

Mr. Deputy-Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the control by the Union of the tea industry, and for that purpose to establish a Tea Board and levy a customs duty on tea exported from India."

The motion was adopted.

Shri T. T. Krishnamachari: I introduce the Bill.

RESOLUTION RE FIVE YEAR PLAN—*contd.*

Shri Nevatia (Shahjahanpur Distt.—North cum Kheri—East): I said yesterday that it was inevitable that the Planning Commission should lay down priorities for development. Even in a rich country that would have been necessary. Ours is a poor country with limited resources, and hence we cannot afford to fritter away our resources without planning, or without planned priorities.

There has been criticism that sufficient allocation has not been made for industrial development. But industries require raw materials and also markets for the disposal of their finished goods. Adequate supply of the raw materials depends upon agricultural development. For example, our textile industry is short of cotton. Our jute industry requires jute. Without supply of adequate raw materials, these industries cannot maintain production. Then, there is the question of markets. What is the use of continuing productivity unless the finished goods can be disposed of? Markets can be either internal or external or both. So far as the external markets or exports are concerned, efforts are already being made to promote exports to as large an extent as possible in order to provide for the import of necessary articles including raw materials. But our main market will continue to be internal. Here, unless there is purchasing power with the people, the industries cannot hope to sell their finished products. This purchasing power, again, must come from extra yield per acre. After all, 83 per cent. of our people still reside in villages. Hence, unless their purchasing power is increased, industries cannot expect to continue production, because that will only result in accumulation of stocks. It has been said that private sector has been left untouched, and that it has not been nationalised. On the one hand

wild allegations of corruption, nepotism and favouritism are made against the administration of the great River Valley Projects, and even against a nationalised body like the Industrial Finance Corporation. On the other, a demand is made for nationalising the private undertakings also. It shows that those who criticise the non-nationalisation of major industries are not very serious about the same. I would invite the attention of the House to the remarks made by the Planning Commission on this important problem. The Planning Commission says:

"The nationalisation of existing enterprises, which means the acquisition by Government of existing productive assets, has, in our view, only a low priority, especially as most of the purposes of such a transfer of ownership can be served by judicious regulation. In a planned economy, the justification of private enterprise is that within the framework of national policy it is capable of contributing to the fulfilment of the objectives defined in the Plan."

So long as private enterprise is brought under the purview of the Plan and is made to subserve the purpose of the Plan, there would be no justification for the Government to waste its limited resources in the acquisition of these assets. On the recommendation made by the Planning Commission in the draft outline of the Plan, the Industries (Development and Regulation) Act, 1951 was passed. According to that Act, the Government has got authority to investigate in respect of any scheduled industry or undertaking, if in its opinion, there has been or is likely to be an unjustifiable fall in the volume of production in the industry or undertaking, or if there is a marked deterioration in quality or an increase in price, for which there is no justification. A similar investigation can also be ordered in respect of any undertaking or industry which is acting in a manner likely to cause serious injury or damage to the consumers. That Act further provides that in the event of an industry or undertaking not carrying out the directions issued after such an investigation, the Government can take over its management. This shows that the private enterprise has been completely brought under State control so far as its management with a view to fulfilling the objectives of the Plan is concerned. The hon. Member from Calcutta North-West, Prof. Meghnad Saha said that due attention has not been paid to the development

[Shri Nevatia]

of basic industries, and that more attention has been given to the consumer goods industries. I do not think that that observation of his is correct. So far as the consumer goods industries are concerned, no increase in installed capacity has been visualised. What the Commission has provided for is only fuller utilisation of the installed capacity in the major consumer goods industries like textiles, sugar etc.

The Commission has laid down targets of productions in various industries. The Plan is already in action. About one and three-fourths of an year have passed, and its beneficial effects are already visible. So far as mill-made cloth is concerned, in 1950-51 the production figure was 3,700 million square yards, while this year the production is expected to be only slightly below the target of 4,700 million square yards. Further, at least in one sector of private economy, the targets have been achieved four years ahead. The Planning Commission has pointed out that the installed capacity of the sugar industry was 15 lakhs of tons. The production in 1950-51 was eleven lakhs of tons, while last year, the production went up to 15 lakhs of tons, which is the target laid down by the Planning Commission for achievement in 1955-56. This is a very creditable record for an industry in private sector. As a result of this large increase in production, sugar is now available in unlimited quantities to the consumers at or below control prices. It also shows that given adequate supply of raw material, the industry is not only capable of achieving these targets, but can easily exceed them, as in certain regions, such as East Uttar Pradesh and Bihar, cane supplies have not been adequate even during the last season. It is not, however, suggested that this increase of four lakhs of tons in sugar production was a planned increase. For instance, in Uttar Pradesh, the cane supplies used to be 14 to 15 crores of maunds, in 1951 the supplies were 16½ crores of maunds, while in 1951-52 they jumped to the record figure of 24½ crores of maunds. This sudden increase of 50 per cent. in cane supplies in one season was caused by abnormal slump in gur prices, which came down to as low as Rs. six to seven per maund. As the cultivator was getting only 1/3rd of the price which he was getting by sale of sugarcane to the factory, he diverted his normal supplies utilised for making gur, to the sugar factories.

There is one problem to which, the Planning Commission, in my opinion,

has not devoted sufficient attention. It is necessary that not only the targets should be realised, but the productivity once achieved should be maintained. And here it is that I have doubts whether the productivity which has been achieved in sugar and textiles will be maintained. Sugar is one of the major industries for which the Planning Commission had provided certain targets. In this connection, I would like to say a few words more about this industry.

The sugar industry is one of the major industries of Uttar Pradesh and Bihar, and the agricultural economy of these two States depends to a large extent on the success of this industry. In fact, the Tariff Board in 1931 said:

"While it would be most unfortunate from the national point of view that the white sugar factories, which occupy so important a position in agricultural economies, should succumb to foreign competition, it would be little short of disastrous, if, whether, as in Rohilkhand as a direct result of the competition of foreign sugar or elsewhere partly for the same reason and partly on account of the failure to provide an outlet for the increased production of improved canes, the receipts of agriculturists from this source fell substantially and the area under cane diminished."

From the point of view of stabilisation of agricultural economy in Uttar Pradesh and Bihar, it is necessary that due attention should be paid to maintenance of productivity in this sector. But what I find is that while minimum prices for sugar-cane have been fixed, no real attempt has been made to see that these prices are realised by the cultivators. After all, fixing the cane price alone is not sufficient. In 1934 the Minimum Cane Prices Act was passed by the Central Government in order to enable the State Governments to fix minimum prices. In 1934 and thereafter for two seasons the Uttar Pradesh Government had fixed minimum prices for cane, but sugar price was not regulated. The result was that in 1936-37 the crash came; the factories were unable to go on crushing and the cane price went down to as low as 0/2/6 per maund. When the Congress Government came into power in 1937 they found that it was necessary to have a selling organisation for sugar to enable the cultivators to get a reasonable price for their cane. Even in 1938 the Tariff Board on sugar indus-

try had made the following observations:

"It has been pointed out that the logical consequence of the fixation of minimum prices for sugarcane is the stabilisation of the price of sugar; otherwise, if the selling price of sugar falls below a certain level, factories may find it impossible to continue manufacture, since the cost of manufacture is mainly determined by the price of cane. Without going so far as to suggest the fixation of sugar prices by direct State action, though there are precedents of this procedure in other countries, in our opinion some form of State control is in present conditions essential both in the public interest and the interest of the industry itself."

I have laid stress on this point because if the cane prices fall to unduly low levels as a result of the Government shirking its responsibility in this matter, the result will be that the area under plantation of cane will again go down and the shortages experienced only two years back are likely to occur again. Only last year this country was required to import 60,000 tons of sugar at a high price, much higher than the internal price, for which the consumer had to pay six crores of rupees. Ultimately it is in the interests of the consumer of sugar himself that the productivity of cane is continued and when prices are guaranteed for sugarcane, fair prices for sugar should be guaranteed to enable the manufacturer to continue production. Even during the current season there are grave apprehensions that with the present policy of the Government, it may not be possible for the factories to continue to crush cane for a long period. Ninety-five per cent. of the cost of sugar will have to be incurred by them beforehand. Sugar-cane forms the largest part of the total cost, nearly 60 per cent. Another 20 per cent. is in the form of taxes such as excise duty, cess etc. Having incurred 80 per cent. of the cost over which the manufacturer has no control, it is not possible for the manufacturer to continue to maintain production unless he has got a reasonable security that he will cover his manufacturing costs plus reasonable margin of profit—in any case, he would not like to forego his manufacturing costs. I am pointing out these facts because overlooking them would result in lowering down the production which has already been achieved.

It is said that the problems of industry are due to their own making and that if the industry had not been

established in U.P. and Bihar then difficulties might not have occurred. In 1931, the Tariff Board made it clear that the cost of production of sugarcane was lowest in these two States and they recommended the establishment of this industry in U.P. and Bihar. In 1938 also, the Tariff Board came to the same conclusion. As a matter of fact, they said, in 1938, that the cost of production of cane in U.P. and Bihar had gone down from 4½ annas to 0/3/7 per maund; thus there was considerable improvement from the point of view of reduction in cost of production of cane in U.P. and Bihar, during seven years from 1931 to 1938. If later on the cost of cultivation went up, it is not due to the fault of anybody else but due to various factors beyond the control of either the factories or the cultivators.

I attach great importance to the fact that the price of agricultural commodities should not be allowed to fall below a certain reasonable level. If the prices fall to unduly low levels then the whole Plan will be put in jeopardy. It has been mentioned in the Plan itself that between 1878 and 1940 the price level in Japan rose by about 400 per cent. It is also mentioned that rising prices tend to enforce rates of savings which would not otherwise be possible and that this factor has probably played a not insignificant part in the U.S.S.R. also where it is clear that prices of consumer goods went up sharply in the decade 1928—1938. It is not my intention to say that we should allow unchecked inflation, but at the same time, unduly low agricultural prices will not allow savings and investment and to that extent the whole Plan would suffer.

I would also like to say something about a few other industries like power alcohol. It is a very important industry particularly because it enables us to save foreign exchange. But, I regret to say that adequate steps have not been taken to develop it and at the present rate of offtake it will take another eight or ten years before it can reach the target and not another three years as has been provided for in the Plan.

I would suggest, so far as the Plan is concerned that more provision should be made for Minor Irrigation Works and also for rural housing. I would say that even at the cost of social services greater provision should be made for Minor Irrigation Works.

Shri Sarangadhar Das (Dhenkanal—West Cuttack): It is said that this is

[Shri Sarangadhar Das]

a National Plan. I do not see anything in it to call it 'National' because you will appreciate that the nation lives in the villages. The urban population is a very small percentage of the country. If the Planning Commission or any authority had gone to the villages and asked the villager as to what he wanted to improve his condition, he would have said, "a primary school in every village, road connecting the village with the arterial road, land for the landless labourers, particularly, Harijans and Adibasis, some facility for the treatment of minor diseases like fever, cold, diarrhoea and sometimes cholera also". These facilities are not provided for in the Plan. When we say there are 100 hospitals, those hospitals are in the 100 towns or cities from which the villages are hundred miles away. So, the villages are not covered by these facilities. That is why I say this Plan is only for the urban population.

Then again, it is said by some that it is a National Plan because the various political parties were consulted. Sir, as you will appreciate, when the Planning Commission was appointed and plans were made, the political parties were not consulted. A few political parties and outsiders from the public were introduced at the final stage; and this does not mean that these parties have associated themselves with this Plan. I myself had been there; there were other spokesmen of my party. Suggestions were made even at the final stage and, as I can see, those suggestions have not been accepted. Consequently, there is absolutely no ground for the statement that this Plan is a National Plan. It is the Congress Plan—made by the Congress Government—and if it materialises, if it is implemented properly and if there is some ultimate good that the country enjoys, the credit for it will go to the Congress and the Congress Government. If it fails to materialise, if it is implemented wrongly, and there is no good coming out of it, then the fault will lie with the ruling party and the Government that is ruling the country at the present time.

12 Noon

We all talk of a welfare State. We talk of diminishing the huge disparities between high incomes and low incomes. But what is there in this Plan that will bring down the high incomes? There is nothing. The only thing that has been introduced in this Parliament a few weeks ago is the Estate Duty Bill, which was acclaimed by my hon. friend, the stalwart Shri

Gadgil, who said that it is meant for bringing down high incomes. And very haltingly, after two or three years, the Planning Commission has admitted that there should be a re-distribution of land, but there is no date line fixed for the purpose. There is no mention of when it would be done. It is the same thing as the abolition of zamindari.

When we talked about the abolition of zamindaris during the last fifteen years, the zamindars got wise. They denuded all the forests that were in their possession. They did all kinds of things to gather some cash money before their zamindaris are abolished. And the Governments in the various States have been to it that the zamindars become another vested interest. So, in this case of redistribution of land also, when there is no date line fixed, when it is talked about, then the owners of large estates will have their lands distributed among their relations, so that when the date line will come, as it will come ultimately, there would be no land left to be re-distributed.

In this connection, I wish to point out that the Harijans and Adibasis are landless. They are in a miserable condition.

[PANDIT THAKUR DAS BHARGAVA
in the Chair]

They have been wanting land. Certain State Governments issued Press Communiqués saying that they would give lands to these two groups. That was in 1948-49. But that has not been implemented so far. So, under no circumstances can you say that this Plan is going to solve the problems of our country.

Now, if I may be permitted to admit that this is some sort of a Plan and that it should be accepted by this House, then let us see how it is going to be implemented. Two years have gone by, and what implementation has taken place actually? Let us examine that. I wish to devote the rest of my time to the Chapter on Public Administration and Public Control. In that chapter you will find how the Plan has been implemented during the last two years and how it will be implemented in the future.

If I go to Hirakud again, I am a bit afraid because of the criticisms that are levelled against what are called my allegations. At Hirakud a huge contract for Rs. 1½ crores has been given to a firm which our Minister called an Oriya firm. I did not

know that up to that time. Later on, I went deeper into it and what did I find?

Shri K. K. Basu (Diamond Harbour): Oriya employees are there.

Shri Sarangadhar Das: This firm was constituted by one man, to whom a contract worth about Rs. 60 lakhs was given in 1948 or 1949 and I am told that only a little less than Rs. one lakh worth of work was done when the No. 2 Power House was abandoned for the time being. Consequently, that work stopped there. A firm that had done only one-sixth of the work entrusted to it was again given a contract to construct seven miles of a dyke from one side of the river to the other costing Rs. 1½ crores. I do not know if tenders were invited from all over India for this work, or whether this was advertised all over India. I do not know further whether this was the lowest tender. But I wish to draw the attention of the House to the fact that when these construction works and engineering jobs are done, and done well, they are done by firms with large experience behind them. If you want to construct a dyke seven miles long, it may be that ten years ago you might have constructed only a small dam, say, a quarter of a mile long, and then gradually as you gained experience by that work, larger works can be entrusted to you. But I ask the question: Is it going to be a dyke that will last hundred years, in the hands of a firm that has no organisation of construction engineers and has no experience behind it? Later on, this firm has brought in some Madras firm to work at Hirakud. From my speech in the Budget session, the Minister understood, or misunderstood, that I was fighting for Oriya business interests.

Dr. Ram Subhag Singh (Shahabad South): You are fighting against Oriyas.

Shri Sarangadhar Das: I am not fighting for or against Oriyas. I am fighting to see that Hirakud Hydro-Electric construction is accomplished properly and at the lowest cost, so that the Oriya tax-payer will not have to be burdened with unnecessary expenditure. Therefore, I am not fighting for Oriya interests, but I also have to fight for Oriyas. Some people for such a job as this can be taken from Orissa—people like engineers, engineering supervisors, labourers and so on. But I understand that now they are imported from Madras. However, that is not the important thing.

The point that I wish to make is this. If the Hirakud Dam construction goes on in this way, then there will not be a dam there; there will not be electric power; there will not be water; but yet hundreds of crores of rupees would have gone down the drain.

Then there is another thing. If you look for public co-operation, then it has to be sought in a correct way. If engineering authorities go there and immediately start building nice buildings, putting up asphaltine roads and erecting a colony almost equivalent to a miniature New Delhi costing Rs. 1½ crores and odd, while thousands of labourers who do manual labour there have not even a hut and there is no drinking water, then surely this is the wrong way of looking for public cooperation. And last year because of lack of drinking water there were cases of death from cholera among these labourers. If that is the case, how do you expect, I ask the Government, public co-operation? If the big-wigs, the high-ups, who are getting Rs. 2,000, Rs. 3,000 and Rs. 5,000, and are well placed in society, cannot bear some temporary inconvenience and discomfort in a construction work in the interior of the country, while they want the temporary labourers whom they recruit in thousands, to live like worms and vermins and die like worms, because of lack of ordinary facilities of drinking water, if that is the case, how will there be any cooperation forthcoming?

My hon. friend Mr. S. K. Patil yesterday was very eloquent about everyone of us going and enthusing the people. I should like him to go to places like this. I should like him to go to places in Bombay State where the public are not taken into confidence and are not getting anything out of this and enthuse the people. I have myself tried to enthuse those people. But I have found it difficult to answer their questions: "You are sinking crores of rupees in Bhuvaneshwar. Does it fill my stomach? Does that give me an extra piece of cloth?" So, it is impossible to enthuse the people unless you give them some incentive. I would say, in short, that some of the incentives are (a) quick redistribution of land to the landless labourers, to the actual tillers of the soil, which will increase production. Another thing is reform of administration. This Chapter on Administration is taken from Gorwala Report that was published a year ago. Now, I would ask Government: what have they done since that report was brought to them, or submitted to them?

Babu Ramnarayan Singh (Hazari-bagh West): Nothing.

Shri Sarangadhar Das: If they had done anything, I would have no quarrel with them. In the last few weeks when I talked about corruption, my hon. friend Mr. Harekrushna Mahtab gave a reply to my 'allegations'. They were not allegations personally against him. But it is well known that permits and licences were issued to people who were not traders, who did not have any trading firm or office and as I mentioned this the Ministry should have enquired into the standing and trade experience of the firms beforehand.

Under these circumstances, I now take this opportunity to challenge the Government to appoint a high-power judicial commission, as recommended by Mr. Gorwala, to go into the affairs of the Ministry of Commerce during that period. Now, in reply to my hon. friend Mr. Harekrushna Mahtab I would say, he himself seemed to find some defect in the firm that got permits in Cuttack and there was something wrong—so he started the enquiry. I would like to ask him, when he gave the permit, did he ever take into consideration that the gentleman to whom he was giving the permit had failed in delivering the goods, in giving a blue-print for the synthetic petrol plant? Six and a half lakhs rupees of Orissa's money wasted in that adventure? (*An Hon. Member:* This is Five Year Plan.) If you go on doing this way, there will be no Five Year Plan—within twenty-five years, you cannot implement even this partial Plan, if what you have done during the last five years is continued. That is why my advice to Government is—first of all clean up the Augean stables at the Centre and in the States. That will give the incentive to the people. People who give bribe here and bribe there will know that the Governments at the Centre as well as in the States are now alive to the question and there will hereafter be no bribery and no corruption. The officers who were trained to run a police State, preserving law and order, cannot produce the goods in these lines of production, whether it is in agriculture or in industry. For the good of the Government itself, my advice is that you should root out corruption first and then start with a cadre of industrial servicemen as administrators, a different type of men, different from the present officers. Sitting down in the office, picking up books, gathering statistics and writing a report, will not produce the goods.

