my border area Rayalaseema,—is one of the famine areas and for the famine relief there it is those very parties who have been criticising foreign aid that have appealed to Soviet Russia and China for an outright gift. If taking a loan from the United States with a pilot like Pandit Jawaharlal Nehru on our side, who will never allow dependence on foreign nations if it means putting ourselves at their mercy is objectionable. I would like to know, Sir, taking an outright gift from the Trade Unions of Russia and China is anything more honourable or anything which will sustain us more in our independent outlook. Another instance I will tell you. One of the journals in this city—I do not know whether it is published here—but I dare say it is widely circulated has been the most loudest in criticising this foreign aid. When that journal was in trouble perhaps it was the editor, well, an appeal was made, I understand, to Mr. Pritt of Great Britain, the barrister, to come and defend him in this country. Well, Sir, that is not perhaps foreign aid. I do not know what they call it. That only shows that only when one's own self is pinched, it is only then he realises things after all, in the interests of this country, there are certain times, certain moments, when we cannot avoid the foreign aid. The question is, "Are you taking it with your head bent, or the contrary?" I can only sav that so long as this party rules the country, so long as Pandit Jawaharlal Nehru remains at the head of the administration, whatever loan we may get, it will be at our dictation and for our benefit and we will never allow this country to be dragged with the chariot wheels of



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any foreign power. Those who criticise it should remember not to beg little charities from little peoples.

**Mr. Chairman:** Hon. Members should not raise their voices like this. Whatever the hon. Member says may not be acceptable to some but we should keep the dignity of the House.

**Shri Raghuramalah** rose—

**Mr. Chairman:** I think the hon. Member had finished his speech.

**Shri Raghuramalah:** No, Sir. Out of respect for the Chair I only temporarily rested.

**Mr. Chairman:** The hon. Member has already taken 15 minutes.

**Shri Raghuramalah:** Even if I had taken more than 15 minutes I would request you, Sir, to use your discretion in my favour. I would, of course, like to shorten my speech. The key note of this Plan seems to be the equitable distribution of land, self-sufficiency in food, progress and promotion of basic industries in the country. I hear from my friend Mr. Nambiar the word "Aye".

**Mr. Chairman:** Order, order. The hon. Member may put his own points of view rather than trying to reply to interruptions of other Members.

**Shri Raghuramalah:** I am grateful to you, Sir, for saying that others should not interrupt me equally. Of course, I will not mention the name, somebody was saying something when I was referring to land reforms. Of course, our land reforms are more honest. We take a practical view of things. I remember at the election time one of the parties to whom I must say I have little respect because they always seem to be butting in at the wrong end, went on doing propaganda that land would be distributed to every person at the rate of five acres. I do not know how they could give five acres. The cultivable land in this country is so little that even if we started dividing it, it may not be worth it; probably it will be one acre or half an acre. After all this Plan seeks to make equitable distribution of land. When once you limit holdings whatever is outside the limit, naturally gets distributed. We are not satisfied even with that. We have recommended the Planning Commission has recommended to the country to take up co-operative farming and I suppose co-operative

farming is one of the foundations of Russian prosperity. We are prepared to try that experiment here and the Planning Commission has given its blessings to that and I think each one of us should try to encourage co-operative farming and that would go a long way to increase agricultural production in this country.

I was particularly gratified, Sir, to find that considerable attention has been paid by the Planning Commission to medical and public health, particularly malaria control and—one of the controls which would please my friend, Mr. V. P. Nayar,—tuberculosis control,—and I hope by the time the Plan matures, my hon. friend Mr. Nayar will not have any occasion to put any further questions about tuberculosis,—and also for the opening of youth camps and for social services. I was also gratified to find in the Plan—thanks to the lady member of the Planning Commission to whom I have great respect—some provision made for encouraging the social relationships and women's welfare movements in this country. This is an attempt at an all round social progress to increase agricultural production, to secure self-sufficiency in food and to promote basic industries and I repeat I feel it is a very great privileged and honour to have had an early opportunity of commending this Plan.

Of course, I would make one or two suggestions, particularly in regard to projects. It is most unfortunate that in the matter of Nandikonda project, a blank column has been left in the report. I agree it was due to the bungling of the Provincial Government that it has happened so. Probably, if the Madras Government had only considered the general overall prosperity of the whole Province as its primary concern rather than looking at it with a narrow and parochial interest, it would have gone on with the project and the matter would have been ripe for the Planning Commission to include it in the Plan. Whatever be the reason it is certainly astonishing that a province like Madras, which contains one of the largest population groups in this country and which has great financial resources, should have been left blank in the matter of river valley projects. I understand that the Khosla Committee is going to investigate further into some aspects of the Nandikonda project and that it will take ten months. I would request the hon. Minister for Planning to give an assurance that when those ten months are over, he will see that the Andhras

in this country will not be thrown to the wolves, that they will be given a proper place in the Plan and given a place of priority in the Plan.

**Shri G. D. Somani (Nagaur-Pali):** I rise generally to welcome the final Five Year Plan presented by the Planning Commission, which deals so exhaustively and comprehensively with the various aspects of our economic and social life. Undoubtedly, our standard of living is among the lowest in the world. Our average per capita income has been estimated at Rs. 270, which is about 1/15th of that in the UK and 1/27th of that in the USA. Again, this is an average figure; when the figure of lowest income is taken into account, it might be even much less. Such being the situation in the country, at present, certainly, we have to mobilise all our resources and talents in doing everything possible to raise the standard of living of the people.

