

[Dr. P. Subbarayan]

Further enquiries have revealed that, had there been standing arrangements by which these stations could communicate with each other at fixed hours before the arrival of the flights to ascertain the load position, it would have been possible to accommodate last minute requests in a more satisfactory manner. This is a procedural matter which I am asking the Corporation to review with a view to taking suitable remedial measures, wherever necessary.

12-14 hrs.

MOTION RE. THIRD FIVE YEAR PLAN—*contd.*

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by Shri Jawaharlal Nehru on the 21st August, 1961, namely:—

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

Now, the hon. Minister.

Shri Harish Chandra Mathur (Pali): Mr. Speaker, Sir, will you allow at least some of us to speak?

Mr. Speaker: I have allowed eighteen hours already

Shri Surrendranath Dwivedy (Kendrapara): I want to put just two questions to the hon. Minister, before he starts his reply.

Firstly, I want to know whether the Planning Commission has revised its policy or has permitted the States to sponsor new projects which will require money during the Plan period, and has also given the freedom to the States to negotiate with foreign countries either for loans or for investments in new industrial undertakings.

Secondly, I read in the newspapers that the Governor of Orissa, while addressing the inaugural session of the Orissa Assembly, referred in the course of his speech to the new schemes that the Government of Orissa proposed to undertake during the Third Five Year Plan, and he has also indicated that the schemes would require more money than what had been provided for the State of Orissa in the Third Five Year Plan. There is also the statement of the Chief Minister of Orissa that he will somehow or other get Rs. 300 crores beyond what has been provided in the Plan and see that the projects will be carried out in the State of Orissa. I want to know whether this authoritative statement that has been made by the Governor has been made in consultation with the Planning Minister or the Government of India, or whether there was any discussion about these Plans with the Planning Commission.

These are the two questions which I want the hon. Minister to answer.

Mr. Speaker: Now, the hon. Minister.

Dr. Sushila Nayar (Jhansi): I was given to understand that the time for the debate will be extended.

Mr. Speaker: No, I have already given 18 hours.

Shri Harish Chandra Mathur: May I make a submission that at least in respect of the Third Five Year Plan which we are going to implement, certain Members who want to participate should be given an opportunity? We want that there should be response from all quarters. But if you are not going to give opportunities even to Members of Parliament who are anxious to participate, how do you think that the country has participated in the formulation of the Plan? If you are not going to permit us to give our reactions, how can you say that the country is participating in the formulation of the

Plan? I have been sitting here in this House for three days continuously, and you promised me an opportunity yesterday. But if this is the feeling with which we shall go from here, namely that we have not been given an opportunity to participate in the debate and make our feelings known and to give our comments, then, what is the feeling that is going to be created in this country? What feeling can we create if we go with a feeling of disappointment?

Mr. Speaker: There are as many as five hundred odd Members in this House, and it is not possible to accommodate all of them. When Shri Harish Chandra Mathur got up yesterday, I told him that some other hon. Members from Rajasthan had already spoken. I wanted to give opportunity to at least one Member from each State. Shri Harish Chandra Mathur pointed out that the other representatives who had spoken had represented on only one aspect, and, therefore, he wanted to present the other aspects. I told him that if there was time, I would certainly allow. But he will appreciate that all the five hundred odd Members may not be able to participate, even if we sit for five hundred days to get along with this report.

After all, this is a not a new thing. I think, on a prior occasion, I believe, about six months or eight months ago, when the Draft Outline was before the House, I allowed an opportunity to Members; I appointed as many as five committees, and all hon. Members, without exception, and from all sections of the House, were thoroughly satisfied with the opportunities given to them to make representations and also the manner in which the hon. Ministers responded and reacted to those representations. After all these stages, with the Draft having been before the country, before the House and before the committees of the House, the final plan has come now.

In the Business Advisory Committee, we decided the allotment of time, and we allowed 18 hours. We sat for one more hour on each of the three days when the Plan was being discussed. Still, certain hon. Members may not have opportunities. For that purpose, shall I go on extending this debate?

Now, the hon. Minister will proceed with his speech.

Shri Harish Chandra Mathur: If you could kindly extend the time by at least one day, it would be better.

Mr. Speaker: There will always be some persons who may not still be able to participate.

Shri Ram Krishan Gupta (Mohindergharh): Most of the areas in my constituency are backward and under-developed. So, I may be given an opportunity.

Mr. Speaker: I have called other hon. Members from the Punjab.

Dr. Sushila Nayar: This is a very important matter. There would be no harm if you extend the time.

Mr. Speaker: I shall give her an opportunity on some other occasion.

Shri Jamal Khwaja (Aligarh): After all, this is the Third Five Year Plan, and opportunities should be given to hon. Members.

Shri Harish Chandra Mathur: We want to make contributions on a particular subject.