You will see that yesterday a newspaper here in Delhi, which I think judges matters very objectively, has written about the Bhakra Dam. Certain sections of the work have been completed, but the other sections that should be there are not yet completed. In the same way in Hirakud there may be power in 1955-56, but where are the industries that are proposed to utilise that power, how far have they progressed, how far is their construction started, or companies formed? The Nangal Dam has been finished, but the canals are not ready to take the water. There is no coordination. The officers who are executing the project and the Ministers who are making the policy, both are to blame for this sort of thing. So, I warn Government for the future that they must root out corruption; they must create a new cadre for administrative work in industrial and agricultural pursuits and then only will there be some cooperation forthcoming from the people and this partial Plan may materialise. But I have grave doubts. The Government as it is constituted at present is not in a mood to put any judicial commissions to go into all the doings not only of this Government but of the Governments of the States as well.

Shri Sarmah (Goalghat-Jorhat): I offer my hearty congratulations to the members of the Planning Commission. I do not see what is there in it to laugh at my remarks. I particularly do not see any point for my hon. friend immediately on my right to laugh at me. Is it not a Plan that has been drawn up in a difficult set-up and in difficult circumstances? Can we not think of it as a Plan which will serve as a model, dealing as it does with the important phases of our economic life in all its aspects, and to a great extent also in social aspects, for other democracies in existence and those are to come?

A certain amount of criticism is heard that there has been much delay in the production of this Plan. We also hear that this Plan, which the Government, or the Congress for the matter of that, seeks to make much of, aims at doubling the per capita national income in 27 years, when the average expectation of life itself is only about 28 years in India. (*An Hon. Member:* Twentysix). I cannot think that my friends who advance such criticisms want us to take their remarks seriously. In a country like India where so many diverse interests are to be consulted, where so many States which enjoy a measure of

autonomy in the management of their spheres have to be consulted, is this period of time too long? It is easy to criticize but whoever cares to consider about the stupendous nature of the task, would feel obliged to remark that the Plan has been produced in a, comparatively speaking, short time. We may not also lose sight of the fact that prior to our attainment of Independence there was not much of useful data available in this country. I may also submit without much fear of contradiction that whatever our alien masters had in the shape of real factual knowledge about our mineral resources etc. was maintained as a top secret amongst themselves.

As regards the other criticism that we seek to double our *per capita* national income within a period of 27 years, I feel tempted to quote a joke which a friend of mine mentioned the other day. Do we not think of the wherewithal with which to double our national income in a shorter period? If wishes were horses even beggars would ride. Who does not want to double or treble the national income in as short a period as possible?

All Plans, whether Capitalist, Socialist or Communist aim at removing poverty and raising the standard of living. Our Plan also aims at that. But looking at the one under discussion, one fails to find the precise pattern of economy or the nature of economy that we seek to achieve in this country. I am not unmindful of the fact that it is extremely difficult to define the nature of the economy that we seek to establish in India. But if we concede—which we have to—that Indian civilisation is based on the family and the village, I am constrained to observe that perhaps adequate attention has not been given to that aspect of the matter when we look at the actual allotment of the sums provided.

A place of pride has been given to village industries and small industries in this Plan. It is said at page five of the Introduction:

“Village industries, small-scale industries and handicrafts, whose importance for the economy as a whole can scarcely be exaggerated, have been given greater emphasis in the Plan: In addition to the setting up of new boards for Khadi and village industries and for handicrafts, the imposition of a cess on mill-made cloth to assist the development of khadi and hand-loom, and measures taken for the reservation of certain lines of production in

favour of the handloom industry, the Central Government's Plan provides Rs. 15 crores for cottage and small-scale industries.”

If we have to lay the emphasis, which the situation or the condition of India requires in the context, I submit a sum of the order of Rs. 15 crores out of Rs. 2,069 crores is a small one. But as the hon. the Finance Minister said the other day, certain aspects of social services are dovetailed. Even so, the list that has been given with a view to improving cottage industries is inadequate and the treatment of the subject does not seem to be done the justice it deserves.

I seek a clarification of the precise nature of the economy not out of academic interest but because the means that we adopt for the ends we want to achieve are as important as the ends themselves. And also, from the practical standpoint, from the point of working the Plan, if we have to enthuse the youths of our country, who are in fact our real assets, we have to hold out a clear ideology before the country, particularly before the youth of the country as to what we are aiming at and what we are driving at. I have no manner of doubt that while we are seeking to industrialise, we are giving a place of pride to cottage industries also. But in carrying on the work and in meeting opposition in various spheres we find now-a-days quite a well-informed set of our young men who criticise the Congress saying that we have not got a clear ideology, that we do not know what we are after, that we are not clear as to what we are pursuing. Therefore, with a view to meet the criticisms in this line I hope the authors of the Five Year Plan will seek to clarify the ideology that we propose to pursue in as precise a language as the circumstances permit.

In the Plan itself chapters are devoted on the gaps in respect of our material resources and gaps in respect of our manpower. In respect of material resources, quite a good sum is sought to be raised by taxation and by loans. Let us hope we shall be able to achieve this. But if the amount may not be available by taxes and loans in adverse circumstances, perhaps we may have to adopt a greater degree of what is called deficit financing. Because, after all, planning means investment of the resources we have, of the surplus we have after the expenditure we incur in our daily life or other commitments. In India the masses have little saving. They live on the margin of subsistence. That is admitted on all hands. After the

[Shri Sarmah]

last Great War the high cost of living has reduced the middle class people in every State in India to poverty. Middle class people with limited incomes have been reduced to such straits that they find it difficult to make their two ends meet. In the circumstances we have to tap the resources from a small number of people who have got spare cash. And that number of people is also expected to finance the private sector of the capital.

[MR. DEPUTY-SPEAKER *in the Chair*]

In the circumstances, I would suggest that the Planning Commission will take note of the fact that it may be compelled, forced by circumstances to cut out certain parts of the Plan towards the close or latter part of the five years. I have no doubt that the Finance Minister will keep a vigil. What I mean is, let not others be able to say that this Plan failed because there was no proper calculation. After all we stake a great deal in this Plan. If we fail in it we go down. This is the first Five Year Plan. It cannot achieve all that we want to or all that we desire for but it lays the foundation for our future achievements. We cannot risk a criticism which will detract from the psychological atmosphere that is necessary for successful accomplishment of the Plan itself.

Emphasis has been given, a great emphasis has been rightly given, on agriculture. Too much stress cannot be laid on it. Production of sufficient food is for the present be all and end all for us. Chapters are devoted to reforms in administration. The other gap in man-power relates to the gap in the administrative strata. I may illustrate this by an example. In 1951 prices of rice shot up in Assam but when the control was lifted, for three months, not only the tea planters got all the rice that they wanted but the Government of Assam also got about 23,000 tons of rice from them. When there was control, rice was not available. When control was lifted for three months in four districts, there was sufficient quantity of rice. What does this indicate? Does it not indicate that the administration left very much to be desired of it? It is not from the peasants, it is not from the cultivators that rice was procured. A few millowners gave this rice. All these millowners have rice in their godowns here, there and everywhere in villages and it is difficult to get at those. When the control was lifted for three months they supplied the necessary amount of rice openly at black

market price. I would beg of Government to keep in mind one aspect. The tremendous amount of goodwill that we had soon after August 1947 could not, in my humble opinion, be utilised to its full extent. Now also, with the placing of this Plan before the public, we are having a fund of goodwill. Let us try to exploit this goodwill to the best advantage. If we slacken the administration, if corruption which is permeating to a considerable extent in all strata of the administration is allowed to go on as it is, I venture to think, it will be very difficult to bring this Plan to fruition.

I have to deal with yet another subject and I would beg of you to give me about five minutes more. This is in relation to the North East frontier. I am not seeking to examine this in a provincial or parochial manner. After all, it is well known that the defence of a country cannot be carried on by guns, ammunition and soldiers alone. Our Prime Minister was pleased to come to Assam lately. He might have found that in the hilly border regions on this side of India, the people do not know that they belong to India, that they have to love and work for India. When we come to planning, what about these people who live in the border areas? It is well known that when the Japanese Army advanced into India, and besieged Imphal and Kohima, tribal people supported them and they were carrying on their warfare with advantage, but later—I will not dilate on it as the time is very short at my disposal—I will simply say when these tribal people refused to give them support, the Japanese Army had to retreat with disaster. Now this Plan had set apart a certain amount of money. Let us hope that the roads, communications and other amenities that are being contemplated will be executed soon. As an example, I may point to one thing. The Prime Minister was pleased to send an expert team to Assam about three months back. Only three days back we heard from the Minister of Food that they are still considering as to what action they may take on the report by the experts. Those poor people living in the Khasi and Jaintia Hills bordering Pakistan are suffering. They cannot sell their betel leaves, they cannot sell their oranges and are being compelled to live on roots as Pakistan is tightening the strangle-hold on them and our Government has taken nearly 2½ months to consider the report and are yet unable to come to a decision. Is that the way that we are going to execute this Plan into action? I may

not be misunderstood as one who is advancing carping criticisms. I suggest that Government will take note of it and draw the necessary lesson. Another instance is about this tea industry.

Mr. Deputy-Speaker: Your time is over.

Shri Sarmah: Sir, I have been sitting here for the last 40 days for a chance to speak. During all these 40 days I was hoping that I would get a chance to say something.

Mr. Deputy-Speaker: The hon. Member will do it on another occasion.

Shri Sarmah: Sir, I have been getting telegrams from Assam to the effect that one after another tea estates are being closed. I am thankful to Government for taking steps to do what they can to help the tea industry. I might also be permitted to express the sentiment of my people. When Mahatma Gandhi was amongst us, he took good care of our State in the far North-East corner of India. After him, the present Government led by Pandit Jawaharlal Nehru as his political successor, is taking interest in this frontier State. I will be failing in my duty if I do not express the sentiment of our people which is one of gratitude. But having said that I have also to say that the great tea industry is in a dying state there. In yesterday's *Statesman* I read "Doctors debate, the patient is dying. Let not this epitaph be written on the grave of the tea industry". The Government are no doubt doing their level best to help the tea industry but the tea gardens are being closed. A section of the owners came to this industry lately not as enterprising industrialists but as profit seekers in the post-war boom period. There is no doubt of a crisis in the tea industry, but that section is seeking to squeeze labour taking advantage of the price recession. Here is a telegram which I received last night:

"Haroocharai and Deha closed from yesterday. Another 18 of Goalghat and 18 of Jorhat to close from 1st January. Brahmaputra Tea Company closes 9th January along with Dooria throwing 28,000 workers out of employment. Situation very serious. Public meeting today at Jorhat regarding closure."

Have not our Government got long enough arms to stop these profit seekers from throwing these labourers out of employment all of a sudden? These tea labourers, it may be remembered were recruited particularly for

working in these tea gardens. They are no settlers there. They are not Assamese people. They come, barring Punjab, from all States in India. Now, if they are suddenly thrown out of employment, where will they go? What can they do as they are without any means? Cannot our Government take some steps?

Then, as regards. . . .

Mr. Deputy-Speaker: The hon. Member has exceeded his time.

Shri Sarmah: In two minutes, I shall finish. How do Government propose to push on with the Plan in such a set-up?

Mr. Deputy-Speaker: No; I am sorry.

The Minister of Finance (Shri C. D. Deshmukh): The speakers that have preceded me can be divided into four categories. Either they are discriminating supporters or helpful doubters or unhelpful cynics or confirmed obstructive opponents. I propose to deal with these categories in the order in which I have mentioned them.

The first category is by far the largest one and that by itself, I think, augurs very well for the future of the Plan. Generally they have approved of the approach and the philosophy of the Plan. They have also approved generally of the priorities and the size. They have drawn attention to a few omissions or to a few regional grievances. It will not be possible for me to deal with this list in the course of my speech. But, I have no doubt that since the process of planning is a continuous one, these will be borne in mind and whenever it is possible, attempts will be made to remove them.

Some particular grievances have been mentioned with which I think I should deal here. One was the question of irrigation works in the famine tracts of Maharashtra. One hon. Member who spoke, I think, referred to a note on page 134 of the Supplementary Volume which stated that a revised estimate of Rs. 29 crores and odd in the place of an estimate of Rs. 12 crores was being considered. I was myself surprised by this note and I have made enquiries and found that that note ought not to have been there. It was inserted inadvertently and not with the knowledge of any member of the Planning Commission. It means that some misconception has occurred in regard to the works that are being considered. There were certain works

[Shri C. D. Deshmukh]

in regard to the lower Tapti valley which were being considered together with other works in the Bombay State. It is true that further investigation is being made in a work which is not included in the Plan. That obviously will have to take its chance at the proper time with other works whether on the Deccan plateau or whether further south in the Karnatak at the time when the next Plan is being considered.

Then, there was some reference to Rajasthan, and to the inadequate provision for the development of that tract. Some provision is being made for a major project and it will be understood that the provision of water in Rajasthan is somewhat of a loony business. At the same time, it should also be remembered that when one refers to provision in the Plan, it does not mean a grant. It really means an estimate of funds that will be found by the State in the first instance, and by the Centre through its assistance. The Central assistance has been indicated and an estimate has also been made of the resources of the State. Rajasthan has its own financial difficulties and it is quite possible that the two resources together could not be stretched to cover all the developments that could in theory be demonstrated to be desirable. The only comfort that I could give hon. Members from Rajasthan in that connection is that they would have to hold their souls in patience for a little while.

There was reference to iron and steel. Here again, there seems to be some misunderstanding. In 1949, it is true that there was a project report relating to the establishment of two steel plants, each calculated to produce 500,000 tons of steel. At that time, it was found that there were no visible resources out of which this project or these projects could be financed. Indeed, that demonstrates more effectively than anything else the need for a Plan, because, that problem was being considered in isolation, and so dropped at the time. A further re-examination showed that it would be far cheaper to get the first 500,000 tons or thereabouts by assisting private firms who had already their overhead establishment and other ancillary services. It effects a great deal of saving by trying to do it that way. It is on that basis that negotiations are being carried on with the International Bank for Reconstruction and Development for assisting these two private manufacturers. Provision is contained in the Plan for the

other 500,000 tons or, again, thereabouts—it may be a slightly smaller plant—and we are making exploratory enquiries as to the sources of capital and technical assistance.

Then, there was reference by one hon. Member to the necessity of giving some kind of price support for foodgrains and essential raw materials. I remember that during the course of my speech on controls some time ago I did observe that this was a principle which was implicit in our system of controlling foodgrains and I would like to add now that, maybe, it would have to be adopted in a discriminating way in regard to raw materials. Already assurances have been given more than once in regard to cotton. I understand that some kind of a situation is developing in jute. Although I am not in a position to make any commitment, I do recognise that here is a problem which must be faced.

That brings me to the question of tea to which hon. Members from Assam made some passing reference. We have been engaged in the consideration of the problems affecting the tea industry for some months past. The hon. Member referred to a disease of the industry. What is happening is a disease which requires prolonged diagnosis and also a prolonged prognosis. When he asks, is there no way in which gardens could be prevented from closing, I would say, I am afraid, no, not for the time being. It may be that a transition from a sellers' market to a buyers' market would bring about such a phenomenon not only in the tea industry, but in various other industries. To a certain extent that process must be regarded as inevitable although it could never be regarded with equanimity. All I can say is that we as doctors are trying to prescribe, and like the Harley Street specialists, we will always add to the prescription a small element of hope. It was the experience of that doctor that the addition of that prescription involved an error of not more than one per cent.

An Hon. Member: All consolation!

Shri C. D. Deshmukh: There was reference to Tehri-Garwal. We recognise that there are some districts which would not benefit very conspicuously from the Plan. It must be remembered that the Plan was not built, and could not have been built, district by district, because already a considerable portion of our resources was committed to very large schemes

in existence, and our hands were tied by problems which already were demanding solution. And it is with a recognition of this that the Plan provides for a sum of Rs. 15 crores to which reference is made in paragraph 17 of Chapter IV. With your permission, I shall quote just a few lines from that paragraph:

"In the period of the Plan, some parts of the country may not stand to benefit directly from the various development schemes taken up. In order that the Plan creates interest on the part of as wide a section of the community as possible, and in order to draw forth local initiative and resources, a lump sum provision of Rs. 15 crores is being made in the plan for local development works."

When the mechanism for administering this fund is laid down, I do hope that the champions of Tehri-Garhwal.....

The Minister of Revenue and Expenditure (Shri Tyagi): And Dehra Dun.

Shri C. D. Deshmukh:...and, maybe, Dehra Dun, would put forward their case for a share of this special expenditure.

Shrimati Kamlendu Mati Shah (Garhwal Distt—West cum Tehri Garhwal Distt. cum Bijnor Distt.—North): If money is to be given to local development schemes, a little money should be allotted to Tehri-Garhwal. I am certain that even little money in good hands can benefit our tract greatly.

Shri C. D. Deshmukh: I am not denying the possibility of grant of a little money.

Then, I come to the doubters. Some people doubted the feasibility of the pace contemplated for the Plan. The outlay of development in 1951 has been estimated at Rs. 232 crores. The development expenditure in 1951-52 was about Rs. 285 crores, and the budgeted outlay for the second year is Rs. 346 crores. Thus, it would be seen that development outlay has been going up in the last two years at the rate of about Rs. 50 or Rs. 60 crores per annum. The implementation of the Plan of Rs. 2,069 crores would, in our calculation, require development expenditure to be stepped up further at the rate of Rs. 50 crores per annum. And with a certain streak of optimism, I should not regard that as entirely impossible.

410 P.S.D.

So far as the resource position is concerned, this year is somewhat abnormal because of the downward movement of prices. But if this trend proves to be persistent, then, it should be remembered that it might be possible to take certain corrective measures without detriment to the economy of the country. That is to say, if there is rising investment, then there will be expanding incomes, and those will, in turn, lead to larger tax revenues. On the other hand, if there is a declining trend in tax revenues—and that seems to have established itself—it can be taken to mean that conditions would be favourable under the economy for expanding money incomes, if necessary, through deficit financing. So, this is a matter to be judged in the light of the circumstances as they prevail from time to time during the remaining period of the Plan.

The question has been asked, where the private sector is to get its money from. I would refer here to Chapter III, paragraphs six to nine. It says that the total domestic resources available for investment for the Five Year Plan have been estimated approximately at Rs. 2,700 to Rs. 2,800 crores. This should be supplemented to the extent of about Rs. 450 crores by withdrawal from Sterling balances. If additional external assistance of the order visualised becomes available, then the total resources available for investment might be about Rs. 3,500 to Rs. 3,600 crores. The development programme in the public sector would absorb a little over 50 per cent. of this. And, therefore, the remaining, a little under 50 per cent., should be available to the private sector. And this is the only kind of fitting, so to speak, that is possible in planning within a mixed economy.

In this connection of finance for the private sector, Mr. Somani referred to depreciation arrears of industry. The Commission's estimate of Rs. 150 crores for arrears of depreciation in industry which might be made up during the period of the Plan—and that is the important phrase—has been criticised on the ground that it is an under-estimate. We admit that the estimate is a rough one based on a few studies undertaken by the Commission. But then, there is reason to believe that the estimate put forward by the organisations representing industry is also based on assumptions which need to be more closely examined and verified. A more detailed investigation is, therefore, necessary to assess the precise nature and

[Shri C. D. Deshmukh]

magnitude of the problem of each industry, and this would be looked into. That is as regards resources.