We have had many plans in the past. But, there is no doubt that this is the first realistic attempt properly to assess in full detail the resources that we can command, and the priorities according to which the various sectors of our economy have to function. I hope and trust that all our political parties, in spite of their ideological and other differences, will see their way to give their whole-hearted cooperation in the execution of the national plan. We may differ in many respects with the details of the Plan; but there is little scope for difference of opinion with the basic approach of doing everything possible for raising the standard of living of the people.

**Mr. Chairman:** Order, order. I find that many hon. Members are speaking amongst themselves, may not be very loudly. When we are discussing such an important subject, when an hon. Member is expressing his views, I think it is desirable that there should be no noise in the House. Even if what the hon. Members want to speak among themselves is very urgent, it is not desirable that they should, on that ground disturb those that are taking part in the discussion. I hope hon. Members will realise the importance of the occasion and the responsibility of maintaining dignity and will not in any way create any noise by speaking among themselves in this House. Let the hon. Member proceed.

**Shri G. D. Somani:** I hope that all political parties will unite to give that public support and enthusiasm to the Plan which it deserves.

Coming to the details of the Plan, we are all aware that the first Draft Outline of the Plan was divided into two parts and it had an objective of a financial outlay of 1493 crores. Against that amount of outlay, we now find that an amount of 2069 crores has been placed as the amount which has to be mobilised for our all-round development during the next five years. Even with the substantial addition in the size of the Plan, it is quite obvious that after all, it cannot be called over-ambitious. It is modest in as much as, after the termination of this five year period, the per capita availability of goods and services is not going to be in any way much larger than what we had in the pre-war period. That being so, we have to ensure that every effort will be made to see that the targets laid down in the Plan are implemented without any kind of obstacle from any side.

Coming to the financial resources that have been laid out in the Plan, we find that 1414 crores will be available from current revenue savings, capital receipts and whatever amount we have received by way of foreign aid so far. This leaves a gap of 655 crores which has got to be made either by additional taxation or borrowing or deficit financing or whatever we might get by way of foreign aid. Under the present circumstances, it appears very doubtful if any major portion of this amount will be available from additional taxation or borrowings. It appears that in the absence of foreign aid, the Government and the Planning Commission will be compelled to resort to deficit financing on a much larger scale than the upper limit of 290 crores which they have specified in the Plan. I am aware of the fact that the country has suffered considerably from acute inflation during the war and post-war period, and under such circumstances, any proposal of deficit financing gives rise to fears of inflationary conditions being intensified again.

**Pandit Alu Bai Shastri:** That is right.

**Shri G. D. Somani:** But, I think the technique of public finance has been developed to such an extent recently that, in case inflationary tendencies do revive during the time lag between the spending of the money and the production of results, it would be possible for the Government to substantially counteract those tendencies by budgetary and foreign trade policies. My submission is that with certain safety measures, deficit financing

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may be a sound instrument for promoting development on a planned basis. So far as inflation is concerned, I think it has been mostly due to the result of certain world economic and political factors. Indications are not wanting to show that with production increasing not only in this country, but also in other countries of the world, world economy may be faced shortly with a slump or recession rather than any tears of inflation being intensified. As a matter of fact, we had a violent slump during the early part of this year; subsequently, there has been steady recovery. But, there are again indications of a recession during the last few weeks. The need of the present time is to provide additional purchasing power to the people to enable them to buy the increasing production, which is already surplus in various industries. I would therefore like to say that if the resources from other sectors envisaged in the Plan are not forthcoming, the Government and the Planning Commission should not hesitate to take recourse to deficit financing subject, of course, to such safety measures as the circumstances may warrant.

Coming to the question of private sector, I am glad that the Planning Commission has given a very vital role to the private sector to play in the national economy, in the Plan. I quite realise and agree that the private sector, as the Prime Minister pointed out this morning, has also to function as a controlled sector and has to function under certain rules and regulations essential for the successful execution of the Plan. But, nevertheless, the fact remains that the entire industrial development, except certain basic industries, has been left open to be developed by the private sector. And it is therefore essential that the requirements of the private sector should also be properly considered. In this connection, my submission is that while the Planning Commission has devoted a lot of time and have made the necessary inquiries for giving the targets of production in various industries, they have not given proper attention as to how the necessary finance that will be required either for the new industries or for replacement and rehabilitation of old industries will be forthcoming. The Commission have estimated the amount of money to be invested by the private sector in the industrial development of the country during the period of the Plan as Rs. 230 crores, and they have further estimated that a sum of Rs. 150 crores will be required for replacement and