Mr. Speaker: There will be many other opportunities: Now, the hon. Minister.

The Minister of Labour and Employment and Planning (Shri Nanda): As I rise to submit my reply to the discussion on the Prime Minister's motion regarding the Third Five Year Plan, I have, of course, before my mind, the criticisms, the views and the suggestions to which so many hon.

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Members have given expression, but much more so, I am conscious of a sense of awe at the immensity and the complexity of the tasks which are involved, and the great effort that they call for. At the same time, I feel thrilled at the promise which the Plan holds of a very substantial advance to the future of our dreams.

The Third Five Year Plan offers the prospect of a very large step-up in production in almost every field. There is going to be a qualitative change in the structure of the economy of the country in a very significant manner, but more important than all this is the fact that the Plan will lay firm foundation for a self-reliant and self-sustaining economy.

In the course of the last three days, numerous questions have been asked, various issues raised, and attention drawn to a number of things which according to the hon. Members, have either not been done at all or not been done properly. These are important points. But owing to the limitation of time, I propose to address myself to the more important of them, that is, those which have an intimate and close bearing on the basic content of the Plan. On this occasion, my main concern is with the theme that the objectives of the national Plan having become agreed goals for the people in this country... (Interruptions.) I shall establish that these are also accepted by the hon. Member, Acharya Ranga. Now our basic task is to devise ways and means for the quickest realisation of these aims and objectives.

My case is that the strategy embodied in the Plan is the correct strategy. Nothing else can give better results and any significant departure from this strategy will only retard progress. We have made striking progress in many directions during this period. But it must be conceded that result has not been good enough—it could have been better.

There are, as I see it, three main sources of deficiencies: to some extent, certain defects in the planning stage and to a larger extent failures in implementation; there are also circumstances over which we had no control and they made their own contribution. In the period intervening between the discussion on the Draft Outline of the Third Five Year Plan and the present occasion, two clear gains are discernible for the national Plan. One is that nobody now talks of a smaller size of the Plan or that the Plan is too ambitious. Everybody realises that, if at all, the Plan should be of a somewhat bigger size. Secondly, there is a great deal of accord among us, without exception in this House—and I daresay outside—about what should be the future shape of India as far as its economic and social aims are concerned.

Acharya Ranga and Shri M. R. Masani made eloquent speeches. So far as Acharya Ranga's presentation was concerned, I may disagree—and I do disagree—with many of the things which he said, but it was a fairly open, straightforward presentation.

An Hon. Member: Just like an Andhra!

Shri Nanda: In the case of Shri M. R. Masani, it was, of course, more sophisticated as may be expected from him, more tangled and it was of a dubious quality. As I judge from the amendment and from the speeches, the Swatantra Party agrees with the following objectives—I have called them from their amendment: a rising standard of living for the people, rapid development of the economy of the country, greater equality, reduction of disparities, no concentration of economic power, no monopolies, more exports and no undue dependence on foreign countries. I hope they accept these objectives because these are just what they have said. If that is so, then I think this statement more or less underwrites the Third Five

Year Plan, so far as they are concerned. (*Interruption*). I will explain it.

In the case of Acharya Kripalani, there was emphasis on certain aspects, specially on implementation. No cleavage of a fundamental character appeared. This makes things very much simpler and more amenable to the exercise of reason and logic. I shall endeavour to reach the minds of the hon. friends opposite. (*An Hon. Member: Impossible*).

The Minister of Railways (Shri Jagjivan Ram): Which Acharya? There are two Acharyas.

Shri Nanda: I have said that there is not much of difference of opinion as far as the speech of Acharya Kripalani is concerned.

I would like to remove whatever resistance there is to the concepts embodied in the Plan. I believe that any reservations that they have will be removed. It was said by my hon. friend, Shri Asoka Metha, that we stand on the frontiers of a new world and we are hesitating. He also quoted somebody. Our approach to the Plan is one of confidence, and there are reasons for it. We have learnt the lessons; we have applied our minds earnestly to the experience of the past years and we are acutely aware of the drawbacks which retarded progress to some extent, both in the method of implementation and in the quality of our planning. Now, we have worked out a programme of concerted effort in order that the programmes and projects which are incorporated in the Third Five Year Plan are executed efficiently and economically.

I shall make one point clear at this stage. This is about the task of implementation. The point was made yesterday about the responsibility of the people and of the Government for implementation of the Plan. I must state it clearly that in the present circumstances of the country the State

is taking a leading role in rebuilding and strengthening of the economy and therefore, in the task of implementation of the Plan. Therefore, any failure that occurs will be largely our responsibility.

But there are two other factors to which I would like to draw attention. We have to draw the people into the Plan, much more than has been done so far. They have to be made more aware of the implications of the Plan and of their responsibilities in that connection. When this comes about, they will be in a better position to exercise the sanctions—powerful sanctions—for implementation and they will also be able to make their fuller contribution.