Then there was some question raised about food policy, and there was a plea entered for a definite target date for dispensing with imports. The Commission has emphasised the need for elimination of imports by the end of the planning period. And during the period of the Plan also it has been accepted that imports have to be kept to the minimum in view of the large foreign exchange expenditure involved, since foreign exchange is wanted for other more vital needs such as capital goods. But then we must remember that the need for imports is related to the efficacy of controls; and we have, I think, already accepted that controls are necessary during the Plan period until production comes up to our requirements. After the Plan period, the level of investment activity which we choose to maintain will be a vital factor in this connection. That is to say, if increased production of foodgrains results in increased *per capita* consumption to any large extent and the marketable surplus does not improve then this will limit the investment effort that can be sustained, and this is a point that has been stressed in the Chapter on commercial policy. So we have to recognise that given the scale of investment in the economy—and our hypothesis is this must remain high and should even increase in a rapidly developing economy—the answer in regard to this problem is that the elimination of imports will depend upon the extent to which controls are maintained so as to prevent consumption from rising unduly in any given choice of investment rate. I do not know whether I have made myself clear, but generally, I should add, to sum up, that investment expenditure means increased demand for consumption of essentials, and unless one does something to curb that our investment rate is bound to be slow. If, on the other hand, we permit consumption to go up, then it may be necessary, even in food, to go on importing food after the planning period.

I come to the cynics now.

Dr. S. P. Mookerjee (Calcutta South-East): You have finished with the doubters and come to the cynics? Cynics should be dealt with after Lunch.

Mr. Deputy-Speaker: How long does the hon. Minister expect to take?

Shri C. D. Deshmukh: Another ten or fifteen minutes.

Mr. Deputy-Speaker: If it is only 15 minutes, the House can sit and resume 15 minutes after the usual time. But, if the hon. Minister wants to take half an hour.....

Shri C. D. Deshmukh: I will not take half an hour. I will only choose one or two important points.

Mr. Deputy-Speaker: Then we can sit and meet at 2-45 P.M.

1 P.M.

Shri C. D. Deshmukh: I was coming to the doubling of national income. It must be borne in mind that what the Commission had in view was the doubling of *per capita* income. On the basis of certain assumptions regarding the growth of population and the ratio of investment to output and the rate of investment out of additional income generated at each stage, we have argued in the report in the first Chapter, that *per capita* incomes would be doubled by 1977. But secondly, considering certain other factors like the possibilities of direct utilisation of unemployed manpower and the scope of increases in productivity from the present exceedingly low levels, we have recommended in one place that the aim should be to double *per capita* income in 20 years instead of in 27 years suggested by the calculations made on the previous assumptions. So, the purpose of the relevant Chapter, namely Chapter I, is not to limit the scale of effort but to indicate what it would mean and to prepare the country for it. It is not quite true to say that we are just satisfied with aiming at doubling *per capita* national income in 27 years, by which time, as somebody is reported to have said, we shall be dead.

I would like to say a few words on the question of the problem of employment. The hon. Member who referred to it and wished that that Chapter had not been written is unfortunately not here. But the point to which we wish to draw attention is that the facts regarding the present employment situation are very inadequate, and therefore the employment effects on investments in the different sectors cannot be assessed unless we have more data and more statistics based on observations in particular regions chosen for development, and this we propose to do.

As regards employment policy, there are two aspects. One is the utilisation of manpower to the maximum extent possible needed on development, and to the extent that production does not go up quickly, this would involve a redistribution of existing output, and sectional reductions in real incomes. And the other is expanding employment opportunities at rising levels of real income. It is only the latter which constitutes full employment in the real sense of the term, and that is our difficulty. As emphasized in the report, the scope for providing full employment at rising levels of real income, must necessarily depend on the rate of investment and the rate at which capital accumulation goes up. This is a somewhat abstruse point and has been referred to in paragraphs 41 and 42 of Chapter I. I should say, to sum up this particular aspect, that it is very necessary that we should at least recognise the rudiments of this problem in order to be able to start thinking on how to solve them.

Dr. Meghnad Saha pleaded for more rapid industrialisation through greater reliance on turnover taxes, and incidentally his observations in regard to the reduced stress on industrialisation were, I think, entirely unjustified in view of the fact that the former plans or semi-plans that he referred to were largely made before the Partition. That is a minor fact which he seems to have overlooked. It is this Partition which has created and stressed the problem of increasing our stocks of food and raw materials. Now coming back to turnover taxes, turnover taxes are sale taxes which do form part of India's fiscal system. In the U.S.S.R. turnover taxes account for more than 50 per cent. of public revenues. In the U.S.S.R. the price which the consumer has to pay includes the planned cost of production, the planned profit for the enterprise and the turnover tax, and this last is designed to make available to the State the resources needed for capital formation. In other words, it is a device for restricting consumption. That is really the key to the situation in the interests of capital formation. Investment goods are therefore taxed at low rates, while rates of taxes on consumer goods are high. Now I have not got the time to go into details, but what we had to consider was the problem in this country with due regard to the existing low levels of consumption in the country. In paragraph 16 of Chapter III, we do make a specific mention of turnover taxes in the U.S.S.R. and

their limitations from the point of view of their applicability to India at the present stage.

Now I have got only a few minutes to turn to my opponents. The jaundiced way in which the hon. Member opposite Mr. Mukerjee referred to the economic prejudices imbibed by me in Cambridge made me suspect that he belonged to the other place, in other words, that he was from the men of Balliol. I find however that he is from the 'Cats', and that is probably the reason why he has torn the Plan to bits. Actually I should say in speaking of his speech that I was very amused when I heard him quote the Scriptures. I do not mean to imply that the Tata-Birla report is of that high eminence, nor do I imply that Prof. Mukerjee is near the person who quotes Scriptures; if he asked me to indulge in arithmetic; in my mis-spent youth I did that to a great extent. It does not seem to me that Prof. Mukerjee himself indulged in those exercises very much in his pursuit of political philosophy, and that is why many of the figures that he has given suffer somewhat from lack of acquaintance with general statistical methods. For instance, he has said that in 1951 we received Rs. 15 crores of foreign capital, and in this connection he quoted figures of 1925-27, 1930-34, and 1934-36, namely Rs. 2.84 crores, Rs. 5.67 crores, and Rs. 1.35 crores respectively, for India and Ceylon. From this he concluded that India was becoming a paradise for foreign capitalists. Although he made an allowance for prices earlier in his speech, he forgot all about prices when he was quoting these figures. Secondly, it would really be a matter of gratification if external resources are becoming available to a larger extent, and that is a matter in which, of course, Prof. Mukerjee and we on this side could never agree. But even in regard to the facts, the Finance Ministry's figures quoted by him refer to sanctions for issue of foreign capital, but take no account of the repatriation of foreign capital. The position as shown by the Reserve Bank figures on balance of payments is that in 1950 there was a net outflow of private long term capital from India to the extent of Rs. 8.9 crores. In 1948 the net outflow was Rs. 16.3 crores, and in 1949, the outflow was Rs. 20.1 crores. So, the overall position is—and I think it will be admitted even by Prof. Mukerjee himself—quite different from the one suggested by him. Since 1947-48 the outflow of capital has been about Rs. 50 crores.

[Shri C. D. Deshmukh]

I must refrain from gloating over these figures because I do not think this is a very healthy tendency.

Then, Prof. Mukerjee made the statement that about Rs. 137 crores were available in 1948-49 for being ploughed back into industry. Now, this estimate I find appears in an article in a journal called *New Age* and is based on data collected from a variety of sources. The net value added by industry in 1948-49 is based on estimates from the National Income Committee's First Report; the wages and salaries are computed by some crude calculation from the data published in the census of manufacturers for 1948, and the estimate of dividends distributed is taken from a brochure published by the Indian Chambers of Commerce, Calcutta. How closely he relies on these various sources! The figure of Rs. 137 crores is the residual amount arrived at by deducting wages and salaries paid, dividends distributed etc. from the net value added by the industry previously. When he had taken it from three different sources, any residual figure like this is subject to a wide margin of error.

Shri H. N. Mukerjee (Calcutta North-East): Why did you not give alternative data? You did not and we tried our best.

Shri C. D. Deshmukh: I know that best is not good enough; that is the trouble. We know that there are certain things for which figures cannot readily be given without further statistical data.

Shri H. N. Mukerjee: We know what your statistics are worth and you say it yourself.

Shri C. D. Deshmukh: Then, there is only one more figure with which I will deal and that is the figure of Rs. 50 crores as the profit of the jute industry given by Prof. Mukerjee. I do not know where he got this information.

Shri H. N. Mukerjee: I quoted it from *Capital* which you respect so highly.

Shri C. D. Deshmukh: I do not know. At least this figure is wrong. The gross produce of the jute industry in 1950-51 was, according to my information about Rs. 5.3 crores of which Rs. 2.4 crores was paid by the industry by way of income-tax and super-tax. The profits remaining for distri-

bution as dividends and in the form of plough back then amounted to Rs. 2.9 crores. The fixed capital employed in the jute industry in 1948 was about Rs. 23 crores and the working capital about Rs. 43 crores. I have still got to accept that Rs. 50 crores was the profit of the jute industry.

Shri H. N. Mukerjee: The statement I quoted from *Capital* clearly said that in a full working year the jute mills could make a profit of Rs. 50 crores of rupees.

Shri C. D. Deshmukh: That statement is wrong as the one re-produced by the hon. Member. Anyway, I have placed my figures and I have no doubt that other Members who are interested will conduct research into that.

I have not time enough to deal with various other points but I would like to deal with one. It has been stated, I think by Shri Vallatharas, that this is a mere financial programme or a series of budgets. This point has been fully answered in paragraphs 50 to 55 of Chapter III and we have made an attempt to view resources as a whole in terms of national income and amounts available for investment, the condition of the basic commodities required for consumption and for capital formation has been stated, and foreign exchange estimates dovetailed into domestic production and consumption charges—as for instance, you will see in the Chapter on Resources and the Chapter on Commercial Policy—and the scope for deficit finance, it has been emphasised indirectly especially with supply and distribution of food-grains. In that sense finance is not the bottle-neck. We have also made provision in the Plan for drawing forth and utilising the un-utilised man-power and other resources to the maximum. And, therefore, finance is used only as a catalytic agent. It is not a very good term because the catalytic agent is always recovered but the finance here put in will be used up. Anyhow these are ultimately the ways in which a Plan can be translated into real terms. And, as more data become available and as we get more experience, the Plan would be worked even more fully.

One last word, Sir; we have put into this Plan the best we know; according to our judgment, it is a very good Plan and those who decide not to co-operate with it do so at their own peril.

The House then adjourned for Lunch till a Quarter to Three of the Clock.

The House re-assembled after Lunch at a Quarter to Three of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

Mr. Deputy-Speaker: Shrimati Sucheta Kripalani.

Shri B. S. Murthy (Eluru): I find the Treasury Benches are empty. Who will take notes for the Government?

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): I will.

Mr. Deputy-Speaker: Yes. Shrimati Sucheta Kripalani may proceed.

Shrimati Sucheta Kripalani (New Delhi): I rise with a little trepidation and fear to express my views on the Five Year Plan after the speech of Shri Deshmukh. His last sentence was that those who do not cooperate with the Plan do so at their peril. I do not know what peril he holds out to us. This country is now in a half-starved state. Most of our people are getting perhaps one meal. Perhaps, the peril means that if we do not cooperate even that one meal will be taken away. But we have risked many things, and we will risk that also.

Shri Radhelal Vyas (Ujjain): Are you going to non-cooperate?

Shrimati Sucheta Kripalani: The Planning Commission has worked on the Plan for thirty-two months and a voluminous report has been presented. I congratulate them on the stupendous task they have done. It is the first Plan of its kind for this country. It embraces all aspects of our life and activity. It has prepared the country to accept a scientific approach towards tackling our national problems. We now no longer think in terms of tackling them in isolation but we believe that they should be dealt with in a comprehensive fashion. There should be a coherent pattern according to which we should proceed. It is a brave attempt. Our country is vast. Our problems are very innumerable. Therefore, I do not want to minimise the task of the Planning Commission.

Another result that has come out of the endeavour of the Planning Commission during the two and a half years that they have been working is, during this entire period, because of the propaganda done for the Plan, greatly due to the Prime Minister's close association with the Plan, our country has become "Plan-conscious". But I have some regrets also. The

first regret is that though the Planning Commission has taken thirty-two months to produce the Plan, we have been asked to express our views on the Plan even without having an opportunity to study it for thirty-two days. Necessarily, therefore, our reaction will be rather superficial and sketchy. What we express will not be adequate. Neither will it be conclusive. Therefore, I shall confine my remarks to a few basic points arising out of the Plan.

The Plan claims to be the economic complement of the political revolution that took place in 1947. Let us see whether this claim is justified. Even the planners have made a rather tall claim. They say as follows in describing the task:

"It is not one of merely re-channelising all economic activity within the existing socio-economic framework but the framework itself should be re-moulded so as to enable it to accommodate progressively these fundamental urges which express themselves in the demands for the right to work, the right to adequate income etc. etc."

Now, our criticism is that this very claim of the planners is missing. To us, it seems that the Plan has been based on the old foundations of society that already exists in the country. It does not inaugurate any social or economic revolution. We were looking forward to it. The Plan is based on the old capitalistic order. The *status quo* is maintained. There are superficial changes, no doubt—maybe, some good changes here and there of that type—but the foundation remains untouched. My question is: what is the social philosophy behind the Plan?

Let us look at the Plan in terms of achievements aimed at. What does the Plan propose to achieve immediately? We are told that after five years of the working of this Plan, national income will be increased by eleven per cent. Of this, five per cent. will be consumed by the increasing population, and five per cent. will be ploughed back to the industry. So, we would be left with only a one per cent. increase.

Then, what else do we see? The industrial sector will be mainly left in private hands. Secondly, accumulation of capital will be allowed. Allowing the accumulation of capital means the perpetuation of inequalities. The Plan starts off by saying that the planners want to remove inequalities

[Shrimati Sucheta Kripalani]

and that they want to bring social justice, but in fact they will be perpetuating inequalities by allowing private capital to have free play. Though the Prime Minister says that he will control the private sector, I have my own very grave doubt as to how this controlling of private capital will be done.

Then, another point that arises is that there is no guarantee against unemployment. This is my first criticism regarding the social philosophy behind the Plan and the immediate achievements that are held out to us.

Next, I would like to consider what is the character of this Plan. Is it a National Plan? A very careful scrutiny reveals that a large portion of the Plan relating, for example, to the big River Valley Projects like the Hirakud, Bhakra-Nangal etc. or the big industrial projects contemplated, is nothing new. These projects were conceived by the British Government as post-war development projects. The Bhakra-Nangal project was formulated in 1946. Some part of the construction work was also undertaken in 1946. Similarly, take the Damodar Valley Project or the Hirakud Project. These will swallow up large slices of our total expenditure on this Plan. The plans for the Hirakud and Damodar Valley Projects were approved and finalised by the American engineer, Dr. Savage, who came here in 1945-46. An examination of the report of the Central Water and Power Commission will reveal similarly that most of the major and minor projects included in the Plan are not new ones.

Take the industrial sector. The major items of the proposed public investment in the industrial sector are the Locomotive Workshops and the Machine Tool Factory. These also had their genesis in the Grady Mission which came to India during 1943-44. Many other industrial plans also were originally initiated on the recommendations of the Grady Mission. The origin of some Plans can be seen in Sir Ardeshir Dalal's Report. Therefore, can we call this a National Plan? It is true that certain portions of the Plan have emanated since we took over, but a large portion of it was already there in the shape of various projects. Once Dr. John Matthai gave us a very huge figure of expenditure for all the plans and he said that those plans were lying in the pigeonholes of the Secretariat. We have now taken out many of the plans from the pigeonholes. This Plan, it would be more

correct to say, is a compendium of Central and State Government projects. They have been put in one volume and that has come to us today as this Plan. That is my criticism regarding this Plan being a plan at all.

As I stated, these plans had been initiated by the British Government as post-war development projects. What was the aim of the British Government? The British Government was motivated by ideas very different from the ones by which the present Government should be motivated. They were merely trying to restore the pre-war economic condition. This Plan also holds out to us after five years, not much more than the pre-war economic condition. Therefore, I think that this Plan is not well integrated. It is a compendium of many plans put together. An attempt has been made to give it the shape of a Plan. It was a very useful election pamphlet in the hands of the Congress in the shape of a Draft Outline Plan. It will also help the Government in raising necessary funds now. The Government, during the last few years, have had serious difficulties regarding the raising of money for their projects. Capital was shy. Loans were poorly subscribed. So, when it comes in the shape of a Plan—something new—it will be easy for the Government to attract money both inside this country as well as from outside. These are certain advantages of this Five Year Plan, but as to whether it is a plan or not, I have my doubts.

Now, let us examine it further. What are the rocks on which this Plan is built? What are the rocks on which this big edifice is sought to be constructed? The two rocks are Finance and Public Cooperation. Let us first examine the financial side of it. It is estimated that the Plan will cost us Rs. 2069 crores. Out of this, Rs. 1258 crores we will secure from revenue surplus, loans and other miscellaneous sources; Rs. 156 crores from foreign assistance; and Rs. 655 crores will remain the gap, which may be filled by foreign assistance, borrowing, additional taxation or deficit financing. Let us examine each of the items. Let us first take the Rs. 1,258 crores. This includes the contributions that we will receive from the States. Frankly, I am not very hopeful about the contributions. I do not think they will come from the States as expected. It is very uncertain. Only a few days back there was some news in the paper regarding the reaction in Lucknow. The United Provinces Government is

rather perturbed, because they did not expect the anticipated increase in the quota that the State will have to give. Many other States will now go on giving their reactions. So, I am not at all hopeful that the quota we expect from the States will be forthcoming.

Let us come to foreign assistance. As it is in this country there is considerable alarm regarding acceptance of foreign assistance. Should we go in at all for foreign assistance? Recently the statements that have been coming from the Ministers gave an impression that we are very anxious to get foreign assistance. We are following, so to say, an open door policy and inviting foreign capital. In the imperial countries abroad there is a feeling that it is highly profitable to invest money in India. It is admitted that if we accept too much of foreign assistance there is a risk involved for the country. Even the hon. the Prime Minister in his introductory speech admitted the existence of this fear.

There is another disadvantage. When foreign assistance comes the time schedule for receiving that assistance does not depend upon us. That will depend on them. They will decide when and how to give that assistance. They will not take so much into consideration our needs as their needs. It will not depend on our national situation, but international situation will dictate to them when they should release the money. There is also a tendency of late to relax the terms and conditions under which foreign assistance is received and this is leading to very undesirable results. When I was in Calcutta a few days back, I received a representation from employees of foreign firms. They had a long list of grievances. They told me how they are being exploited, how they are sought to be thrown out, what policy detrimental to our national interest the foreign firms are following etc. I am sure my hon. friend Mr. Krishnamachari has some knowledge about this aspect of the situation that is prevailing in the country. I understand that the Pakistan Government has made some regulation that the foreign firms must have at least 50 per cent. of the staff from amongst Pakistani nationals, and insists on holding 50 per cent. capital in these ventures. I do not know whether our Government is thinking of imposing similar restrictions. I do not know whether accepting foreign assistance will benefit the country. We may derive some benefit, but side by side

there is a great deal of risk and danger for the country about which I want to warn Government.