modernisation purposes. As against this, they have estimated that a sum of Rs. 200 crores will be available to the various industries out of the surplus profits, which they have based on the working of 1950 and 1951. I would respectfully submit that both the estimates are far from accurate. While the estimates of receipts by the industries by way of surplus profits is an over-estimate, the estimate about the requirements of industry errs on the low side. I think some survey was made by the Federation of Indian Chambers of Commerce and Industry, and so far as I know, the President of the Federation had estimated that a sum of Rs. 50 to Rs. 65 crores per annum would be required to modernise our various industries. This comes to anything between Rs. 250 and Rs. 300 crores as the minimum amount required for modernising the various units of the various industries. The question of modernisation and replacement of the old plants is of such vital importance, that it should not be ignored and it should not be treated in the manner in which the Planning Commission has done. If I may respectfully say so, this amount of Rs. 150 crores is more or less guess-work. No organisations connected with the various industries were approached or asked to work out full details about their requirements, nor did the Planning Commission itself go into the requirements of each industry. They have taken out this Rs. 150 crores on a basis which has not been explained. Neither the details of the various industries have been given. If our industries have to continue to play the role which they have played in meeting not only internal demands of the country, but also catering to export trade and thereby gaining valuable foreign exchange, then, it is highly essential that resources should be made available to the various industries to enable them to complete their modernisation as speedily as possible. And this can only be done if their requirements are properly assessed and if the Government takes the necessary measures to ensure that the industries get these resources in the required period.

There are various ways, and I do not want to go into details at this stage, as to how this amount should be made available to the industries, but it goes without saying that this problem is very urgent and is of vital importance to our national economy. I would, therefore, submit that the Planning Commission should re-examine the whole question and should assess properly the requirements of

each industry, and then recommend such methods as will meet the requirements of industries.

I would also like to make a passing reference to one or two other matters. My hon. friend Mr. Saha began to complain that the industries, especially iron and steel, have lowered their production intentionally to get higher profits. I do not think that anything could be farther from the truth. I am quite prepared to invite an impartial enquiry being made about each and every industry, and I make bold to say that industries have always tried their best to keep production at as high a peak as possible; and there can never be a greater false allegation than the one that has been made, *viz.*, that any industry would intentionally try to lower its production to keep prices high.

**Shri B. Das:** Take the instance of sugar industry two years ago.

**Shri G. D. Somani:** I am not aware of sugar, but allegations were made about the textile industry for the slump there. Just now also, we heard from my hon. friend, but what I want to say is that industrial production has been increasing progressively. In the six months up to June this year, the figures show that it was 126 or so compared to the past figure, and I do not think there is the slightest scope for making an allegation that any industry would do anything of this kind.

I also like to refer to the proposal of the Planning Commission which has been, of course, accepted by the Government, to impose a cess on mill-made cloth to assist the handloom and khadi industry. That Bill is before the House, and I hope the House will have a further opportunity of going into the implications of this Bill, but I am opposed to it on principle. I can understand a cess imposed on an industry to create a fund to help that very industry by way of technological research or other improvements, but to impose a cess on an industry to help another industry is wrong in principle, especially in the present circumstances when the industry is already overburdened. A brochure prepared by the Mill Owners' Association, Bombay, says that in the last few years Government have imposed a burden of at least Rs. 50 crores on the textile industry. It is time that when prices are declining and when the industry is finding it increasingly difficult to market its products at economic prices, Government should explore the possibilities of granting some relief in that burden, and not increase the same which will hinder the

smooth functioning of the industry and will adversely affect in the long run the whole national economy.

Before I conclude, I would like to say a few words about Rajasthan from which I come. I think full justice has not been done to the case of Rajasthan in the plan. It has been recognised that backward areas and backward classes deserve special treatment. I know that there is a definite legal agreement between the Government of India and the Government of Rajasthan under which the Government of India had undertaken to institute proper enquiries into the state of affairs of various fields in Rajasthan and to give such special aid which will bring the standard of living of the people of that area on a par with the other progressive States of the country. The Planning Commission is not giving any special aid to Rajasthan, and we find that Rajasthan figures last in the list. I find that Rs. 16.8 crores has been allotted to Rajasthan by way of development plans under the Five Year Plan. Looking to the extensive area and the large population, this is a drop in the ocean.

For want of time, I do not want to give the figures as to how Rajasthan suffers in education, health, communications and industrial development, but I would draw the attention of the Planning Commission to the moral and legal responsibility of the Government to give special aid to States like Rajasthan, Madhya Bharat, Pepsu and Saurashtra under the financial integration agreement, and to take such special methods as will raise the standard of the people of these areas on a par with those of other progressive States.

5 P.M.

**Shri V. B. Gaudhi (Bombay City—North):** I shall confine myself to the consideration of only one aspect of the plan, namely the inflationary aspect. I shall begin by asking the question: "Is there going to be inflation in this country as a result of the implementation of this plan?" The answer is "no"—not as far as we can see today. We believe that inflation of any serious kind is avoidable. We believe that there are features inherent in our economy which will enable us to do that. And yet it is an opinion widely held in this country that inflation is inevitable if this whole plan is going to be implemented. There are also people in this country, whose opinion on this question, the House will do well to give attention to. I feel therefore that we shall be doing well if we examine fully our position *vis-a-vis* this prospect of inflation. It can be stated at once that so far as the pre-

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sent scheme of the Plan is concerned, we do not expect any very serious degree of inflation to arise, and it is also possible to see that such inflation is not allowed to arise. We shall however grant that from any major effort of this kind, some degree of inflation is inseparable. Any major effort like that, for instance, of war production or the present effort of national reconstruction, is bound to have some inflationary result. We might also add here that a mild and gradual inflation is after all not bad for business or for investment. Finally we must say that any conclusion that we are arriving at here is bound to be a tentative one, for, the actual result of the implementation of the plan is three years hence, and it is not possible to foresee all the situations that may intervene in the mean-time. We really do not expect that our present calculations are likely to be very seriously disturbed in the next three years, for we know that these calculations have been arrived at, at a time which comes after devaluation, and after the Korean war, and at a time when fairly stable conditions are prevailing.