The other means by which it is proposed to raise money is by deficit financing. I am not an economic expert. That is why I do not want to say much on this point, but as a layman, I can say that this dubious form of raising finance will not lead to happy consequences. We know whenever deficit financing is resorted to, it leads to inflation. What guarantee can the Government give that when such inflation takes place, they will be in a position to control it? If the inflation is not controlled, not only will the cost of living go up, but the cost for the execution of the Plan also will go up. In that case how do we propose to work the Plan?

So the financial foundation of the Plan is not so secure as it has been sought to be made out. The Planners as well as the Government realise the difficulty before them. That is why they have talked of marginal adjustment. But my fear is that the adjustment may not necessarily be marginal; there may even have to be major adjustments. Suppose a question of major adjustment arises—what will be the consequence? You have launched large projects. You will not be in a position to stop the large projects—it will not even be wise or economical to do so. You would like to push on with them. You will have to apply the pruning scissors elsewhere. You will apply the scissors on the social services portion of the Plan. That is the portion from which people are expected to get some immediate benefits. That is the portion which will help in raising the enthusiasm of the people, if at all, for this Plan. Thus what will happen? If we are not able to find the money to work the Plan in accordance with our expectations, the Plan will have to be altered considerably and in the alteration of the Plan we may injure that portion of the Plan which perhaps may be most popular or may be useful in giving immediate benefit to the people.

3 P.M.

If we fail in this, then we have to resort to taxation. How heavy the incidence of taxation is in the country is well known. Government is very reluctant to impose direct taxes, because they feel that the higher income groups have been taxed as much as possible and if we tax them more there will not be any inducement for investment of money. Therefore, you will resort to indirect taxes. Our people are already overburdened

[Shrimati Sucheta Kripalani]

with taxes. They can ill-afford to bear any additional burden of taxes. If in the wake of the Plan, additional indirect taxes also come, I warn you that it will not be welcomed by the people. It will not be looked upon as something which will bring them prosperity, but which will bring them further hardship.

Now comes the other rock on which the Plan has been built—the rock of public cooperation. It is a well known fact that in India after the achievement of freedom the public cooperation and the enthusiasm that should have been available to the Government has not come. I do not wish to go into the reasons for it. I therefore do not think that much of enthusiasm or public co-operation is going to come to you immediately. I know that our planners are very anxious to secure the public cooperation and they are in their own way trying to devise methods by which to secure it. They have come out with a suggestion regarding an organisation which will help in drawing public cooperation. That organisation goes by the name of Bharat Sevak Samaj. I have had some opportunities of attending a few meetings of the Bharat Sevak Samaj. I know that they are anxious to make it a non-party organisation. But in actual fact what is happening? It is not a non-party organisation. It is in actual fact a Congress organisation. All the key men, most of the people holding strategic positions in this organisation in the different provinces as well as in the Centre are Congress people. I do not know why they called me. I was one of the non-Congress people who was asked to cooperate. My party was not consulted. I was sent an invitation in my individual capacity. In the Delhi State there are two non-Congress people in the Bharat Sevak Samaj—one is myself, the other is a worker from the Socialist Party. That does not make it a non-party organisation. If 99 per cent. of the members of the organisation are Congress people and one per cent. non-Congress, then it does not become a non-Congress organisation, nor does it create that impression in the mind of the people. Therefore, this is looked upon as an adjunct to the Congress and that it will function as a part of the Congress organisation.

Public cooperation comes out of enthusiasm. Enthusiasm is generated in the people if they have faith in anything. Enthusiasm comes even for the hardest task, as it came dur-

ing the days of Gandhi's struggle. Why is it today people are not enthusiastic? Because people have increasingly lost their faith in the Government. Why is it so? When we achieved freedom, when we had an Independent Government for the first time, there was tremendous goodwill and people would have come and done anything to help the Government. But why did we lose that enthusiasm? We lost that enthusiasm because of the way in which the administration is functioning: the nepotism, the corruption, the inefficiency that prevail in the administration.

My criticism applies not merely to the bureaucracy. We are always attacking the Government servant. But I would say certain steps taken by the party in power have also gone a long way to shake people's faith. We have formed large Ministries in small States. For what purpose? Not because such Ministries are needed for the good administration of the States, but for the sake of solidity of the Party—to satisfy this interest or that interest. That is not the way to create belief or faith in the people.

An Hon. Member: No, no.

Shrimati Sucheta Kripalani: There is plenty of nepotism. I do not want to go into details, because my object is not to run down anybody. With all the sincerity that I can command I am placing these things before you, because these things, corruption, nepotism, and inefficiency, are found not only in the official ranks, but they are found in all the ranks. People are therefore increasingly losing faith: there is no enthusiasm and public cooperation is very difficult to secure.

It is claimed that this is a National Plan. I wish it were so. It is claimed that in the formulation of the Plan all the parties had a hand. I am afraid it is not so. The Plan in its formative stage was made by people of one Party. At a later stage some of us were invited. It was a courtesy extended to us, and we responded to that courtesy. When we went, we went more in the capacity of people going to give evidence before a Commission. We went without any conviction that our views will materially alter the plan in any way, and I think that we were justified in the view we held. Therefore, this Plan is not our Plan. This is a Plan formulated by the Congress. They asked us to appear before them and give our advice, and we gave it for what it is worth. So it is not a

National Plan. Neither is it an all-Party Plan. It is a Plan of one Party, and will be worked out by one Party.

Now, let us come to the objectives of the Plan. The two objectives are: one, increase of production, and two, the establishment of an equitable social order. That subject is so vast that I cannot possibly do justice to it here. I will just take one or two points and try to say a few words. Let us take the point of increase of production. Let us take agriculture. When I talk of increase of production in agriculture I feel as if I am entering upon a dark journey, because of unreliable statistics. Today we had a very good display about the reliability of the figures given to us, either by Government or by other publications. It is a notorious fact that statistics in India are very unreliable. Even Government figures are not reliable. There is a saying that there are three kinds of lies: lies, white lies, and—above the white lies—Government statistics. So I do not want to get involved in statistics. And it is well known that regarding agriculture our statistics are very deficient. Yet, in spite of that, it is said that foodgrains production will increase by 3.6 million tons, that is by 14 per cent. There is no guarantee that this target will be fulfilled. Then it is said that the jute increase will be 2.9 million bales, that is 63 per cent, and cotton will increase by 1.6 million bales, that is 42 per cent. It is very strange that targets of these last two are already achieved without the Plan, outside the Plan, or in spite of the Plan—I do not know how. We have already achieved the targets on cotton and jute. In what plight is jute production in India? It is surprising that though we encouraged and asked the cultivators to produce jute, now we are importing jute from Pakistan. The growers do not know what to do with the jute they have produced. I would ask the planners to tell me what they have to say about this part of the Plan.

Then we come to industrial sector. The major part of it we have left to the private sector. The private sector is already complaining that there is too much of production, the prices are falling, and profits are less. We know, at least in India, this class of people is motivated only by profit. How do we expect that people who function only for profit will increase our production when they assert that there is more production, that prices are falling

and that they are getting less profits? Therefore, I am not at all sanguine that by leaving things to the private sector we will increase production.

There is one more point. I hear that there were a number of speeches yesterday extolling America and the achievements of industrialists there. I would also like to remind those great admirers of America that in the United States between 1854 and 1933 there were twenty depressions. Because, when we are talking of the prosperity of America we should also remember the depressions that that country has gone through.

Now I come to the second point, namely the establishment of an equalitarian social order. We have to establish equality in three sectors, the administrative sector, the industrial sector, and the agricultural sector. I take the administrative sector first, though I know that this sector is very small. But somehow or other, in Indian society, this sector plays an important part and people look up to this sector. This sector has considerable influence on the moral tone of society. Every ambitious mother does not dream of her child as a great explorer or as a great scientist, but she wants her child to become an I.C.S. officer. I know how much influence the administrative sector has on our society. In this administrative sector what is the proposal for doing away with inequality? The Plan maintains the *status quo*. There has been no attempt to bring about the slightest change in the existing order. The framework is not re-moulded; it remains the same. It is a notorious fact that the greatest inequality is present in the Indian pay scales. Have we proposed anything to change this? What will be the psychological effect of this on the country, I would ask?

As far as the industrial sector is concerned, as I have already said, we are leaving it to private hands. Thus perpetuating inequalities.

Then we come to the agricultural sector where some important land reforms have been recommended by the Commission. The proposal is to fix the ceiling of the amount of land that an individual can hold and the land thus acquired will be redistributed. Though it is not an absolute redistribution, it is a qualified one. It is good as far as it goes. We welcome it. But there is also a snag. The implementation of the scheme is left to the States. Have we given them a

[Shrimati Sucheta Kripalani]

time schedule that within such period they have to bring about the change? We know what happened to zamindari abolition, how impediments after impediments were put in the way, how the whole work was frustrated, how the atmosphere of the country was vitiated by the way the States behaved regarding this revolutionary proposal. I, therefore, fear that this one good progressive measure proposed in the Plan may not bear fruit because it is being left to the sweet will of the States.

Regarding agriculture I want to draw your attention to the great need for crop planning and an integrated price planning. The competition between food and cash crops has resulted in creating very serious difficulties for our country. Unless we want to put an end to that state of affairs, we will never be able to have sufficient food in this country. I would like to ask whether you are thinking in terms of fixing of floor prices for foodgrains and ceiling prices for cash crops. I would like to have a reply to this question of mine.

Regarding the production of food, main attention has been given to the production of cereals. But we are not thinking in terms of a balanced diet. In the planning of any other country food means balanced diet. Enough attention has not been given to this aspect. I will give you a small homely example. In one of our constructive work centres, on the land which used to produce rice we put in beet-root. And we got four times the yield than rice. So we have to analyse and see which land can produce which item of food better and how far we can better utilise those products so as to have proper balanced diet for the people of this country.

A word regarding cottage industry. I am racing against time. I am very glad to note that the Commission admits that the cottage industry should form a central part of our rural development programme along with the agricultural programme. That is a very welcome change in the attitude of Government and I am very glad to note it. They have also admitted another very important point about which we have been clamouring. They mention the necessity for the reservation of spheres of production. So far so good. But the picture is not complete. How do they

want to go about it? As far as the details are concerned we do not know anything. We know that in the last few years, even after the attainment of freedom, cottage industries have been driven to the wall because of the competition of large-scale industry. Therefore, it is very necessary to give full protection to this industry, otherwise in spite of good intentions the cottage industries will not survive.

There is another aspect of it. I do not know whether the Planning Commission fully realise the importance that cottage industries can play in solving our unemployment problem. As far as I know, I can give you the figures of one State. Of course they are rough statistics. Eighty per cent. of the labour population in U.P. is working in cottage industry, and only 20 per cent. in the factories. If that is the proportion, then I think the Planning Commission should devote more attention to see how best cottage industry is fitted in the economic programme of the country and can help in solving the unemployment problem.

Regarding unemployment, the Plan has not given a scheme either for full employment or for partial employment for all. All that we have got is "more employment". That is not going to enthuse the people because every unemployed will become an enemy of the Plan. Therefore, we should try to find a more effective Plan for solving the unemployment problem.

Just a word and I will finish. Everything depends on the administrative machinery. If the machinery which is going to implement this Plan is good and honest and efficient, then your work will be carried out properly. Otherwise, it will not succeed. You may produce a very good Plan. It will lead to nothing if the machinery for implementation is defective. I know the Planning Commission is itself conscious of it. They have suggested some measures to improve the machinery. These last few years Government too has taken steps in an attempt to root out nepotism, corruption and inefficiency in spite of that they have not succeeded. Why? Because we have not taken sufficient drastic measures. The Planning Commission admits the findings of the Gorwala Report but it does not accept the recommendations of that Report. More important is the basic defect in the existing

capitalistic order. You cannot root out corruption unless you change it radically. The defect lies with the order itself. What we need is a social and economic revolution and a new order where inequalities are not allowed to remain, where there is no scope for corruption.

I am afraid I am hurrying so fast that I cannot possibly go on....

Mr. Deputy-Speaker: In spite of the hurry, the hon. Member may not be able to finish.

Shrimati Sucheta Kripalani: I will just conclude. I have given my reaction to the Plan after a very hurried reading of the big volumes. The material is so vast, that it is not possible for us either to study or to give our views properly in the short space of time. In spite of all my criticism I must congratulate the Commission for the stupendous task they have done. They had a difficult task before them. Our country is vast and they had to work in an entirely new field. They have succeeded in compiling useful data which will be indispensable for the planning of the economy of this country. But the Plan itself lacks life. It cannot be a living Plan unless we are prepared to change the foundation of the social order—unless we are prepared to throw away this decadent unequal capitalist society and establish a new social and economic order.

Shri Karni Singhji (Bikaner-Churu): I would like to take this opportunity of congratulating the hon. Prime Minister and the members of the Planning Commission for having given to the country this Plan. It is through the great drive and pushing power of the Prime Minister that we have been able at last to have this Plan in our hands today. This Plan requires dynamic people to put it through and I hope that the Prime Minister whose personality is more than dynamic will help us to put this Plan through and thereby change the life of the common people of India and particularly the unemployed and the poor. No Plan is ever perfect and nor is this. If we try, perhaps we can pick a lot of holes in this Plan but the fact remains that we have a Plan, we have something tangible to grope, and I feel that in the interests of our country, we should give this Plan all the support that is possible. This Plan, I hope, is the forerunner of many more to come and I am an optimist when I hope that at the end of

25 years, India can stand shoulder to shoulder with any other country in the world.

Shri S. S. More (Sholapur): If India survives till then.

Shri Karni Singhji: Mr. Patil spoke the other day about creating a psychological atmosphere in this country. I entirely agree with him and the only way we can accomplish that is by stretching our hands and shaking hands on common problems. These artificial party barriers that have been created in this country are things which we have inherited from foreign countries. Party politics, I admit, is necessary but it should not be carried too far. Otherwise, we would be defeating the object which we are aiming at.

The implementation of this Plan is going to be the biggest headache. No matter how perfect the Plan may be, the point is, can we put it through? I admit that we have men who are capable of putting it through but there are certain obstacles which, in spite of their endeavour, may not be got over, the biggest one, of course, being corruption. So many hon. Members have already dealt with this point that I would be wasting the time of the House if I deal with that any more but one aspect evidently has not been mentioned and that is the tradition of this country. Centuries ago, we had a great tradition when no Indian citizen would like to stoop to such depths but today particularly, as a result of the war, we have lost that tradition. We have got to create a tradition whereby every Indian citizen would regard it as below his dignity to accept a bribe. Then only perhaps we will get somewhere.

Secondly, if we wish to root out corruption, we have to create conditions whereby no man is open to temptation. The best of people will succumb if they get enough temptation.

Thirdly, we should have strong deterrent punishment which is really severe not one or two years but perhaps life sentence if these people come in the way of this Plan and come in the way of the improvement of the lives of the people of India.

Another enemy which we have to face in implementing this Plan is red-tape. I need hardly add that red-tapism comes in the way of every progressive measure. Files move forward and backward and the net result is zero per cent.

[Shri Karni Singhji]

Now, I will come to the question of my home province, Rajasthan. Everybody knows that Rajasthan is a vast Province. It is very backward and requires Central aid more than any other State. The grant that has been given to Rajasthan is far from adequate as I shall illustrate by certain figures. Rajasthan, with a population of about 1,52,00,000 has got only Rs. 16,82,00,000. Saurashtra, with a population of 41 lakhs has got more than Rajasthan, namely Rs. 20 crores. Hyderabad, with a population of 1,86,00,000, very nearly the same size as Rajasthan, gets Rs. 41 crores, more than double. Mysore, with a population of 90 lakhs gets Rs. 36 crores. I do not say that the other States should not get these. I am very happy that they have been given better grants than us but we do look up to the Prime Minister and his Government to see that they help this backward State and try to give it a slightly better allocation. If this has been due to the fact that Rajasthan which has got a great history, of wasted public finances particularly during the last 3½ years, then, I would suggest that this grant may be retained by the Centre and spent under their agency and not handed over to the Rajasthan Government. I admit that the condition of Rajasthan is far from satisfactory. At the moment, we are facing a bankrupt treasury. Government cannot pay the salaries of their servants. I have to unhappily state that as far as progress in Rajasthan is concerned, it has gone into the reverse gear. The standard of living has gone down. Unemployment has reached a peak which has never been known before. You will have to admit that in a welfare State, to find employment for the people is their birthright, particularly those people who have been brought under retrenchment by the Government. It is necessary that before they are discharged, some alternative employment is found for them.

Another thing which the people of Rajasthan feel very acutely is the way their cities are being treated. Integration was a wonderful thing and we supported it. But, integration does not mean that the livelihood, the bread and butter of the people living in cities other than the capital should be taken away.

Coming to a few specific points that would help our province, the first thing that strikes me is industry: large small, cottage, or any type

of industry that would absorb our unemployed labour. At this stage when you are still in the process of finding out locations for these industries, I hope the Government of India will make it a point to see that industries are sponsored in those areas in which Bikaner, Jodhpur and Udaipur lie, particularly where unemployment is most acute. Only by creating more employment can we solve this problem at least to some extent. We have to consider the rail link with Jaisalmer. The Chambal scheme should get top priority. The question of sinking more wells in this vast desert area also requires consideration.

An. Hon. Member: Paniwala Maharaj.

Shri Karni Singhji: Paniwala Maharaj will not help. Hydro-electric power has to be brought as far as possible to the city of Bikaner so that more industries may spring up, to absorb our unemployed labour. Bhakra water should be brought as far South into Rajasthan as possible so that more irrigable lands in Rajasthan may come under cultivation.

Once again, I would like to sound this sentiment that the erstwhile capital cities of Rajasthan should be given their due share of prosperity. At least, they should not be allowed to deteriorate beyond what they were in 1949. To sum up, I would like to say that I hope this Five Year Plan will not be allowed to degenerate into a political stunt at least in the Provincial stages. I end up by saying that the people of Rajasthan now look up to the Prime Minister of India for sympathy and justice.

Shri Gadgil (Poona Central): According to the terms of the Resolution moved by the hon. Prime Minister, I thought it was only in order if the speeches were confined to the general consideration of principles, programme and objectives. But, I was very sorry to listen particularly to the speech of my friend Prof. Mukerjee. I thought, having read the Resolution, that only the cussed will oppose. But, I now find that even the Communists are opposing it and the way and the vigour with which this Resolution has been opposed is an indication of what their future action will be outside in the country when the Plan starts in full vigour. (Interruption) I do not suggest that they should be treated in the way Opposition parties are treat-

ed in Russia and other totalitarian countries. The very fact that such criticism was allowed to be freely aired on the floor of the House is a testimony that the Plan is a democratic Plan.

There are three tests by which it can be judged whether a Plan is democratic or otherwise. In the matter of the formulation, if all interests, all the experts and representatives of all the political parties are associated, before the Plan is finalised, then, condition one is satisfied. In the matter of the execution of the Plan, if the people at large are associated and allowed to participate in its implementation, the second condition is satisfied. The third condition is this. When the Plan starts and as a consequence, commodities and services are available, if they are available to every member of the community irrespective of his political faith, religion or region, then, the third condition is satisfied. I am humbly of the opinion that this Plan as disclosed and as commented by the Prime Minister in his magnificent speech is democratic both in spirit and form.

Now, what should be our attitude in a deliberative assembly like this? I should feel that we should discuss just as in a shareholders' general meeting any proposition coming from the board of directors for the future conduct of the concern is discussed, without passion, without emotion, and purely with an eye to secure the best out of the resources available to the company; possible. In that spirit and with that approach, this problem should have been discussed here.

Admittedly, as my hon. friend Shrimati Sucheta Kripalani said, most of the things included in the Plan were already there. Why? For the simple reason that we cannot write on a clean slate. There was the Soviet Plan; there was the Bombay Plan; there was the Plan by Mr. M. N. Roy and several other Plans prepared by the various State Post-War Development Committees. It is for this very reason that the Plan does not go far in certain directions, in which some of us wish. It is because, we could not write on a clean slate. The first thing that the planners had to do was to integrate as much as possible what was actually in action and to bring some sort of order out of the so-called chaos in a certain sense. We must remember

that ours is one of the oldest countries, one of the most backward countries, with problems most complex and resources most slender. Therefore, it behoves us that if we move slowly, cautiously, but if we move, it is not a matter of complaint or criticism but it is something which we expected should happen and it has happened.

What is the aim of all economic activity? The aim of all economic activity is to find employment. We have to judge this Plan by certain tests. As I said, in so far as whether it is democratic or not, I have already referred to them. We must see that at the end of this particular phase of the Plan the average man in the country gets a little butter to his bread, a lining to his coat and a few more tiles on his leaky roof. If these things are satisfied, I am quite prepared to pronounce it as a successful affair. If after 27 years—I do not hope to live as long as that—if the income per capita in real wages is really doubled, I should say it is a matter of great achievement.

This Plan depends upon two sectors mostly: one, agricultural, and the other industrial. It is a well known fact that we have to import food and it is also well known that we are using only six per cent. of our water resources and with that limited use of our water power, both above ground and below ground, we are able to meet 90 per cent. of our food requirements. If we add another two or three per cent. to our use of water resources by way of irrigation, I have not the slightest doubt that we will be soon self-sufficient in the matter of food. It is with that point in view that some of the River Valley Projects were undertaken. In this particular sphere, namely the River Valley Projects, both the aspects of agriculture and industry are combined, for, the River Valleys are expected to give water for irrigation, power for industry, and employment all round. No modern country has industrialised without first making adequate supply of power at cheap rates. Take the history of Canada or any other country for the matter of that. Industrialisation is only possible where there is availability of cheap power in abundance. That is what is being done in so far as the River Valley Projects are concerned.

Various figures are given about cultivable waste land, ranging from 60 lakhs to two crores of acres. What-

[Shri Gadgil]

ever be the correct figure, it should be our endeavour that not one square inch of cultivable land is allowed to go waste. If the Government cannot find some arrangement at the hands of private people or at the hands of the village communities, then, Government must nationalise that sector of agriculture, because in Russia, the first revolution was achieved in the industrial sphere because agriculture was collectivised and was mechanised. In about two years' time, the production was increased by 250 per cent.

The food policy in this country is the keystone of the economic policy. And as I find the food policy enunciated, I am quite satisfied with it, but I want to add that greater vigilance is necessary and no amount of roughing or 'Rafing' should be allowed so far as the food policy is concerned. This is not a matter which one can take lightly.

Dr. S. P. Mookerjee: Is that control language?

Shri Gadgil: If the Plan succeeds, nothing succeeds like success. (*An Hon. Member:* That is true.) But if the Plan fails, not only is it the failure of the Government, not only is it the failure of the country as such, but it is the failure of democracy, and you will be making the field clear either for capitalism or for communism. Both I dislike very heartily. (*Interruption.*)

Shrimati Sucheta Kripalani: Yours is capitalism.

Shri Gadgil: In considering the progress in agriculture, I entirely agree with Mrs. Kripalani that mere use of modern techniques in order to improve agriculture and increase production is not enough, unless there is a social revolution and there is a radical approach to this problem, no permanent solution is possible. In our country, undoubtedly unemployment is there. Under-employment is also there. It is also on a very large scale. With the programme of increasing agricultural produce and improving agriculture, there must be, *pari passu*, a programme of greater industrialisation. Otherwise, all that you can do will be only postponing the day when the inadequacy of resources will be very much greater in comparison with the population. The rate of progress must be such that it must take into account the rise or the increase in population, and at the same time you have to raise the standard of life. Therefore, the problem of population

becomes relevant in this context. How are you going to solve it? There are certain ways in which it can be done, and experience of modern nations has shown that there are two trends in evidence. One is that as a result of organised public health, the death rate has gone down. At the same time, industrialisation and urbanisation of population has resulted in a low birth rate. Therefore, in order to check the growth of population, it is necessary that more attention should be paid to industrialisation. Otherwise, as I said, the progress that you may achieve in agriculture will, in the end, result in keeping the situation as it is in relation to the rise in population.

When you think of radically changing the way in which agriculture is being carried on at present and when the Plan visualises co-operative farming, may I add that is not possible to be so successfully done, unless the credit, marketing and retail trade in the rural area is also taken over and is socialised. Today, if the co-operative movement has failed, it has failed to some extent because of the competition it has to meet with at the hands of certain private traders. Therefore, it is necessary that attention must also be paid to this sphere. It is clear that unless a large section of the population from rural areas which is now dependent upon agriculture is taken over and absorbed in industries, there is not going to be any real progress I know that.....

Shri Tyagi: Industrialism must come to villages.

Shri Gadgil:..... a major portion of the industrial sphere is left for private enterprise. But, as the Prime Minister has very correctly pointed out, it is to be under the controlled economy, and I do hope that that control is effectively exercised.

Shri B. S. Murthy: Control by whom?

Shri Gadgil: In this connection, it has been pointed out that the Government is entering on those industries which are risky and which are in a sense confined to producer goods, and the private capitalists are allowed to have that sphere in which the returns are higher and quicker. It may be a fact for the time being, but the real point is that they must be permitted to act within the framework of the general Plan. And if foreign aid comes as is coming—and it is to be welcomed—I feel that the Government cannot be too vigilant in that

respect. I am for foreign capital if it comes on a Government-to-Government level, but if you allow private foreign capital, it will definitely strengthen private capital in this country, and our object has been to keep private capital and private enterprise within the framework of that Plan, and no step should be taken, nothing should be allowed, to strengthen the hands of the private capitalists. Some of their representatives are also here. (*Interruption*)

In connection with making increased employment available, it has been suggested in an article written by Prof. D. R. Gadgil that for finding gainful employment for one man, you will have to spend nearly Rs. 4,000/- and if there are 70 lakhs of people to be given employment in the course of the next five years, a sum of Rs. 10,000 crores will have to be spent. May be true, but that should be our objective. I am not suggesting that it should be done immediately, but as I suggested, as the agricultural economy improves, steps should be taken at the same time to see that the surplus rural population is absorbed in the industrial sphere.

We are told that there will be lack of finance. My own feeling is that if the Plan is to be successful, there is a clear necessity for every one of us to undergo present sacrifices—sacrifices today, so that tomorrow may be better. But I shall feel very much glad to undergo that sacrifice if I am assured that there is equality of sacrifice all round and that the private capitalists are not allowed to annex profit without any limitation.

Shri Nambiar (Mayuram): An impossible condition!

Shri Gadgil: Therefore, the first thing that I would urge on the Government and the Planning Commission is that they must definitely resort to dividend limitation, and any profit earned above a particular limit must go partly to the betterment of the conditions of the workers in that particular industry or generally, partly to abatement of price, and the rest of it should go to Government. It is only then that the necessary fervour and enthusiasm will be created in the country, for, then they will know that it is not as if this Plan is going to make the rich richer and the poor poorer, but it is acting like the air perfectly equal to all those who breathe it.

On the question of finance, it was suggested that a time may come when it will be very difficult to finance the Plan. I may be wrong, but my feeling is that the Plan will not

fail for want of money. If there is determination, and if the people are convinced then what happened in Russia is bound to happen here also. In Russia—

“The five year plan had no advantage of long term foreign loans. The saving of such a huge capital was made possible by drawing into productive labour the whole of the able-bodied population of the country, by harnessing every sector of national economy to its maximum capacity of production, by enforcing a powerful drive of internal savings, and by abolishing the exploitation of the parasitic elements.”

If the Plan is worked in that spirit, I have not the slightest doubt that it will succeed.

Dr. S. P. Mookerjee: Is that Maharashtra versus Gujerat?

Shri Gadgil: It is *versus* Bengalis also. You are not free from that disease of having that capitalistic insect there also. It is therefore necessary—not now, I am not suggesting it now, but in due course—that banking, insurance, trade and particularly wholesale trade must be taken over by the Government, and foreign trade as early as possible, for, there are reports already before the Government that in certain commodities such as textiles, and manufactured jute, the foreign trade must be taken over by the Government. Last session, I spoke about the nationalisation of the textile industry, and I was asked by one of my friends here ‘Where have you got the men to run these factories?’ When I suggest that, I mean that industries in which technological progress has come to an optimum should be taken over by the State, such as jute, textile, sugar etc. I have before me a pamphlet written by my esteemed friend Mr. Khandubhai Desai, in which he says that during the war years, the textile industry made Rs. 300 crores of profit, and in less than five months of decontrol from the month of April to August, they quietly added another Rs. 200 crores. When you want to take over this industry, just consider whether they are entitled to any compensation at all, in view of this. As regards management, I suggest that conscription is the only method. All those managers and good people who are working in the various mills should be conscripted into one single economic service, the men working in Ahmedabad may be transferred to Kanpur, and the men working in Kanpur to Bombay and so on. It is not an impossible task or a poet’s dream; it has been done in other

[Shri Gadgil]

countries, which showed greater earnestness than we are prepared to show. If we proceed on these lines, immense financial resources will be available, not otherwise.

Shri Tyagi: Poor Tulsidas!

Shri Gadgil: I know this might look very reactionary, if I say that during the initial stages of the Plan, lock-outs and strikes should be considered illegal. Otherwise, there is no possibility of our progressing. A strike in one of the processes of a certain industry will make the running of the industry an impossibility. A strike in any other vital industry will sabotage the Plan completely. I do not want to suggest that the normal trade union activities should be banned. If the conciliation machinery fails, compulsory arbitration must be there, the State must intervene and impose in the interests of the community and in the interests of the Plan, a ban on strikes and lock-outs.

Shri Nambiar: That cannot be done.

Shri Gadgil: If the Government were to be weak or unnecessarily liberal in this aspect, I have not the slightest doubt, especially when I know the attitude of those whom Prof. Mukerjee represents, that the working of the Plan will be hampered. If you want to assure complete implementation of the Plan, do not play with the situation. See that the worker is paid fully, see that the worker is in contentment, but at the same time, see that for one reason or another, he does not become wayward, or becomes a tool in the hands of some of my friends here. (*Interruptions*)

Now, in order to have complete financial control of the country, what I am suggesting is that the saving should be centralised, the direction for investment must be centralised, and the sacrifice that it will involve, and the austerity that it will mean must be shared by all and equally. If that is done, then this Plan will create enthusiasm. My esteemed friend Mr. S. K. Patil spoke yesterday and I almost thought that it was a sales-tax speech. He said 'Keep the people satisfied', 'No people will feel satisfied, if you are going to tax'. But I say if you are not going to tax, you are not going to succeed. Taxation is absolutely necessary, both direct and indirect. Saving, as I said, must be there, and if possible Government will be justified in resorting to indirect taxes also. We have to see in

this connection, what people are dissatisfied with taxes. Are the multi-millionaires living in the Malabar Hill Areas dissatisfied? Or, are the people living in the slums in Parel dissatisfied with the Government's conduct, if they are going to tax? Surely not the latter, for they have nothing to lose, they have no property to be taxed, they leave no inheritance except that of poverty to their successors. Why should they feel dissatisfied when such measures come? They are inarticulate, they cannot express their inmost feelings, and from birth to death, their only companions are poverty and frustration. That state of affairs must be ended. You will create enthusiasm, only when the people know that it is something in which they stand to gain, and in which they stand to improve their lot, not only in the moral sphere, but in the material sphere as well. If by the end of the Five Year Plan, they are able to gain something more by way of services at cheaper cost more commodities at cheaper cost, a little more leisure for improving their lot, and widening their outlook, then I am sure, at the end of the five year period, this Plan would be a success.

I want to urge on all Members of this House and also members of the Government, do not call it a Plan. It is not a mere direction, it is a task and not a forecast. It is a task, it has got to be done. Do not say, 'it is merely a Plan, a major part of it will be implemented, it might be that this may be done, there may be alteration, marginal adjustment'. Nothing doing. If you are to move, you must move as an Army moves. The general strategy having been completely approved, there may be a little margin of discretion left for adjustment in the local sphere by way of tactics. But the central idea that we have to attack poverty and the fortress of capitalism and pull it down as early as possible, that must not be set aside even for a moment. I am quite aware of the limitations. In a country like India, no rapid economic development can begin without a social revolution which changes radically the existing distribution of wealth, income and economic power. And such development will necessarily involve the imposition of great personal sacrifice of all and will call for patience during the long period which must elapse before the fruits of development accrue. The need for social cohesion and harmony and solidarity is absolute today. The situation demands a high degree of intelligence in leadership and in planning, honesty and ability in execution and disciplin-

line within the community. Let us appreciate these realities and rise to the occasion, contribute what is best in us towards the building of our Bharat and establishing a new social order.

Shri Viswanatha Reddy (Chittoor): The important principle in the formulation of a Plan is the process by which priorities are fixed. Above everything else, the most important consideration in the formulation of any Plan is the fixing of priorities; more so, in the case of a country like ours, which is economically very backward. Recognising this principle, the Planning Commission says, "the pattern of priorities to be followed during the particular Plan period has to take into account the immediate needs of the country. For the immediate five years' period, Agriculture including Irrigation and Power have topmost priority."

4 P.M.

This, I think, is the key-note of the Plan, because considering the food deficit that the country has faced within the past several years and considering the drain on our resources that has resulted due to this food deficit, the Planning Commission has rightly fixed on the targets of agricultural production as the key-note of this Plan. Therefore, it is with a view to increased food production that several schemes have been drawn up for the purpose of irrigation of the unirrigated parts of the country. In formulating this principle, they have also considered that regional developments of the country are of paramount importance. They say, 'region-wise requirements of food and power should receive due consideration as also the needs of backward areas'. I was very much heartened when I saw in the first Chapters of this Plan this reference to the backward areas. I take it that this is a reference to the under-developed areas. Therefore, I was anxious to see what are the development schemes that are included in the third volume of the Planning Commission Report, to find out whether any schemes have been included for the backward areas. I come from Rayalaseema—and this name has been very often heard in this House and several sections of the House have shed crocodile tears for this unfortunate region. (*An Hon. Member: Real tears.*) In any case, when I saw the third volume, I found that not a single scheme has been included in it for this unfortunate region and, I take it, with reference to other backward areas also, no substantial help has been rendered in this Plan.

410 P.S.D.

We have also heard about the Nandikonda scheme and also of the Krishna canal scheme. Whenever these schemes are pressed by different protagonists of the schemes, they have always done so in the name of Rayalaseema but when it comes to action neither the one nor the other has done anything about it. Therefore, I take this opportunity to plead that if it is the principle of the Planning Commission to see that regional development takes place under this Plan, several schemes must be included to benefit specially the backward areas because after all the economy of our country is not judged by the improvement of the standard of living of urban areas or certain project areas, but it should be judged by the weakest link in the chain.

In the field of scientific research, several schemes have been included and it is a matter of gratification to note that Radio and Electronic Research Institute, the Mechanical Engineering Research Institute, the Central Salt Research Station have been included for development in this sphere. But no mention has been made with regard to the research for the production of rain by artificial means. To my mind, this is an important development which we must all consider. I know of one field station in Calcutta, Jadavpur, I think, where research is being conducted in this direction and the Planning Commission has not taken into account this aspect of the problem and they have not provided anything towards the development of this research. I humbly plead that this must be encouraged and the Institute must be asked to open several field stations in various regions where the rainfall is very small. This has got a special significance to me, coming as I do from a region which is very often affected by shortage of rainfall and resultant famine conditions.

In the field of mineral development several schemes have been formulated for the geological mapping of several regions in the country and it is a good thing that after all we have been able to formulate a Plan that would go a long way in creating wealth within the country. But the geological survey should take place not only in respect of minerals but also in respect of the determination of sub-soil water, because when we think of harnessing big rivers and other streams, we are only taking account of 50 per cent. of the water that flows over the surface and we do not take into account at all the huge volume of water that is bound to remain hidden in the earth. If that

[Shri Viswanatha Reddy]

water also is harnessed, the irrigation facilities available to the country will be increased many more times.

Yesterday, Dr. Krishnaswami was referring to the deficit financing aspect of this Plan. He told us—the eminent economist that he is—that there is no harm in indulging in deficit financing in respect of those activities which are likely to produce wealth. I entirely agree with this view, and I would also like to express the view that the potential productive force that we have is the greatest in the whole world when we take into account the able-bodied persons in our country. The productive capacity of our country is not in the shape of money or any other wealth but in the shape of a huge volume of man-power which is there for us to harness and put to use in the right channels. Therefore, when these millions of people are conscripted for national service, I am sure the resulting increase in production will counterbalance any other inflationary tendency that may be produced by other factors. Therefore, deficit financing will not be of much harm if we at the same time put into effect this vast productive endeavour by way of conscription of all the able-bodied persons for national service for a certain short period.

There is one other aspect which the Planning Commission has completely ignored. I refer to sports and arts. There is no provision made for the encouragement of either sports or arts. In whatever pattern of development that we are thinking of, it is very important that we should take into account the psychological factor, and also give a fillip to sports, because after all the various teams that go abroad and represent our country are the best ambassadors that we have produced during all these years of our freedom. Therefore, in order to encourage sports, considerable provision has to be made. With regard to arts, and more particularly cultural activities, considerable amounts should be provided.

Finally, I find that in the Plan a lot of controversy has been initiated with regard to the efficacy of minor irrigation works as against major irrigation works and multi-purpose projects. From the figures, I find that Rs. 518 crores are to be diverted for the purpose of multi-purpose projects which are ultimately expected to irrigate 8.5 million acres. As against this, only Rs. 30 crores are provided for minor irrigation works which are going to bring under irriga-

tion eleven million acres. These figures are self-explanatory, viz. whereas in the case of major irrigation works and multi-purpose projects Rs. 518 crores are going to bring 8.5 million acres under irrigation, in regard to minor irrigation works, only an expenditure of Rs. 30 crores is going to bring eleven million acres under irrigation. I do not think any comment is necessary on these figures. Therefore, I humbly plead that the amount allotted for minor irrigation works should be considerably increased, not only for regional development but also to provide irrigation facilities throughout the country. It is not enough to produce a few oases in a vast desert of comparative economic dependency. It is necessary that the economy throughout the country should be developed uniformly. Therefore, there must be a judicious mixture of both major works as well as minor works. I am sure it is not too late yet to allot more funds for minor irrigation works.

Shrimati Renu Chakravarty (Basirhat): I thank myself for having been able, after such a long time, to catch your eye. I shall begin by first referring to the way this Five Year Plan is going to be implemented. It is said that it is going to be implemented in a perfectly democratic atmosphere. We hear encomiums showered on it from all sides including certain Members from among those who call themselves the "Opposition". Other Members too have been speaking praisingly on it right through the last two days. Today, we have heard Shri Deshmukh, who I am sorry is not here at the moment. He is a master juggler of figures. He juggles up, adds up, and tells us that at least this much is sure that the majority in this House is on his side. We have heard that more people support the Plan than those who are against it.

Shri B. S. Murthy: Huarrah!