Let us now examine the facts and figures underlying this Plan. This Plan envisages a total expenditure of Rs. 2,069 crores. Now this is a very large amount and is obviously more than what we would ordinarily have expended. There exactly is the essence of planning. When we are planning, we are trying to do something extra, something over and above our normal doing. When we talk of planning to get up tomorrow, we usually mean that we want to get up a little earlier or a little later than usual. If we talk of planning a dinner, we usually mean that we are going to have something special something that we do not usually have at our dinner. Now that exactly is the essence of planning. But we must not forget that these very large expenditures, whether they are incurred as a result of planning or on the ordinary ways of Government, do create spendable incomes in excess of supplies of commodities and services on which these incomes can be spent, and thereby results a situation in which the generation of inflation becomes unavoidable. Let us first see where we are going to get these Rs. 2,069 crores which we propose to spend. Let us examine whether we can detect any possible source of information in the nature of the sources from which we are going to derive these resources. Briefly, about Rs. 1,258 crores are going to be procured from Government sources, the Central as well as the State Governments, from their current revenues, from public

loans, small savings, funds, deposits etc. Talking in the language of inflation, it can at once be stated that these sources are very safe sources. In other words, this source of Rs. 1,258 crores from Government resources is a source which offers the least possibility of inflation. There is, however, one exception to this, namely that Rs. 105 crores are going to be raised by public loans. In the matter of public loans, it used to be held until some years ago that they withdraw money from the hands of the public, and to that extent, they have a disinflationary effect, but now it has been proved that—and it has also become an accepted proposition—Government loans are inflationary, because after all these Government bonds and Government obligations in the hands of the investors, are as good as money. The Insurance Companies, for instance, can turn them over to a Bank and obtain loans against the security of these bonds. In this sense, this is the only one item which is an exception. Then there are three other sources. There is a sum of Rs. 156 crores, which has already been received by way of external assistance. Any external assistance which has come to this country and which usually does come in the form of goods and equipment, machinery etc. is a safe source which is disinflationary.

Then there is the third item of 290 crores which is to be made up by deficit financing. Now, here is an item that slightly hurts. It has inflationary possibilities—we cannot deny that—no matter how it is spent, and still there are certain considerations which we should also keep in mind. In the present instance, this amount has been limited to the amount of sterling balances that can be released during the period. The action as proposed by the Planning Commission is also characterised with extreme caution. Now, in the perspective of the total sum of 2,069 crores, the amount proposed to be made up by deficit financing will be considered as relatively small. And even this amount of 290 crores of deficit financing will not be able to lead to any serious inflation and the reasons for this view, that we take, will be seen presently when we shall be considering the expenditure side.

Lastly, the final item in the sources of resources—the item of 365 crores—is really the 'problem item' because it is expected to be made up by possible external assistance. Of course we can at once say here also...

**Mr. Chairman:** The hon. Member can speak about two minutes more and finish. He has already taken 15 minutes.

**Shri V. B. Gandhi:** If I may have just ten minutes. Sir, because I have hardly gone through. I shall try to be brief and relevant, Sir.

**Mr. Chairman:** There are so many others who are anxious to speak. So he will better finish.

**Shri V. B. Gandhi:** I shall try to be brief and relevant, Sir. Anyway, I will just say one thing in connection with this item of 365 crores of rupees which is expected to be made up from external sources. Some of the things that are said in the Report of the Planning Commission are not very clear to us. In several places it is said that if this external assistance is not available, we can make it up somehow by internal borrowing and taxation and so on. And in one place the Report says:

"If external assistance is not forthcoming to the extent necessary, there will undoubtedly be scope for marginal adjustments. But a planned outlay of the order of Rs. 2,069 crores over the five year period is necessary for maintaining the rate of growth of development expenditure visualised by us".

Now, usually the form in which this external assistance is received is in the form of goods, machines, equipment and so on. It is not as if all the 2,069 crores of rupees were available to us here in India in rupees, we would be able to accomplish all that we have set out to do. We shall need physical resources for which to some extent we shall have to depend on foreign countries, and this relationship between the financial resources and the physical resources should be more clearly brought out in the Report. Here I will just quote a very small passage from Prof. Lewis's book on the Principles of Economic Planning. It is just pertinent to this very same question. It says:

"The third principle in investment planning is that investment must not be planned beyond the limits of the physical resources available, no less than the financial resources. It is no use planning for 20 per cent. if the steel and timber available are enough only for twelve per cent."

It goes on further.

"It is a common error of Governments, including our own—the Government of U.K. is intended to advance so many investment projects simultaneously when the available resources of steel, machinery, cement, labour and so on are insufficient to cope with them all. Then there is intolerable confusion. Many projects are

started and have been held up at crucial points, and instead of having a substantial number of finished projects, we get a much larger number of unfinished projects, most of which cannot proceed because the resources they need for finishing are locked up in other unfinished projects. It is foolish to plan for more investment than the available physical resources will permit."

**Mr. Chairman:** I hope the hon. Member will now wind up.

**Shri V. B. Gandhi:** Very well, Sir.

I shall only say that the expenditure or the items on which this very colossal sum is going to be expended are items, a majority of which are of a capital nature and, therefore, the expenditure is expected to be inflationary. Yet, because of certain features inherent in our economy, we can hope that we shall be able to withstand the inflationary pressure to a degree to which other countries may not be able to do. I shall only...

**Mr. Chairman:** I hope the hon. Member will conclude now.

**Shri V. B. Gandhi:** Very well, Sir. I would only say that our congratulations are due to those who have laboured in this great task, a task which they have achieved with signal success.

**Shri Ramachandra Reddi (Nellore):** Five years after attaining independence, we are being presented today with a Five Year Plan. Whatever might be the defects or the missing links in that Plan, I welcome it inasmuch as we have been given a clear picture of what our national resources are, how to develop them and to what extent. In regard to the assessment of our resources, I am not sure that the Planning Commission has been quite correct. I should, at any rate, suggest that at the State level and at the Central level, there are some more resources which have to be considered. At the State level, State after State is adopting the prohibition policy, and thereby loss is incurred. If that amount which is to be lost by the introduction of prohibition can be saved, each State might get a few crores of rupees to pay for the development of our industries, to defray our expenses towards major and minor irrigation works and so many other developmental works in each State. At the Central level, I have to suggest that the revival of the salt tax might be able to secure to the Centre a considerable number of crores of rupees. If there is no political sentiment behind it, I am sure that the Government will find its way to reconsider their position and see that the

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salt tax is reimposed. I have been in contact with some of the producers of salt and they have no objection for a re-levy of the salt tax. And, I am also confident that the general public will have no objection for the re-levy of the salt tax.

As regards the land policy that has been suggested in the Plan, I am afraid that the policy is not quite sound. As a matter of fact, when we read through the pages of the Report regarding land policy, we find that there is a lot of confusion that is introduced into it. No doubt, my hon. friend, Prof. Agarwal has made it a little bit more clear and that, I think, is the idea of the Government, rather the policy of the Government in regard to the distribution or re-distribution of land. I am afraid that the Government itself do not have a perfect survey of the economy of the land sector in this country. I know that several States do not possess the necessary statistical information. Even the few that have such information, do not seem to have a definite idea about it. Unfortunately, political slogans and politics have been introduced into the question of land. Everybody knows that land is the basis of all development and is the basis of satisfaction of human wants in this country and as such that policy should not be treated in the way in which it is sought to be treated by the Planning Commission. It is suggested that an upper limit would be placed upon land ownership. But they have not thought of a lower limit to be placed upon land ownership. We do not know what exactly the family holding will be. We have not been told whether that family holding differs from place to place and whether by having a uniform policy, it will be possible to satisfy the people in all parts of the country. Suppose it is ten acres or fifteen acres which is thought of as the family holding. I would like to ask what kind of ten acres or fifteen acres will that be, whether it would be rich delta land or arid desert or a place which is always faced with famine conditions. We must have a definite knowledge of the resources and of the productivity of the soil, and so many other conditions in each part of India and in each part of a State. Without having a definite economic survey in this particular sector, it is not possible to have a fair and proper idea of the entire situation. If this is done in a haphazard and hasty manner, the remedy that is going to be proposed would probably be worse than the disease itself. It is said that 25 or 30 acres should be the upper limit of each holding. We do not know whether that limit would satisfy the

requirements of each family. (Interruption.) Suppose each acre gives a net yield of about Rs. 50. If 50 acres is the limit, probably the owner will be getting about Rs. 2,500 or about Rs. 200 per month. If that limit is to be thought of, probably we will be providing for each family less than what the middle class man can get. He will probably be a little higher paid than the poorest man and much less than the middle class man. Is it the policy of Government to reduce everybody to a state which is less than that of a middle class man? In fact, we have got very large areas of undeveloped but cultivable land. Should it not be the policy of Government to take into consideration to develop all those areas, and distribute those lands either for price or free of cost to the tillers of the soil who are anxious to get some land to till and earn a living thereby? We have secured statistics in our own province, we have got about six crores of acres of cultivable land, three and a half crores of which is already under cultivation and two and a half crores of acres of cultivable land has yet to be brought under the plough. If these two and a half crores of acres are brought under cultivation or distributed to the people either for cost or free of cost, they must be able to satisfy a large amount of land-hunger of the landless tiller. In that view, it must be possible, if we have a general survey of all the provinces, to have large areas of cultivable land available and they may be distributed as a first step. With more irrigation facilities, whether major or minor, with better agricultural policy, which has been in a way suggested in the Report itself, we must be able to produce more, and that production depends upon the extent of land that is brought under cultivation. Large tracts are still not brought under cultivation. As long as such lands are not brought under cultivation, it is clear that we will not be able to secure the optimum production in this country, as long as we confine to the existing land under cultivation.

In this connection I would like to mention a matter of parochial interest. It may not be strictly parochial in as much as it is likely to solve the national problem, namely the food deficit in this country. I am speaking of the development of the Krishna River Valley Project. Unfortunately, it has not found a place in the Plan. No money has been allotted out of these Rs. 2,069 crores in the Plan for the Krishna River Valley Development. As against this scheme, the letters XYZ have been mentioned and no amount of money has been bown. It may be said by Govern- 17

ment that estimates are not ready or that plans have not been finalised. But may I ask whether in respect of the Hirakud Project, the Bhakra-Nangal Project or the D. V. C., the plans have been completed and finalised and whether they know exactly where they stand with regard to the financial liabilities in respect of these projects. When they are not in a position to find out what exactly they want in regard to those projects, I see why they should not make some provision for the development of the Krishna River Valley.