Shrimati Renu Chakravarty: This much we can say, that although the master juggler may be quite satisfied, yet in all these speeches, we hear the name of one person, that is, Prof. Hiren Mukerjee occurring again and again. Obviously his influence in the country must be quite disproportionate to the number of speeches that his party is being allowed to deliver on the floor of this House. Now, coming to another aspect of what has been said, Shri Deshmukh—whose suavity generally carries one away—today tried to show us his mailed fist. He told us that those who did not co-operate in this Plan did so at their peril. If it is a question of threat, then we

take it that that is the "democratic" atmosphere in which this Plan is going to be implemented. He also tells us when the question of the shrinking market comes up, when the question comes up about tea gardens closing down etc., all he tells us is that we cannot look upon it with equanimity but at least we have to say, "It is inevitable". These are some of the contradictions which come up during the discussion of this Five Year Plan which we have been wading through for the last three days. Unfortunately, we are given only twenty minutes to speak on it. Therefore, I would limit my remarks to one aspect of this Plan only, and that is the most important one in the words of the Plan itself, viz. the part dealing with agriculture. As far as the objectives of planning go, I think, there is nobody in this House including those whom my hon. friend Shri Deshmukh calls "obstructionists" who has any quarrel with them.

Shri P. T. Chacko (Meenachil): But not democratic planning.

Shri Mataji Renu Chakravartty: I shall come to that later. We have heard too much about it. Therefore, I shall come to it last.

The objectives of planning are the same, that is, that we want really to expand our internal markets. We want to raise the standard of living of the masses. We want to draw into the Plan the maximum of capital, the maximum of food production, and the maximum of production of consumer goods. We want to distribute it equitably, drawing in the maximum energy, enthusiasm and co-operation of the people.

Now we are going to examine from the point of view of agriculture how far we in this Plan are able to attain these objectives. Let us first look at the peculiar feature of the present market—that any surplus in increase in production immediately throws out of gear the entire economy. We have been hearing for the last few days about the tea crisis. A few days ago we were hearing about the sugarcane crisis. What is the position of the internal market? Now in our country, we know that the state of the market and the purchasing power of the people, especially of the peasantry who form the bulk of the people, is judged by their capacity to buy. One of them is food, the other is cloth. Now let us see what happens about cloth production and its off-take. In 1938-39 the total cloth produced was 5,700 million yards. Out of this a very very small proportion was exported. If we

can depend on figures given by Government in 1950-51 the total cloth produced was 4,528 million yards. Of course, I am including in this handloom also. But 2,245 million yards in 1950-51 cannot be absorbed as against 5,528 million yards in 1938-39. Now these are startling figures. You may juggle with it, you may take this figure or add that figure. But I do not think that is going to detract from the main argument.

Now the same thing happens on the question of food. I remember last session before all this controversy of control and decontrol had come up, I remember we mentioned how the off-take from the ration shops and in the market had gone down. Mr. Kidwai was forced to admit that a part of this at least was due to a very large section of the people having lost their purchasing power. Of course, we know how all this has come about. I am not going to repeat it. The low procurement prices that have been paid and also the crash in the cash crops have been responsible for this. Now seeing this position in the market, are we going to build our Five Year Plan on a market that is shrinking or on a market that is going to increase? Now if we are going to do it, are we going to be able to release the maximum energy in order to produce the wealth that is going to increase our internal market. Now in the countryside how is the maximum energy going to be released and how are you going to have capital formation on land? It is on this that the success of the entire Plan depends and from that point of view the priority given to agriculture is certainly correct. But with it we have to have an adequate amount of industrialisation. I am not going to the industrialisation part of it, because there is no time.

It is the peasant upon whom we have to depend, for he is going to produce the food, he is going to supply the labour power both in industry as well as in agriculture and his will be the biggest market for the consumer goods. Now let us see how he is to be released from his burden and how he is to be allowed to plough back all the money that he is able to produce into the land.

Yesterday several of my hon. friends on the other side were claiming that they had abolished landlordism—as could be seen in the United Provinces—and have released the burden from the backs of the peasantry. It is not merely a question of doing away with landlordism. We have to see that everybody, as far as possible, gets an equal share of the land and that we

[Shrimati Renu Chakravartty]

introduce the system of peasant land-ownership, without burdening the peasant any further. Are you reducing his burden, or, are you going to add to it further? That is the basic question we have to answer. It is strange that the Plan says that rural indebtedness is not so bad as it was before, that it has decreased, and that it is not an important matter at all. But from the Agricultural Credit Department of the Reserve Bank of India's figures we find that rural indebtedness was about Rs. 1,800 crores in 1937. Even if we are to deduct a big and substantial amount from it, the rural indebtedness is a big factor which we have to take into account, without which we will not be able to release that energy that we want to go into the production of food. But the Plan says nothing about wiping out rural indebtedness and allow this huge sum of money to be ploughed back into the land.

Now regarding the abolition of Zamindari, let us take, for instance my own Province. Zamindari has not been abolished in our Province. We have seen and are still seeing every day the extreme poverty of the masses. That is the result of the zamindari system. But I am not going to go into that. I am going to take the Province of U.P. about which you glory yourself and say that you have released the peasant, and where the best form of land tenure is said to exist now. There we find that the zamindars have full and undisputed ownership of large tracts of land which you called *sir* or *khudkast*. Five years ago, out of a total of 71 lakhs acres, 20 per cent. of the cultivated area was *sir* or *khudkast* land. Of this 10.86 lakhs acres were given over to tenants. Now the law is that those who are paying less than Rs. 250 as land revenue will be able to evict their tenant which means that in 7.84 out of this 10.86 lakhs acres the tenants can be evicted. It may be more—I do not know—I am subject to correction. The landlords are to get a big compensation—about Rs. 160 crores. My hon. friends on the other side tell me it is to be paid in bonds. I am not interested whether it is in bonds or not. The point is that the peasant is going to pay you that money—whether today, tomorrow or within the next forty years. The person who is the least able to bear that burden, he is now being given another weight of Rs. 160 crores upon his back. The bulk of this money will go to the big zamindars—about 15 per cent. of these will receive as much as 36.5 per cent. of the total compensation. As a matter of fact, the topmost 390 zamin-

dars, I believe, are going to get Rs. 14 crores 72 lakhs. My point is this. Even after abolition of zamindari, the very fact that you are adding further burden on the peasantry shows that you are not allowing the full release of that energy, of that power which alone can produce the wealth of the nation. The most peculiar feature of the scheme is that the heaviest payments amounting to fifteen times the rent demanded is from the most exploited section, that is *sir* tenant, sub-tenants and other non-occupancy tenants. We find that those who are most able to pay it, they are given a reduction of 50 per cent. because they are able to pay outright ten times the rent which will enable them to get that reduction. The main proposition is that we find you are not reducing the burden of rent, of taxation and of indebtedness and without doing that you cannot have a Plan, you cannot really release the energies of the people, and you cannot have capital formation of land. If you really want capital formation, why do you not allow all that money to be ploughed back on to the land to increase its productivity, its fertility. That is the main proposition I put before this House. What about the burden of rents, the minimum rents payable?

I will not dwell more on the question of rents as I have very little time. But I would like to say that in this Plan there is one point which is being introduced, and that is the question of limitation of acquisition and resumption. Now, about this they have said that up to a limit we are going to allow people to acquire, and we are going to allow three times the amount of family holding, and we are going to give them the right of resumption. We find even in our State laws that any sort of loophole of this type is utilised by the big landlords to acquire land quite disproportionate with the rest of the people. For instance, I can tell you that in my Province they are allowed to have certain rights—those who are tilling the land themselves. And we find that different types of methods are utilised whereby they use this loophole in order to create wide disproportion in land holdings. This is very widespread with the result that fewer people are going to get land than would be the case otherwise. Therefore, the basic aim of planning, namely the setting free of the real productive forces, is not in the Plan. The top priority of all priorities should be that there should have been equal distribution of the land, free, even if it meant in the first instance uneconomic holdings. There is a lot in this Plan about uneconomic holdings, but I plead that

the first thing is to give the peasants an incentive, the feeling that they have the land, the feeling that they are the proprietors of that land. Once you get them to get that feeling then you will be able to give them all the other help, economic, cultural, educational, propoganda by all means, by mutual aid teams, credit facilities and all other schemes and you will be able to increase the pace whereby you can get those individual holdings into collectivisation very quickly. Without that, I am afraid, the whole thing will fail. Therefore, my plea is that unless you are able to cancel the debts and give them the land free and distribute it equitably, I am afraid, that this Plan in the entire agriculture section and the food section is going to fail.

There is another very important part of the Plan which, I am afraid, my hon. friend Mrs. Kripalani for lack of time perhaps did not mention. But this is the most striking part of it. Very little has been said about landless labour. Yet it is landless labour which is one of the biggest problems of our country. What are we going to do with this huge and vast amount of labour wealth, which in any other country will be called wealth but which in our country is regarded as a curse? What are we going to do with this landless labour? We are told about *Khadi* and about village community projects. I have no time to dwell on all these aspects—after all one cannot talk about all these matters within the space of twenty minutes. But on the question of *khadi* we know the position, as far as the handloom industries go. So, I am at a loss to know as to what is going to happen to this landless agricultural labour. As it is, I know what has happened during the last three months in my Province of West Bengal, as also in Assam and Tripura. This morning my hon friend Mr. Sarmah pointed out that 28,000 labourers have been thrown out of employment from the tea gardens. In these three Provinces West Bengal, Assam and Tripura during three months 80,000 people have been retrenched. Now we find that things have come to such a pass that we find more and more people being added on to the already huge numbers of landless agricultural labourers. What are we going to do about them? The only thing that this Plan says is, it points out to Vinobaji's land gift schemes. Nothing more. And a little about resettlement schemes. I think we know what the resettlement schemes for the refugees are like. We do not know whether these are going to share the same fate.

And then labour co-operatives. Whether these are going to be the same as the test relief schemes we find in our constituencies, we want to know. This is a very important part and we want to know what is going to happen to this huge big power which is left unproductive.

One word about irrigation works. Rs. 500 crores are being spent on big multi-purpose projects for irrigating 85 lakh acres, and Rs. 75 crores on small works for irrigating 70 lakh acres. Much has been said in this House about the way that these works are being tackled, the wastages, etc. But one thing I would like to put before this House. We talk so much about our own way of life, of being so proud of *swadeshi*. But why is it that we never think of harnessing our potentials of the huge labour power in our country? The potentials are there. Instead of spending such colossal amounts and putting ourselves at the mercy of experts, why could we not make use of this huge labour power? Taking into consideration the relative poverty of our country and backward technical facilities we could have utilised this manpower in the first instance. For instance, we were told by Shrimati Vijayalakshmi Pandit about the Huai River Projects in China, how a huge amount of manpower was used for this. They may be small projects. Let us start them and go ahead. Why should we depend on huge projects which will materialise in seventeen years or twenty-five years' time? These would have been much better.

Then again, we hear of another very wonderful scheme, the Chin river valley detention scheme. Three lakhs Chinese workers, peasants and soldiers finished it only in 75 days. It is a huge scheme. It is one of the many schemes that is going not only to irrigate but is going to flood-control the huge Yangtse river. And we find that they saw to it that their relative poverty in technical facilities was overcome by scientific organisation of manpower. Thus, "while mechanical riveters were used on the sluice gates of the southern dam, the rest was done manually. The shipment of materials to the work-sites was pushed a month ahead of schedule without any sacrifice of safety, by overcoming the conviction of old river navigators that night sailing and the hauling of long trains of barges were 'impossible' on this part of the Yangtse". I shall not quote any more because you are ringing the bell.

But one last point. You are going to introduce a betterment levy. It is really impossible for us to discuss a

[Shrimati Renu Chakravartty]

Plan like this, two huge tomes that have been supplied to us, within a short space of time. But I have to say something about the betterment levy. In my Province we know there is a big cry against the canal taxes. Now you are going to introduce a betterment levy. You are introducing new taxation before you give us the facilities themselves! We want no further taxation, no further burden on the people.

I would again say—you may laugh at it—but this is the truth, that there is wealth. We know that there is hidden wealth. Get that wealth and get along with it.

Dr. N. B. Khare (Gwalior): I thank you, Sir, that you have called me at long last, after I rose eight times. (*Dr. S. P. Mookerjee:* Robert Bruce tried seven times!) It appears to me that this Government does not much desire any constructive criticism upon this Plan. Because, had they so desired, they would have supplied us with these bulky volumes much earlier than they actually did, before this debate began. In the short time at our disposal even *Adi Sankaracharya* could not have been able to read this material, digest it and offer his criticism. What to say of us, poor mortals. Therefore, you know what I did. I kept these big volumes under my head while I was sleeping so that any knowledge may percolate into my brain through my thick scalp, and my criticisms are based entirely upon such knowledge, and I admit it.

My hon. friend, the Finance Minister is an old friend of mine. He may classify me in the category of cynics. I am not afraid of that.

Mr. Deputy-Speaker: The hon. Member has not spoken earlier. How could he be classified?

Dr. N. B. Khare: Congressmen say that they are responsible for this planning. I may tell them that this idea of planning is not originally theirs at all. Long before they came into power, the so-called interim Government, there was such a plan called the *Bombay Plan* costing Rs. 15,000 crores. Then there was the smaller Plan, perhaps sponsored ultimately or indirectly by the Government, the *pre-interim Government* of which I was a member costing about Rs. 10,000 crores. Therefore, the idea of planning is very old. It is not the Congress idea at all.

An. Hon. Member: Who says?

Dr. N. B. Khare: The Prime Minister has already acknowledged the fact

by saying in his speech that we had to accept what was done. I thank him for his small mercy for this recognition of our efforts

Lots of defects have been pointed out in the Plan. I will simply refer to them very briefly because I do not want any repetition. Reference has been made to lack of provisions for employment. I understand it is not possible to do so very quickly. Therefore, I do not wish to say much about it but I will say one thing. From the Plan, it hardly appears that we can be self-sufficient in food, self-sufficient within a reasonable time. Provisions are very meagre, I must say. Much has been said about the regional allocation of the schemes. I am an Indian first. I belong to Maharashtra, in fact Colaba district near Bombay. I am connected with Rajasthan as also Madhya Bharat. I am glad that after a great hue and cry, they have included the *Koyna Project* in Maharashtra which was not there before. They have included *Chambal* also which is common both to Madhya Bharat and Rajasthan; and I thank them for it.

I must say that for the quick realisation of the ideal of self-sufficiency in food, more attention should have been paid to minor irrigation projects which is not being done.

There are so many articles which are required in peace time as well as war time. Lead is one of them. We are entirely dependent for this on foreign supply. Fortunately we have got a small lead mine in *Udaipur*. It has been worked by some company called the *Metal Corporation of India*. I very much wish that the Government should have taken that scheme which would be of use to our country. They have not done so. They have not at all paid much attention to the mining industry, mineral wealth. I am told that gold has been struck near the *Damodar Valley* at the border of Bihar and Bengal but I will ask the Government to see to it that they would work it profitably for India and not for foreign countries.

Then the mining licences. There is a provision, I understand, that no licence should be issued for prospecting for more than ten square miles. This rule has been broken and lots of licences exceeding the ten mile limit have been given to protégés and favourites of Ministers and their relations etc. Let Government make searching enquiries and find out the truth of what I say. This applies specially to Bihar, Orissa and Madhya Pradesh, my province.

Although these defects are there, I will certainly say that the planners have placed before this country something concrete to work upon. (Hear, hear). After all the maxim goes, "Give the devil his due". I will specially thank the planners because they have not based their Plan on the so-called Gandhian economy. They have based it on an economy which can be understood rationally. That is all. Therefore, I am extremely glad that they have not based their plan on the so-called Gandhian economy. I believe in the maxim, "Father from Gandhism, the better for the country".

Yesterday, I was surprised to hear a Congress Member of this House from the South, saying that he was very complacent about this Plan and was challenging the Opposition. He said, "we have got a majority behind us, we have got majority in this House, as well as in several Legislatures. This shows that the electorate is solidly behind the Plan." Let me tell him that although they have been elected to this House as well as to the other Legislatures; in the ultimate analysis, they have got only 45 per cent. of the votes polled. Fifty-five per cent. has gone to the Opposition parties. Do not think that because you have got a majority, so to say a sort of fake majority, do not think you have got the people behind you. Beware. Had the Opposition not been foolish enough to fight among themselves, result would have been different.

The Prime Minister was at great pains to enthuse the common man in favour of this Plan; almost in the Gandhian language "do or die". If the planning succeeds, I will be the happiest person but I am doubtful. There are three things necessary for this Plan. There must be austerity living—it is not there, it is conspicuous by its absence—there must be economy in administration, it is not there. As compared to last time this time I see Ministers have multiplied like mosquitoes and are buzzing. As a natural consequence, flies have also multiplied like flies.

I do not think the Plan will succeed because they say that this Plan will result in a classless society. They are talking with their tongues in their cheeks. How can there be a classless society? A classless society can never be found in any country in the world under any circumstances. I can understand a casteless society, but a classless society is an impossibility. There are people with different professions. There are teachers, there are lawyers, there are doctors, there are labourers, there are soldiers, there are traders, there are merchants, there are all

classes. Formerly there was only one class of Cabinet Ministers. Now they have got a Cabinet Minister, a Minister without a Cabinet rank, a Deputy Minister and a Parliamentary Secretary and what further, I do not know. And they talk glibly of classless society. What about the classes among the Ministers themselves.

Swadeshi, I am sorry to say, is fast vanishing from this country. We have picketed foreign cloth shops and the swadeshi spirit is dying today. It must return if the plan is to succeed.

The Minister of Food and Agriculture (Shri Kidwai): Who picketed foreign shops?

Dr. N.B. Khare: I have picketed; I said so myself; there is nothing to laugh.

They are talking of money. Much has been said about prohibition. Excise gives us a large amount of revenue. It would have been handy and useful for the Five-Year Plan. I would strongly urge that prohibition should be scrapped. I am not a drunkard; I am a teetotaler. I do not take either champagne or double *dobara* which is fashionable in many quarters.....

Shrimati A. Kale (Nagpur): May I just submit that it was I who wanted Dr. Khare not to introduce prohibition in the initial stages in Madhya Pradesh, but it was the hon. Member who was instrumental in introducing the same and now it is he who is suggesting the abolition.

Dr. N. B. Khare: Sir, I do not give way to women.

Mr. Deputy-Speaker: Order, order.

Dr. N. B. Khare: Prohibition has led to illicit distillation and it has become a cottage industry. What benefits? The Congressmen and the policemen.

What about the salt tax? In the British days, it was quite all right. Any stick is quite good to beat the enemy with. Prohibition was all right; abolition of salt tax was all right at that time. But, now, it has no place. It simply is a product of sickly sentimentality and fad; nothing else.

They want to develop public enthusiasm for this Plan. The Prime Minister, in his speech the other day said, that there was lack of public enthusiasm. I will quote what the Prime Minister said. He said:

"The people of India are not mentally and emotionally united

[Dr. N. B. Khare]

to the extent they should be to work this Plan."

I entirely agree with the Prime Minister. So also with my hon. friend Mr. S. K. Patil. He also said the same and laid emphasis on the necessity for public enthusiasm, which he said, is not there. He said that he wanted dynamic leadership. He went so far as to say that it is not obtainable anywhere. He asked the people to borrow it. He said, borrow dynamic leadership. I will tell you, Sir, when he said so, it was an attack from home quarters. It was a direct insult to our almighty Prime Minister. I also will never tolerate it;— borrow leadership in spite of our Prime Minister. I can never tolerate it.

Now, I come to the implementation of the Plan. I wish to pat the Government on the back for this Plan, for bringing out this huge book, a very valuable one, although rather dear for 25 lakhs; still valuable. But I cannot say so when it comes to implementation. I feel like slapping the Government on the face instead of patting it on the back. Our Prime Minister also said in his speech that we were passing through a period of starvation, stress and crisis. I agree with him. But, who is responsible for it?

Babu Ramnarayan Singh: He.

Dr. N. B. Khare: Yes. He is responsible for it. Even Mr. S. K. Patil has said that the past five years' administration does not inspire any confidence in the Government. This is a bouquet from home quarters and I offer it to them. The Government is responsible. In these five years, they did not save the country; they shaved the country.

Mr. Deputy-Speaker: The hon. Member's time is up.

Dr. N. B. Khare: Two or three minutes, Sir; I am just at the end.

Like an unskilled barber, in the process, they caused numberless bleeding abrasions which would ultimately lead to political leprosy. What are those abrasions? They failed to have linguistic Provinces. The anger of Punjab, Maharashtra, Karnatak, Andhra, etc. is there even at present, though underground. It has burst out in Andhra. I will not refer to that because every one is aware of it. In Jammu, what are they doing? Look at the Praja Parishad. It is a bleeding abrasion.....

Mr. Deputy-Speaker: There are many other abrasions. There is no

good referring to all and sundry abrasions. The hon. Member will confine himself to the Plan. Many things he can say on that.

Dr. N. B. Khare: Jammu is included in the Plan.

Mr. Deputy-Speaker: The Praja Parishad is not there.

Dr. N. B. Khare: I would only refer to one thing. It is very dangerous to send our police to suppress our people there who are fighting for our National Flag. I am afraid it will undermine the loyalty of the police to our national Flag.

Mr. Patil gave the example of Russia and said that in Russia all opposition parties were simply extinguished, eliminated. Does he want to do it here? There are only two ways open. Either follow Russia and eliminate all parties or ask all the parties to forget their differences for a while or put them in cold storage, and ask them whether they are prepared to join an all-parties Government to work the Plan, keeping all other things outside, for the time being. That is what the Government should do.

Now, I come to Bharat Seva Samaj, which is the organ for implementing the Plan. Where is the necessity for the Bharat Seva Samaj? Has not the Congress all these years performed Bharat seva? क्या करते थे माहब?

भारत सेवा करते थे कि नहीं, कि और कुछ? एक दूसरी पार्टी दाय के वास्ते होना? I suspect strongly that

this is a Plan for financing the Congress. So many crores are going to be spent. It is said that it is non-political, non-partisan, etc. All that is humbug. It is only a political organisation, only meant to help the Congress to win the elections.....

Mr. Deputy-Speaker: The hon. Member will not use that word.

Dr. N. B. Khare: All right, Sir. I will not use the word 'humbug'. It does not matter. (Interruption).

Some Hon. Members: Withdraw.

Dr. N. B. Khare: They have found out that the Congress has become rotten to the core. Look at Bihar. They say over two million members have been enrolled but they could not produce the Rs. 6,00,000 cash as membership fees; it is not forthcoming. This means bogus membership. All that is

a fraud. In the internal elections of the Congress delegates recently held, they went and broke each other's heads, and purloined election boxes and lodged criminal complaints against each other. They have done everything in these internal elections. If there is nothing which they have not left undone in their internal elections; it is easy to imagine what they might have done in the last General Elections.

Mr. Deputy-Speaker: All that is not relevant.

Dr. N. B. Khare: Bharat Seva Samaj is intended to serve the interests of the Congress, fed by Government finances.

Mr. Deputy-Speaker: The hon. Member's time is up.

Dr. N. B. Khare: Last word, Sir. Therefore, I must say while concluding that this Bharat Seva Samaj, this Five Year Plan is a five year plot to recapture power by hook or by crook.

Mr. Deputy-Speaker: Shrimati Kale.

Shrimati A. Kale: I am not speaking, Sir.

Shri L. N. Mishra (Darbhanga cum Bhagalpur): I rise to support the Plan and submit that it is bound to achieve its objective. I am sure, at the end of the Plan period it will take the country to an era of economic stability. I think the production of the country, both agricultural and industrial, would be brought to a level which will make us self-reliant and confident for the future.

I take it, as a Plan of preparation for the future, to achieve better results that are in store for us. This Plan has been evolved as an effort on the part of the Government to mobilise all the resources of the country, material and physical, for the development of the country. It seeks to increase the national wealth of our country by 10,000 crores, and hence might also create a structural equilibrium in the economic life of our country. I am sure of the success of the Plan since it is modest in ambition and realistic in outlook. It is a fact that it is not very much ambitious, but we should also think about the resources that are available to us. When we think of this national Plan, we must not close our eyes to the limitations under which the Planning Commission had to work. We are aware of the fact that the Planning Commission had to face very many difficulties to find out the requisite statistics and figures, and it is very difficult to achieve perfection in economic planning without requisite figures.

Secondly, the limitations put down by our Constitution were also there which prohibited any drastic change in our economic set-up. The Plan is just in tune with the democratic Constitution of our country, and it bears little resemblance to any totalitarian plan. It has no element in it to curb the fundamental rights of the individual, and it guarantees the right of private enterprise also.

[PANDIT THAKUR DAS BHARGAVA in the Chair.]

I also feel that this Plan precludes only disorderly and wilful behaviour of the economic forces of the country, and plans for better production and more employment. The chief strength of the Plan, according to me, is that it is modest in ambition and realistic in its approach to the problems of the day without a tinge of unnecessary idealism.

There is one weakness in the Plan. That is as regards implementation. It has relied too much on fragmented authority and decentralisation. Centralisation is the demand of the age, and it is inherent in planning which is itself a product of growing integration of life on account of scientific and technological developments of the day.

Before I refer to the special subject, that is, River Valley Projects. I would refer to one thing which has been raised by Mrs. Sucheta Kripalani—I mean deficit financing. There has been much ado about the decision of the Planning Commission to resort to deficit financing to the extent of Rs. 290 crores. I feel that there is no harm in it if we are to raise the standard of living of our people with the present economic resources of the country. In orthodox financial circles, deficit financing always means inflation, but to my mind, it is not necessarily always so. Deficit financing in a country which is underdeveloped or undeveloped does not lead to inflation. Much depends upon the extent to which it is resorted. Deficit financing in a country like ours, and in the context of the Plan that we have before us, which seeks to spend more on social services and increasing activity of our international trade, I cannot think we can have any inflationary effect on our society. We also know the impact of productive expenditure and unproductive expenditure is not always the same, and therefore, I feel that this deficit financing will not provide any additional spending power to the people. Therefore, it will not lead to inflation. I know that deficit financing has been almost a red rag to many of the economists because of its reckless use during the last two

[Shri L. N. Mishra]

world wars by a number of countries and its adverse effects on Nationalist China but that is not the case in our country. I feel that this deficit financing to the extent of Rs. 290 crores will not bring in any adverse effect on our society or economic life. Deficit financing within limits need not cause any alarm to us. Deficit financing has been resorted to by all the countries, some time or other. Therefore, if we plan for the future in the context of our present economic resources, I think it is one of the most desirable ways of financing our Plan.

5 P.M.

Now, I come to a subject which has been of special interest to me. I mean River Valley Project. The Plan provides Rs. 561.41 crores for the various River Valley Projects of the country. It has given topmost priority to River Valley Schemes. Under Irrigation and Power, a sum of Rs. 561.41, that is, 27.2 per cent. of the total of outlay is proposed to be spent, which is not an ordinary share. On the completion of the Plan period, these River Valley Projects are expected to irrigate an additional 8.5 million acres of land and generate 1.08 million K.W. of electricity. On the completion of all the projects, it will bring under irrigation an additional 16.7 million acres of land.

Our country has a number of rivers which guarantee perennial source of water supply, but the tragedy is that almost all the waters are unexploited and unutilised. A foreign visitor rightly remarked recently, "India has only two problems—the problems of water and babies. If she takes care of water her babies will take care of themselves." I feel that if we exploit the water, much of our economic ills will be over. The first two countries of the world, the U.S.A. and the U.S.S.R., owe much of their prosperity and happiness to their river valley schemes. The U.S.A. spent six times as much as what we estimate to spend, and the U.S.S.R. also invested a large sum of money, and the result is they are harvesting only gold out of their investments. I feel that the benefits that we shall get from our River Valley Projects will be much more than U.S.A. or U.S.S.R. have been able to get from their projects, although we shall be investing much less than U.S.A. did. I feel that India's future centres round River Valley Projects. If we exploit our water resources, I think we will be able to revolutionise our agriculture, and if we revolutionise our agriculture, we revolutionise our entire life. Agriculture is the main livelihood of the people of our country and if we are able

to do something for the agriculturist, we shall be able to do something to raise the standard of living of the masses of our country.

Some criticism has been made against the allotment of a huge amount of money to the River Valley Projects. I may say that we should not forget the sum that we spend every year on account of our food deficit. From August, 1947 to December, 1951 that is in the course of 4½ years, we have spent as much as Rs. 543 crores in importing only foodgrains. And these River Valley Projects will cost us about Rs. 561.41 crores. But these River Valley Projects are not only going to solve our food deficit in due course, but are also going to provide us cheap means of electricity, and end the long story of sufferings and devastation made by the rivers in our land. These projects will also provide cheap means of power to industrialise our rural life also. I am confident of the success of these River Valley Projects and suggest their early execution. I may suggest in this connection that factories for the manufacture of appliances and machinery needed for these projects should be started in right earnest. We have the examples of the U.S.S.R. and Japan who imported capital machinery to start with only, and manufactured the rest by themselves. Therefore, it is necessary that factories for the manufacture of appliances and machinery should be started in our country in right earnest.

I would refer to a problem of my own State—I mean the control of the river Kosi. I am glad to find that the Kosi has found some place in our national Plan, and this river, along with four others of our country, has been allotted a sum of Rs. 40 crores against an estimated demand of Rs. 200 crores. Considering the urgency and seriousness of the problem of the river Kosi, I think, justice has not been done to it. I do not want to retell here the story of death, disease and devastations made by the river Kosi, but I would only like to say that it has been doing an incalculable economic loss to the State of Bihar for hundreds of years. I live pretty near the place where this river plays its havoc and I know how this river has paralysed the entire economic and social life of four districts of Bihar. It is a tragic thing that it has laid waste two to three thousand square miles of land in Bihar and about three to five hundred square miles of area in Nepal. A survey made by the Kosi Sufferers' Association has shown that it has destroyed about nine lakh acres of best paddy land, about

five lakh acres of jute land, and about six lakh acres of other land, in the State of Bihar, and the annual economic loss caused by this river to community has been estimated to be Rs. five crores. It is also a fact that thousands of families belonging to these four districts of Bihar are displaced by this river every year, and they migrate from one place to another leaving their hearth and home in sand and water. I therefore urge that in view of the urgency and seriousness of the problem, greater attention should be paid to the control of this river. An early execution of this project will not only provide means for the irrigation of 26 lakhs of acres of land, and for generation of 91000 KW of electricity, but will also provide other gains. It will give us two negative benefits—saving the annual economic loss caused by this river, and the huge amount that the State Government has to spend in the matter of relief, doles etc.

Kosi is a living challenge to the modern civilisation and scientific achievements. It must be controlled, and must not be allowed to send forth its tales of death, disease and devastations.

With these words, I would conclude by supporting the Plan and congratulating the Planning Commission on the wonderful work they have done.

Shri A. C. Guha (Santipur): The Planning Commission has produced this Plan after about two years' work, and a grievance has been voiced by most of the Members—and I think I also should voice that grievance—that we have been given barely a week's time to comment upon these two big and massive volumes. It is not possible for the Members of this House really to study the Plan, or do justice even to portions of it thoroughly. Within this limited time, I submit that it has not been possible for me to make a study of the two volumes. I have had only a glimpse of some portions of the Plan, and with this meagre knowledge, I have to make my comments here.

I should like at the outset to mention that the Planning Commission has set before them as purposes of the Plan four points *viz.*, maximum production, full employment, attainment of economic equality and social justice. I think these four objectives may be called the purpose and aim of any Plan for any country. There is nothing new in it, and the Planning Commission also has not claimed any originality in mentioning these things; but they have set these ideals before themselves, and Members are entitled to consider how far the Plan, when implemented,

will be able to realise these objectives.

While initiating the debate, the hon. Leader of the House naturally made a reference to the Russian Plan. Any Plan in any country must have something in which it can be compared with the Plan that has been initiated in Russia first. I can almost say that Planning is a new achievement and an innovation of the Soviet Union, and that State must get its credit for the same. So I think we should make a comparison of our Plan also with that Plan.

While taking an estimate of the achievements made by the Russian Plan and the achievements expected to be had in our Plan, we should also compare the conditions in which U.S.S.R. has worked its Plan, and the conditions under which we have to work our Plan. Fundamentally the conditions in the two countries are different. One very significant difference in conditions has been mentioned by the hon. Leader of the House. Ours is a democratic set-up, and our Plan is a democratic Plan, while the Russian Plan is not a democratic Plan, but a totalitarian Plan worked under a totalitarian Government. Here we have conflicting pulls from different political parties, which naturally make the task a little more difficult, but in Russia, there was no such thing, and the entire nation was commandeered, so to say, to implement the Plan. In this House, a mention was made to the effect that this is not a National Plan, and in this connection, mention was also made of the Bharat Sevak Samaj. I think the objections taken about the Bharat Sevak Samaj, from the point of view of those Members have been correct. I would accuse my Government and the Planning Commission for want of courage. This Plan is the Plan of this Government which is a Congress Government, and it is their responsibility to implement the Plan successfully. On the success of this Plan, depends the stability and success of the Congress organisation. When they make the claim that this is a National Plan, that is, an all-Party Plan, and that the Bharat Sevak Samaj, is an all-Party organisation, I think they show a lack of courage. (Interruption). Yes, I say that.

Shri Raghobachari (Penukonda): They do not admit it.

Shri A. C. Guha: Other parties do not take responsibility for this Plan. They would rather like to sabotage that Plan.

Some Hon. Members: No, no.

Shri A. C. Guha: It may not be all of them, but most of them.

Sardar Hukam Singh (Kapurthala-Bhatinda): Do not presume that.

Shri A. C. Guha: It is the responsibility of the Congress Party and the Congress Government to implement this Plan. If any subsidiary organisation is set up to enlist popular support, then that is also the responsibility of this Government and the Congress Party. We should not be shy of that and we should not be too modest to make our claim that it is our responsibility and we must achieve it because on it depends the future of this country.

Then, another vital difference between the Russian conditions and the Indian conditions is that the Soviet Government started with a big and rich legacy from the Czarist imperialist acquisition. It was not a Moscovite Russia that undertook the Five Year Plan in 1927-28. It was the Soviet Union in which almost all the acquisitions of the Czarist times were consolidated and it was on the exploitation of the big unexploited resources of those imperialist acquisitions that the Soviet State built its first or subsequent Plans. We are not situated in such a happy position. That also makes a vital difference between our Plan and the Soviet Plan. We have not here much of the untapped or unexploited material resources.

Moreover, any Plan rather admits the existence of scarcity and want and aspires to grow out of want into abundance. Unless there is want and scarcity, there is hardly any necessity of having a Plan for development. Admittedly, there is scarcity of our resources and we want to build up our resources. If we have to build our resources, during the process of reconstruction, we have to depend on resources which have so long not been available either from within the country or from outside the country. USSR had resources, untapped and unexploited resources from within the country and yet I know USSR had to seek and take foreign aid. Foreign concessionaries were a privileged class there and thousands of foreign technicians were taken. They were also treated as a privileged community and privileged section. So, we should proceed on the assumption that India, situated as it is, with almost no untapped material resources—I say almost no untapped material resources—shall have to depend on foreign aid. No country today can build its economic structures without foreign aid except perhaps the USA and the USSR.

After making these preliminary remarks, I should like to come to the financing of the Plan. Out of 2069

crores of rupees earmarked for public sector, 1258 crores are expected to be available from current revenue and usual loans and small savings. Of this the Centre's share from current revenue is 726 crores and the States' share 532 crores. I do not know how the Planning Commission has calculated this 532 crores for the different States. I have not been able to find any break-up of these figures State-wise and I would like in the course of the reply any hon. Minister to give the break-up, how these 532 crores are to be contributed State-wise by the different States.

Then, the Railway's share has been taken as Rs. 170 crores. There also I do not know how far the expectation of the Planning Commission is likely to be fulfilled. We are passing through a sort of trade depression, the market is shrinking and I think the Railways may not be in a position to pay these 170 crores.

Then there is another figure, small savings, Rs. 270 crores for the Central Government. At the last Finance Ministers Conference it was decided that any collection beyond the 45 crores will be handed over to the States in which the collection would be made beyond the target figure fixed for each State. Here in the table given, I do not find any mention of amount for the different States from the small savings. Taking 45 crores annually, the central figure would come only to Rs. 125 crores; so there will be a gap of Rs. 45 crores. I do not know if the Government really expect that they will be able to collect this 45 crores more from the small savings.

I am mentioning these things only because I find in this abridged Report, in page 15, some hint that there may be scope for some marginal adjustments, if sufficient finance is not forthcoming. So, the plans in the Report are not to be taken as final. Some of these are likely to be dropped. There is thus an element of uncertainty. Most of these plans would be undertaken or might have been already undertaken and then at a subsequent date, the Government might feel that sufficient finance was not forthcoming. What will be the position then?

In this connection I do not like to be too much pessimistic. This Report has said that 9000 crores is our annual national income and by the end of this Five Year Plan the national income would be 10000 crores. There would be an increase of 1000 crores. They have calculated that only five per cent. of the national income is ploughed back to investment. But, I think the Government should take

sufficient steps to see that the extra national income of 1000 crores may not be frittered away or may not be consumed lightly. Not five per cent, but quite a considerable percentage of it should be available for investment.

I should also say a word about direct taxation. Only 28 per cent. of the tax revenue of the Central and State Governments comes from direct taxation, and it touches only $\frac{1}{2}$ per cent. of the working population of the country. I think there is enough scope for increasing direct taxation. I do not like to repeat the figures mentioned by some hon. Members before me. During the last few years, these industrialists have not played their part. They have taken every opportunity to exploit the consumers and to deny their due share of tax to the Government. I think the Government should take strong steps to make these people disgorge a portion of their, if not illegal, I should say unpatriotic and immoral profit, which they have made during the war and during the last five years. We have in this House on so many occasions discussed of so many scandals in regard to sugar, textiles, jute and so on. In all these industries, the industrialists have made huge profits.

I should also like to mention here that in our country there are hardly any industrialists. They are mostly merchants and commercemen, who have overnight become industrialists. So, they are not quite acquainted with the technique and etiquette of industrialists.

Mr. Chairman: The hon. Member's time is over.

Shri A. C. Guha: I thought you were giving twenty minutes for each Member.

Mr. Chairman: No, only fifteen minutes and the hon. Member has already taken fifteen minutes.

Shri A. C. Guha: If I had known this in the beginning, I would have adjusted my speech.

Mr. Chairman: How could I have rung the bell even when the hon. Member started speaking? Very well, he can have two minutes more.