It is estimated that for all the stages of the Krishna River Valley Development roughly Rs. 300 crores would be required. For the first two stages, it would cost roughly Rs. 200 crores. If they had made a provision of at least Rs. 200 or even Rs. 150 crores for the development of the Krishna River Valley, a good deal of food deficit, particularly in rice, could have been wiped out. As a matter of fact, if the Krishna Valley is developed, it is likely to produce about 50 lakhs tons of rice. It is possible that the Government might say that the estimate is wrong, because according to Government estimates our lands yield only 800 lbs. of paddy per acre, but our experience after development of this area is that in the delta areas we can produce 2,000 to 3,000 lbs. and in the more intensively cultivated nondelta areas we can get not less than 3,000 lbs. per acre. Calculating on that basis the calculations given by the Planning Commission are not likely to be correct. It is therefore necessary that a correct estimate of the production, as well as the cost of production, should be made.

In this connection, I may also suggest that there is no use in entrusting the Madras States Government with either the investigation which is now thought of, or with the execution of that work. The Government knows very well how much confusion exists in the Madras State Government regarding this project. There have been differences of opinion, and even the differences have also been changing from time to time. It is therefore suggested that even at the stage of investigation this Government, or rather the Technical Committee which is now intended to be continued for some time longer, should pick and choose their own personnel not only for the expedition of investigation but also for the execution of these works. Before this Five Year Plan is finally accepted, I hope that Government will come forward with a decent contribution of say Rs. 150 crores to be spent within the coming five years. It is

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only then that the deficit province which has created a countrywide deficit would be able to stand on its own resources. That would also avoid the importation of large quantities of foodgrains by the Centre from other countries at enormous cost. Unless this is taken up seriously and immediately, it will not be possible either to clear the deficit or save within a reasonable time Rayalaseema and the upland areas of other districts which are always faced with hunger and famine. The famine conditions which exist there are not a creation of today. They have been there for over a century. Neither the British Government nor the present Government have done enough to improve the conditions there. When rainfall is scarce and undependable, it is up to the Government to improve these major irrigation sources which would go a great way to help the food position in this particular area. If Hydel Power is also developed—and it is bound to be developed in a multi-purpose project like this—it will also create an opportunity for the undeveloped areas that I have just mentioned to develop not only their irrigation but their mineral resources. By that way, a large amount of money may be collected and that would also bring further income to the Government during even this five year period, by the sale of lands that are available with the Government, by imposing a betterment levy and by taking into consideration the prospects of Hydel power and its utility in due course of time. We are told by the Technical Committee that the project will give a return of about 3.5. to 4.5. per cent. But it will double itself, not to speak of millions of tons of produce of an approximate value of Rs. 15,000 millions calculating at the rate of one ton per acre and each ton of the value of Rs. 300, which would mean a saving of a lot of money in the import of food-stuffs, and creation of wealth in the Country.

I would say one word more. It is in regard to socio-economic side of our defence. With regard to our defence we are finding it necessary to import all our requirements from elsewhere and that indicates our continued dependence on other countries for our defence requirements for all time to come. It is, therefore, very necessary that this aspect has to be considered more carefully and whatever we are importing from other countries for defence purposes we have to get them manufactured in this country. This would not only save a lot of money, but give the members of our military personnel an opportu-



[Shri Ramachandra Reddi]

nity to utilise their energy and skill for the manufacture of such of those goods which are really necessary for our defence purposes.

**Shri S. A. Khan** (Ibrahimpatnam): At the outset, I should like to pay my tribute to the members of the Planning Commission for having evolved a scheme for the prosperity of this country which is a monument of patient labour and profound research. We have before us this Plan covering all the aspects of our national life. But without the cooperation of the people and the active assistance of our administrators this huge scheme, I feel, will be nothing more than an idle dream.

I have very carefully read through the Chapter which deals with Public Co-operation and Administration. There is no doubt that the Planners have fully realised the need for overhauling our administrative system and they have suggested different ways and means of doing it. But the great need of the day is not merely framing rules and regulations of conduct, but to create true and genuine enthusiasm among our public servants, and at the same time, to take the people of this country into confidence. Officials, unfortunately, are too often inclined to consider themselves as big bosses, constituting themselves into a separate class from the common people. The consequences are that the people become shy and feel unwilling to co-operate and to bring their grievances forward. There is no doubt that a democratic plan can only be implemented with public co-operation.

Those who will be entrusted with the great task of translating into reality the Five Year Plan should be chosen not only for their merit and ability but for their democratic outlook. I feel that in order to have some form of cohesion among the various Ministries and to avoid overlapping of authority a Ministry of Economic Affairs should be created which should be entrusted with the task of co-ordinating the economic policies of the Government. The various Ministries, so far as economic matters are concerned, should be subordinated to the Ministry of Economic Affairs. It is not too much to expect, as far as the implementation of this Plan is concerned, that red tape and officialdom will be minimized. And this Ministry, if it is created, will see to it that there is the minimum amount of official interference, especially at lower levels, and the minimum amount of red-tapism.

In this connection I feel that it will be a good idea to extend the activities of the 'Bharat Sewak Samaj'.

**Shri B. S. Murthy:** What about the Ministry of Planning? Should it be scrapped?

**Shri S. A. Khan:** What I mean to say is a Ministry of Economic Affairs will be able to cover a large area than this Ministry of Planning. It will be enlarged.

I was talking about the 'Bharat Sewak Samaj'. I think it is possible to extend the activities of the Samaj to cover a wider field. In fact you can cover the whole net-work of villages spread all over the country.

And then there is the work in regard to statistics which is being neglected to a large extent at present. It is necessary that the Planners must be supplied as far as possible with correct figures and facts. The village officials must be alerted and made to feel the importance of the collection of figures and supplying of facts to the administrators.

The questions of planning should be treated from a national point of view and it should be above party politics. I suggest that the M.P.'s and M.L.A.'s should form committees and study groups and help the authorities with useful suggestions so that the work can be carried on smoothly.

In spite of the fact that the Prime Minister and other Ministers have repeatedly mentioned the Five Year Plan in their speeches before huge audiences, the general public is completely ignorant of this matter. And this is a great drawback. The press and radio must play their part in creating an awareness in the masses, of which the Prime Minister was speaking only this morning.

It is well that Agriculture has been given priority in the Plan. But without an adequate and regular supply of water, agriculture will always remain precarious. The Planners, having realised the urgency of this problem, have increased the allocation of funds. This includes an estimated expenditure on power as well. The irrigated area in undivided India was 72 million acres out of a total cultivated area of 298 million acres, that is 24 per cent. After Partition the proportion in India fell to 19 per cent.—48 million acres out of 251 million acres. From these figures it is obvious that we have to make up for the loss of irrigated area. This we can do if we realize at the outset that large irrigation projects have not proved

an unmixed blessing. If we concentrate on medium size and smaller projects, then we can expect quicker returns. This has been tried in Hyderabad and has proved successful.

Then again, in large multi-purpose projects there is always the possibility of wasting public funds, besides the time factor, which is important as far as results are concerned. I submit that there is considerable room for economy in the estimated cost of these projects if the system of executing the work through contract is revised.

As long as we are short of technicians we could pool the available technical knowledge by transferring technicians from one part of the country, where the work is completed, to another where their services are required. This matter could be considered. In the mean time Government should encourage technical education by opening more colleges and institutions to train our young men.

One word with regard to the utilisation of power expected to be produced through the completion of these works. There is no denying that in some places in Punjab and Mysore there has been an abundant supply of power without any increase in demand for it. Therefore we must create a demand in these areas by encouraging industries so that this waste may be avoided.

It is unfortunate that the Planners have not paid sufficient attention to the development of industries in this country. In fact, only 6.7 per cent. of our total outlay has been allotted to industry. A major portion of the work of renovation and installation of new plants has been left to the private sector. I feel it is unwise to expect too much from the private sector. It is a well established fact that any country, in order to be free from foreign control and foreign influence, must have an adequate supply of structural materials. Of these, iron ore is the most important. We are indeed fortunate that in our country, the iron ore deposits are one of the richest in the world, containing 60 per cent. of metal. India has the biggest iron ore mines in Asia and the total deposits in the Bihar-Orissa belt is estimated as 2,832 million tons. This is sufficient to meet the requirements of the Indian producers for a thousand years. This is the opinion of experts. The rich quality of the iron ore and the nearness of the coal mines make it all the more imperative that we should utilise these natural resources. We must

encourage basic heavy industries so that we may be able to stand on our own feet.

Then, I come to the financial aspect of the Plan which is most important. It is estimated that about 1,258 crores will come out of the present taxation and savings and loans. The rest is to be met with from deficit financing, foreign aid and other miscellaneous resources. The gap of Rs. 655 crores and odd should, in my opinion, be filled by taking some concrete measures rather than by relying on foreign assistance and other miscellaneous resources, which, at best, are unknown and uncertain. I suggest, in all humility, that the Finance Minister should consider the following measures.

The Small Savings Scheme should be intensified in rural areas through Post Office Savings Bank. Due to the stupendous rise in the prices of food and primary commodities, it is likely that a larger measure of national income has accrued to the rural sector. It is the opinion of experts in this field that these savings are lying in hoards and cannot be usefully employed for lack of banking facilities. It will be a good thing if the Post Office could act in the same manner as banks do in the rural areas. I join my friend on the opposite side in suggesting, in all humility again, that this programme of prohibition could perhaps be postponed for a little while, and also that the salt tax should be re-imposed. I feel that there must be fuller co-operation between the States and the Centre in the economic field and the borrowings for the needs of the States must be co-ordinated through a central agency, so that the rates of interest may not vary from State to State. Lastly, Sir, and I shall sit down with this, I suggest that the large amount which is to be paid to the landlords as compensation due to Zamindari abolition, should be invested in the Five Year Plan instead of it being paid to these gentlemen. If this is a good idea, I hope Government would consider it.