Shri A. C. Guha: Before concluding, I should make some mention of the plans for West Bengal. I think I should first of all mention about the Ganga Barrage. Three Committees appointed by the Government, one after another, have recommended that this scheme should be taken up and the latest Committee has submitted its report

only a month ago. Its language is that "with as little delay as possible" this scheme should be taken up. It is not merely a question of giving some better economic scope for the truncated province of West Bengal but it is also a question of saving the port of Calcutta. The latest Committee has detailed the scope of the project and has said that it covers the following five multi-purpose objects:

- Provision of economic foundation and river control for the construction of the railway and road bridge.
- Supply of water for resuscitating the moribund rivers.
- Provision of irrigation.
- Improvement of headwater supply of the Hooghly for the benefit of Calcutta port.
- Provision of perennial navigation route between Calcutta and Ganga located entirely in the Indian Union.

Calcutta Port is even now the biggest export trade port in India and it is in danger. For some decades, scientists have been considering how to save the Calcutta Port; and now the recommendation of the Expert Committee set up by the Government is available. Also, the Ganga-Brahmaputra Water Transport Authority has been asking for this scheme. The North Eastern Railway has also urged for the Ganga Barrage. So, I think it is not the final word, as has been put in the Planning Commission Report, and I hope there is yet time to include it in the Plan.

Then, I should say a few words about jute. Only three days ago the Commerce Minister made certain statements in Calcutta about raw jute which do not reflect the correct position. You have fixed a target in this Planning Commission Report for the production of raw jute. I think the jute growers have done creditably well. They have made India almost self-sufficient as regards raw jute. But the Government is now going to let down the jute growers. Jute is selling at a price much below the economic price. For the last three years, we have seen so many scandals and crises in the jute industry; and the difficulty is that the raw jute brokers and the jute mill owners and the jute shippers are practically the same set of persons. They are also procuring and purchasing agents for raw jute in the East Bengal market. So, they are importing cheap East Bengal jute rather than purchasing Indian

[Shri A. C. Guha]

jute. If the jute growers do not get a proper and economic price for their jute, then India will have to face a serious situation and our growers will not cultivate jute and we would have to depend upon Pakistan for raw jute. Pakistan will then be in the happy position of imposing any condition it likes on us. So, I give it to this House as a sort of warning that no complacency should be allowed in this matter. The statement made by the Commerce Minister at Calcutta, I think, betrays his ignorance of the gravity of the situation.

I think West Bengal, on account of this partition, requires more road communications. This point has been impressed by the Planning Commission in its Report. West Bengal is now the frontier province and it is for all practical purposes divided into three different sectors each without any direct communication with the other. So, it is not merely a question of constructing roads for West Bengal. This construction of roads throughout West Bengal is not only an economic problem, but it is also a problem of defending our frontier region.

With these few words, I commend this Planning Commission Report to this House. It depends upon the Government how it can enthuse the public. Government should take courage in both hands, and not allow any of its efforts to be diluted by making a show that it is an all-Party affair. It is the responsibility of this Government and of the Congress, and the Congress and the Government must shoulder this responsibility of implementing the Five Year Plan.

Dr. Ram Subhag Singh: Much has been said about this Plan from various angles. At this far end of the day, I wish to confine my remarks only to the agricultural aspects of the Plan. It is true, as has been said in it, that unless and until a substantial increase is effected in agricultural production—both food and raw materials—a higher tempo of industrial development which is needed for the overall development of the country could not be sustained. I think that it is a welcome sign. As such I welcome this Plan, because it has recognised the needs of the times and given top priority to agriculture, which is the backbone of the entire Indian economy and which provides livelihood to about three-fourths of our population.

The basic problems facing Indian agriculture are:

(1) defects in tenancy system; (2) uneconomic and unconsolidated hold-

ings; (3) fragmentation of holdings; (4) primitive methods of farming; (5) the vagaries of nature and officialdom; and (6) unemployment among peasants for a significant part of the year.

Sardar Hukam Singh: Whom are you addressing? There is no one on the Treasury Benches.

Dr. Ram Subhag Singh: I do not care.

The Deputy Minister of Defence (Sardar Majithia): Sorry, you better put your spectacles on.

Dr. Ram Subhag Singh: Here is the Deputy Minister.

Shri K. K. Basu: Even if no Minister is there, you can address the officials. They are there in the Official Gallery.

Dr. Ram Subhag Singh: I think that if the Five Year Plan gives us a complete answer on all these points, I should not object to it.

Let us analyse what is the real position. The recommendations made in the Plan in regard to the land policy this time show some improvements over those made in the Draft Outline, inasmuch as they provide for fixing of a ceiling over future acquisition as also on the existing holdings, so that enough land may be made available for redistribution among landless agriculturists. But then I must say that the false hope of losing agricultural production target has made the planners recommend much in favour of the big land barons at the cost of the poor agriculturists. Quite a good many of the big land owners have already disposed of their land. They have transferred it in the names of their family members and relatives and invested the proceeds of the still surplus land in urban property and industry which the Plan has unfortunately left untouched. And I am sure that those who have not yet done so will do so before the special census of land which is proposed in this Plan is completed, thus leaving practically nothing for redistribution among landless agriculturists. Another way open to these big landowners is that the Plan provides that they can make themselves substantial owners of land. In this way they can go on managing their land without the aid of any tenant. In this way they can perpetuate their hold on land as long as they wish, because there is a provision in the Plan that if they conform to the standards of efficiency laid down by the State Legislatures they can continue their hold. I believe that all big landlords

can conform to this because they have sufficient means to do so.

As regards agricultural labourers, those who are not having any land of their own, this Plan attaches much value to gifts of land. As has been pointed out by several speakers, I am also of opinion that in a controlled and planned economy no value should be given to these gifts of land. I think that this is a defect in the Plan.

As regards my second and third points which concern uneconomic and unconsolidated holdings and fragmentations of fields, I think the Plan provides for consolidation of holdings. It is recommended to various State Governments that they should have a programme of consolidating their holdings. It also provides that a minimum should be fixed below which no holding should be allowed to be fragmented. I hope that this programme will be carried out effectively and efficiently and with a minimum of expenditure chargeable from the peasants. In carrying out any plan, if the Government charge too much, it would become very difficult for the agriculturist to pay it.

The fourth limitation from which Indian agriculture suffers is the primitive method of farming. It is a well-known fact that it is beyond the economic means of the Indian agriculturist today to make any improvement in their age-old methods of farming because they are not having money enough to provide for that. Nor do the recommendations which are made in the Plan contain any suggestion which can give any help to the agriculturists to make any change towards improved methods of farming.

The fifth limitation from which Indian agriculture suffers is the vagaries of nature and of officialdom. I am glad that a big sum of money, nearly Rs. 561 crores, has been provided in the Plan for big River Valley Projects and minor irrigation schemes. But nothing substantial has been visualised in the Plan to do anything to protect the peasants against the vagaries of officialdom. The other day, we heard from the Deputy Planning Minister that the agriculturists of Maiton Dam area who are now being displaced are not going to be given land for land and house for house as was originally promised by Government. Another instance that I know of is of my own district. There the agriculturists have been made to pay Rs. 20 lakhs as penal rates. They are being ruthlessly suppressed these days for paying it. They are unable to pay that. It is not their fault that they should pay penal rates—it is the fault of the officials. But the officials have

organised themselves on one side for suppressing the peasants to pay these rates.

Here I may say that the Plan visualises an upward revision of land revenue and water rates in view of increased costs of new works, high costs of maintenance and rise in the prices of agricultural products. It has recommended to all the State Governments for an upward revision of land revenue and water rates. Some of the State Governments have done so. In my own State the water rates have been increased generally by 100 per cent. and in some cases by about 300 per cent. They can certainly increase the land revenue if they are able to satisfy the peasants, or if they are able to increase production in that area; but where they are not going to do anything they should not put an increased quantum of land revenue on the agriculturists who are unable to pay.

We all know how the original estimates of River Valley Projects have gone up by about 300 per cent. necessitating similar increase in the costs of maintenance. And what little I know of Government expenditure by seeing the constructions of housing factory, etc. in Delhi, I will not hesitate in saying that much of the Government money is spent very carelessly. Since this Plan provides for a sum of Rs. 2,069 crores, Government have to see that the vagaries of officers are not allowed to prevail in the manner in which they are being allowed to prevail these days. Unless and until Government is able to put a stop to such vagaries, it will not be able to cut much ice.

As regards rise in prices of agricultural products I should say that much of these never go to the original producer who will be made to bear the brunt of increased land revenue and water rates. He was and is paid only the procurement prices which are much below the market prices.

The Five Year Plan, of which we are all very proud, has already entered into second year of its implementation. As has been said in it the method of its application is the community development project and the agency of its operation is the rural extension organization both of which are typically American, about one hundred per cent. I should say subjectively and objectively. Everybody is talking about people's co-operation. But I would ask any of the Ministers to visit any of these community development projects to know what the people are thinking about them and what idea the villagers carry. Somehow or other.

[Dr. Ram Subhag Singh]

all of them have come to understand that these are American schemes, bearing American names financed by America and assisted by American experts. This is not my notion, but the notion of the villagers where the plans are being implemented. The Government, if they are interested in working the Plan effectively, should create better environment. First they created an environment in which everybody thought that money is going to come from Wall Street, and that Government is going to finance the agricultural projects and other things by this money. Now they are going to increase land revenue and water rates, especially when the capacity of water supply of existing canals, for instance the Sone canal of Bihar, has gone down by about three hundred per cent. If they go and assess the sentiments of the people in regard to this increased land revenue and increased water rates, they will come to know what hell they are going to create in the country. Therefore, they should be very cautious in increasing water rates and land revenue. Unless and until they do so, any amount of legislation and any amount of goodwill inside Parliament or in Government Secretariat will not be able to make any difference in our standard of living.

For the sake of the country and for the sake of the poor agriculturist, it is necessary that the Planning Commission and the members of the Planning Commission who are the main pillars of this Government should pay proper consideration to the existing conditions. I shall give a concrete instance to the Planning Minister. They say they are having some provision in this Plan to correct the administration. In my district a penal rate of Rs. 20 lakhs has been imposed on the agriculturists. He should appoint a non-official Enquiry Committee or send some Members of Parliament to see whether this is correct or not. This will have its good effect in other parts of the country. The energy and the good spirit the Government show towards ameliorating the difficulties of the people will pay in the long run and will contribute towards making the Plan a success.

Shri U. C. Patnalk (Ghumsur): I rise to speak on my amendment. Through this amendment, it is intended to focus the attention of Government on a very important aspect of planning which has unfortunately been completely ignored by the Planning Commission which has cost our exchequer about Rs. 25 lakhs and

more. It is a subject which has not yet, during discussion of the First Five Year Plan, attracted the attention of this House till now.

In planning it is not so much the financial and other material resources that count, but the human resources which have to be utilised for implementing any plan worth the name. The whole population of a country whose labour force is available for employment in implementing the Plan, and for whose consumption commodities and services have to be planned, is of equal, if not of greater importance than the material resources and the finances required for a Plan. Although our planners, in these two huge volumes with their summary and appendices, have referred to the manpower of our country and recognized the necessity of the labour force, it is regrettable to note that they have not examined this subject so as to justify the expenditure and the time taken for planning. For instance, there are no statistics essential for manpower organisation, and you know, that without statistics, manpower organisation cannot be properly done. There is also no attempt to follow the modern trends of manpower mobilisation adopted by different countries. And, from this point of view, it has to be admitted that the Plan is very faulty. There has been no attempt to tabulate labour requirements. Finally, it has to be borne in mind that this being a question of manpower mobilisation, it is the psychological background which ought to have been taken into consideration or, as the hon. the Prime Minister puts it, the emotional approach which ought to have been adopted. It is regrettable to find that the Planning Commission has not made any integrated approach from all these points of view. The Plan is wanting in cohesion as regards the machinery for implementing it. There has been no attempt to study the manpower organisation schemes followed in other countries. And there has been no attempt to have in view the psychological background, to ensure that the manpower of the country is properly organised and mobilised to work out these schemes.

This brings us to the very important question, namely the modern trends of manpower mobilisation that are being adopted in other countries. We know that for some years the totalitarian countries have been pursuing effective methods of manpower mobilisation by integrating the Defence services and the Defence organisation with the socio-economic programmes. In Russia, the STO was organised—the coun-

cil of labour and defence—between 1921 and 1923 and it was looking to the manpower co-ordination both for defence as well as for industries. The same has been adopted by the so-called democracies in recent years. Since 1939, U.K. and America which are considered to be two of the most progressive democracies, whose foot-steps we are supposed to be following, have adopted very rigorous methods of manpower mobilisation. U.K., under the National Service Acts beginning from 1939 to 1947 has tabulated its manpower, organised the same partly for defence, partly for defence industries and partly for civilian industries. So also America, with the National Security Acts—which are improved counterparts of the National Service Acts of England—has been organising its manpower through various Boards, through different Acts, and the final Act was the National Security Act of 1947. Two important aspects of this American Act of 1947, of the subsequent Army Militarisation Act of 1950, and of the various Boards constituted under the former could have been taken notice of by our planners while formulating the Plan.

The two important aspects are, firstly, they are to tabulate the entire manpower for defence services, defence industries, civilian industries and other activities. Secondly, they have adopted, as a rule, that civilians should be at the top of the entire defence organisation, as well as the regular manpower organisation, including the various Boards that have been set up under the Act. These are important aspects that have to be taken into consideration, especially because we are often reminded that ours is a democratic planning, that it is following democratic countries, and is not planned on totalitarian lines. We say: very well, what is your plan for manpower mobilisation? Have you got statistics of manpower available in our country—the labour force through which you are going to implement your Plans? Have you tabulated your manpower under different categories, those who cannot work at all, those who are below or above the age, those who are unhealthy, and those who are able-bodied, that is to say the human resources which could be utilised for defence industries, for civilian industries, for agriculture, and for various civilian and defence purposes? Have you tried to examine the modern methods of manpower organisation, whether it be in the so-called totalitarian countries or in the so-called democracies? I am afraid that the planners have not approached the Plan from this point of view.

410 P.S.D.

Speaking about the integration of defence with socio-economic planning, I claim no originality for the suggestions. As far as this country is concerned, it was Mahatma Gandhi who wrote in the *Harijan* in March 1946, before the advent of freedom, that the army personnel could be used for socio-economic purposes. A couple of years ago the Chairman of the Planning Commission who happens to be the Leader of this House, in his capacity as President of the Congress, in his report to the Bangalore session of the A.I.C.C., under the heading 'Planning Difficulties', has indicated that the defence personnel could be used for various socio-economic purposes but that there were some difficulties in the way. It was not obviously placed before him that it is not 'difficult' but it is of real advantage to the country if the defence organisation, the defence services and the training in the defence forces could be utilised for socio-economic planning.

I would refer also to my hon. friend opposite who is considered to be an authority on Gandhian economics and who led the discussion in this House on the Planning Commission Report on behalf of the Treasury Benches, Prof. S. N. Agarwal. He has written a number of articles, and he has also addressed our Defence Study Group on this subject, that is about the socio-economic possibilities of the defence organisation. It is rather unfortunate that we all swear by the name of Mahatma Gandhi, but still there is no attempt at adopting what he has been pleading for. The Chairman of the Planning Commission Shri Jawaharlal Nehru, has stated his views on this subject; but the Planning Commission's Report, I do not know, by whom formulated, makes no mention at all of such socio-economic use. It is also unfortunate that our friend who has been writing and talking about defence socio-economic use elsewhere and from whom we had been expecting a lead in this direction here, had not a word to speak about the socio-economic possibilities of the defence organisation during his speech.

Not only this, I as a humble worker and as a citizen of this country would say this. It is of course undesirable to speak in the first person, but this is a matter in which I cannot help using it, because it is not the treatment given to me alone but to hundreds of people throughout the country. As soon as this Planning Commission was announced, in spite of the frustration of three or four years, there were great hopes that the Commission would plan for the country, plan for the people, and would plan with a

[Shri U. C. Patnaik]

regular cut and dried machinery through which the Plan would be implemented, a scheme in which financial control is provided, administrative control is ensured; and we all earnestly hoped that the Planning Commission would come out with such a Plan and be the real saviours of the country. I, for my part—and there are hundreds of people like me whose hearts throbbled at the time the Planning Commission was announced—thought that in spite of our sense of frustration, the Planning Commission would do something. We all hoped that something would be done, several persons wrote articles in newspapers at their own expense, spending their own time for consideration of the Commission. People wrote articles in newspapers, and newspapers wrote editorials and sub-editorials making suggestions to the Planning Commission. I, as a citizen of and one of those people who made such suggestions, took the trouble not only of writing articles in a number of papers in Calcutta, Madras and Bombay but wrote a book, printed it at my own cost and sent it to the Planning Commission. I am sorry I am making a personal reference. I ought not to have made it but I feel I cannot help it in view of the approach of the Planning Commission and the response that they seek from us. It was a book of about 116 pages, called *Planning for India's Man-power*. It was prepared particularly for the National Planning Commission of India which has cost us Rs. 25 lakhs and it was submitted on 17th April, 1950 and printed at my own cost. The response of the Commission is a good example of the public co-operation that the Planning Commission wants. I got very pleasing letters from a gentleman who is now running practically the entire Planning Commission who is sitting there, Mr. Tirlok Singh, and I also got letters from another officer of the Planning Commission acknowledging receipt of my books and telling me that the whole thing was being examined. At that time, Mr. Joachim Alva, who is editing the paper *Forum* also wrote a long article in the *Forum* appreciating my approach and hoping that the Planning Commission would examine all these suggestions but unfortunately it so happened that my three or four books that I had sent to the Commission and were acknowledged by letters, those books have not seen the light of the day.

Shrimati Sucheta Kripalani: It has been pigeon holed.

Shri U. C. Patnaik: I was then a member of the Orissa Legislature. The

Planning Commission Report was sent to the Orissa Legislature for consideration. There I gave these suggestions and the Chief Minister was so highly pleased with them—though by then I had fought against the Congress organisation for some time—that he made a special reference in his reply and said, "It is a wonderful scheme and I am personally sending it to the Planning Commission". He happens not only to be the Chief Minister of Orissa but also a member of the All India Congress Working Committee Mr. Nabkrishna Chaudhuri. In spite of all these, what is their attitude and how bureaucratic minded they are! I am sorry, in spite of all that, no action was taken. About 1½ months ago the Planning Commission was kind enough to extend their invitation to me and asked me for my views. I suggested how the defence organisation could have been utilised, how the engineers could be utilised. I also suggested that the recommendation of the Committee of Engineers which was appointed three years back has not seen the light of the day. I asked them, "How are the Army Experts who are now considering the retrenchment question going to absorb those who would become unemployed due to retrenchment?" Some of the members of the Commission were pleased to state that I ought to have given them a memorandum on the subject. I pointed out to them that this memorandum was printed and sent to them. Then they were kind enough to ask me to send them a summary of it.

6 P.M.

Mr. Chairman: May I know how long the hon. Member will take?

Shri U. C. Patnaik: I will take another ten to fifteen minutes. Sir, because...

Mr. Chairman: The hon. Member has already taken 15 minutes. If he cannot finish within five minutes, he may continue tomorrow.

Shri U. C. Patnaik: Because mine is the only amendment on defence.

Mr. Chairman: If he can finish in five minutes, then let us sit and finish. If he cannot finish within five minutes, I will adjourn the House.

Shri U. C. Patnaik: My hon. friends are anxious to hear for ten or fifteen minutes more.

The House then adjourned till Ten of the Clock on Thursday, the 19th December, 1952.