**Dr. Lanka Sundaram:** You may continue; we like your idea.

**Shri Vallatharas:** So far as the Plan is concerned, the question of either agreeing or disagreeing with it is out of question. It is in our hands. Whether it produces good or bad, it has to be worked out. Whether it is an inflection or it is a conducive element has to be seen in the future. During the time of the First World War, there was an intention that some countries must resort to planning affairs. After the First War was over, the-

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dictatorial countries proceeded with the planning of their own, and the democratic and the capitalist countries were simply looking at them and never started the initiative. During the Second World War, there was an attempt on the part of the capitalist or democratic countries to have some planning and every country began to say that "our post-war aim is this or that". That is how the idea of planning began to spread throughout the whole world. Even in India, during the course of the Second World War, there were several attempts on the part of the Government to state what their aims in the post-war period were. There were several attempts made at some planning. Even before 1930 there was a start to find out some plan for this country and political parties as well as the Government were having some notions about them; but they did not materialise for about two decades. Afterwards, when the post-war aims were discussed, there were some public attempts as Government's attempts were not fruitful. The chance went to the Congress Party who instituted this National Planning Committee and proceeded with the work. The political events were unfavourable to a further progress in the direction. The Centre was in the hands of an alien power. There was no control over the internal or the external policies of this country. Subsequently, these two important factors had to emanate to pave the way for a successful attempt to show at least that the framing of a planning system was possible. The country got itself freed and became independent. Now the power is absolute in this country. It has got full control over the internal and the external policies. So any planning that can be thought of can be thought only on the efficiency of the foreign policy or the internal policy that is to be pursued by the Central Government. It is only after these two elements had appeared in this country that we heard a Draft Plan is being ushered in. The Draft Plan was after all a conception. It was in the formative period. It had not the boldness to state what its economic contents were; it had not the boldness to assert what it will achieve; but it was a regular and real attempt just to show, just to tell the country that there is a plan being put forward for working in the future. During the last 18 months, the Planning Commission's intellectual heads have planned together and produced this final Plan. This final plan, of course, is a bit improved over the Draft Plan: it has got to show what it is going to do. Now, there is practically no time after the introduc-

tion of this Plan in the Parliament for newspapers, journalists, economists or public men to express their opinions frankly. One of the leading papers of South India—the *Hindu*—was not able to express its opinion on an important aspect of the Plan, i.e. the agriculture or the land reforms section. The *Eastern Economist*, Delhi, also reserves a portion of its analysis of the Plan for one more month because it was brought to light very recently, and it could not be successfully worked out. So, important sections of the public are not able to express their final opinions or their studied opinions.

Whatever that may be, the Plan is before us. The Plan, of course, is a long-felt need. It is urgent. We want a Plan. Whether it is good or bad, we want it, and so the Plan is before us, but we are now the criticising elements. There is one major party which has got control over the entire situation, and we in the Opposition are granted the chance to make some remarks because they can then have the benefit of hitting at the Opposition in some manner or other. But, a sensible appreciation of the situation would be that politics and parties must be forgotten when we come to decide the fate of 350 million people for ages to come or centuries to come. It is only a Plan but we have to see what others say about us. (*Interruption*). I am happy that whenever Members begin to express their views, there is a sense of inward enthusiasm, some inward voice is speaking and stimulating them to some sort of expression, but I would tell them that this is not a moment for laughter. If what you really experienced some two or three years before really sticks to your mind, you have to be a bit more serious. Now, it is a question of life and death for the poor people. There are 35 crores whose condition you really know. During the British period there was a sort of chaos and disaster on the economic and social life of the people by which half-starvation or 75 per cent. starvation became a permanent feature. Then scarcity began—scarcity of everything, money, food, convenience and all necessities of life. And during the last five years that half starvation became confirmed, scarcity became confirmed, and it is an admitted fact that during the five years the entire nation has been undergoing some sort of starvation and some sort of privation. Planning now is only a consolation measure to wipe out the tears of the several crores of people in this country. "Don't weep hereafter. Don't think you are being left abandoned, but in the course of 25 years, I am go-

ing to double your income, and at the end of 25 years see whether I have succeeded or not."—that is the sense which the Planning Commission gives to us.

So, in one of the paragraphs of this very big and voluminous report, it is stated that in the next 25 years,—i.e. by 1977 when many of us may not be alive, and if we continue to live, we may be highly imbecile—see what the Plan is really going to give in concrete measure. Astrologers, of course, may very well predict, but not scientific men, and people of common sense listen to these. We are in a despair more or less. We are unable to say anything against this Plan because there will be a hue and cry. After all, there is the Plan and people should see whether they are backing it. On the other hand, we cannot shut our mouth but should be a bit frank. This Plan is really no plan—it is a bold leap, not into the darkness and misery of the people, but I do not know into what. It is highly impracticable. Its noble aspiration is almost impracticable of achievement. But, we will go a little bit further. What is there in it? It is not a plan. Simply a plan is there just to make a farcical external pat-

tern. Is it a plan in the regular sense affairs? No. (*Interruption*). This is not which we read in the books and literature relating to political and world a Five Year Plan, but a Five Year of the Plan, instead of coming every Budget: In the course of the period year before us for grants, this is a consolidated grant asked for from us for five years. But I am not surprised at our friend's remarks. Excepting a very few who might have read, the others would be sleeping under these two volumes, in this chilly, freezing, shivering cold season.

6 P.M.

**Dr. Lanka Sundaram:** How many have kept it under their pillows?

**Mr. Chairman:** It is now six o'clock.

**Shri Vallatharas:** I have got my own time, and I shall continue tomorrow.

**Mr. Chairman:** The House will now stand adjourned till 10 A.M. tomorrow.

*The House then adjourned till Ten of the Clock on Tuesday, the 16th December, 1952.*