I also recall that several hon. Members referred to one or two other things which are very important in this context. They stressed the importance of a more favourable social and political environment being created. This is a question of attitudes and outlook of the people. It is certainly indispensable that there should be greater social harmony and political unity in the country so that our plans succeed in a full measure.

I have mentioned some of the basic factors which determine the measure of success. I have no hesitation in stating, I think it should be on behalf of all of us that in the matter of this Third Plan and the subsequent plans India is going to succeed. This country is going to make big strides in the years to come. The ground for this confidence is that there is a vast untapped reservoir of resources, both human and material. Our people have the capacity and intelligence and given a favourable environment, the tools and necessary training, I am sure, they will render as good an account of themselves as any people anywhere.

Sir, we have undertaken vast programmes of training. That is one assurance for the success of the Plan. We are creating an industrial base

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which would enable progressively to produce the tools that our people require. Since I have mentioned implementation, and this aspect is in the minds of many Members here and persons outside, I should say something more about it before I proceed to deal with the argument about the strategy of the Plan.

Implementation does arise as a major key to the success of the plans and it is apparent that as things have happened or conspired during the last few years, certain deficiencies have come to our notice. As some hon. Members have pointed out, cost estimates have risen; time-schedules have not been adhered to and there have been bottlenecks resulting in under-utilisation of capacity created.

What do we propose to do about it? Sir, we have during the past two or three years, gone very closely into all aspects of implementation and we have applied ourselves closely to examine each deficiency that arose, each shortfall that occurred with a view to finding out what were the causes behind it. It may be lack of coordination and deficiencies in the administrative procedures and defects in the methods of planning also. All these things have been looked into and I might make just a brief mention of some of these things, because, as I said, this touches the heart of the matter so far as the success of the plans is concerned.

There are three or four main aspects of implementation relating to administration in general. Then, particularly for an underdeveloped country like India which is devoting so much of its resources to industrialisation, improvement of transport and power, facilities etc. are very important. We have to look after these things properly. Then, there are the training programmes. One of the things which came in the way of full realisation of targets in the previous two plans was

deficiencies and shortages of trained and experienced personnel. Whereas on the one side there were vacancies, there were idle persons asking for jobs, on the other side. There were places which could not be filled. In the Second Plan, because we were rather late to tackle this problem, this difficulty was experienced about shortages of trained personnel. In the course of the Second Five Year Plan, we had dealt with it very adequately. It requires considerable time to train the personnel and to put them on various jobs in the projects. In the Third Five Year Plan too, adequate training programmes to meet the requirements have been provided. That is the second aspect.

Then there is the question of under-utilisation of the potential created in different fields. One aspect which is not less important though there are certain other things which are more important, is that for the rural economy, planning at the village and at the block level is crucial. We have tried to introduce some changes in order to make it more effective than in the past. In the case of large projects, the aspects relating to management cadres and advance planning are very important. What occurred so far was that some projects were taken up without giving enough time and attention in the earlier stages to work out all the details to conduct the investigations and to tie up all the various other resources which had to come into it. This is a difficulty which is connected with organisation and administration. For this purpose a series of steps have been taken. There are to be well-equipped technical planning cells in each ministry concerned and steps are to be taken to strengthening the design and research units in the projects ensuring adequate arrangements within the Ministry of Finance for examining cost estimates assuring effective co-ordination between different stages or parts of the same project as well as in related sectors and for securing fulfilment of targets and time-schedules, insistence on advance planning

and accurate estimation of costs. Special units are to be set up within individual projects for assisting the management in keeping down costs, raising productivity, setting norms and checking performance.

How are the big plants and enterprises going to be run? There is the question of autonomy, the delegation of powers and of decentralisation. That is important. This is being done. But at the same time the other requirement is that there should be some means of judging their efficiency, and for this purpose, norms of standards of performance have to be evolved. We should know who have not done well, so that appropriate action may be taken in time. That is a very important aspect of implementation. We used to receive reports. But in the meanwhile certain things had happened; and bottlenecks had arisen and it was rather late when the reports came. Apart from the annual review to which the hon. Member Acharya Kripalani referred, and it is going to be provided for, there will be continuous assessment of the working of these projects.

I have given just an idea of the steps that are being taken to ensure running the enterprises properly and efficiently and for fuller utilisation of the industrial capacity that has been created. Then comes the question of phasing and proper selection. Regarding the local plans to which I referred . . .

Acharya Kripalani. (Sitamarhi): May I point out that all these things were told during the course of the discussion on the Second Five Year Plan—everything that the hon. Minister is saying now?

Shri Nanda: Of course, then also we were aware of the importance of implementation, but there are certain specific things which were not clearly worked out at that stage. About this question of advance planning, we did not know enough then. And certainly our capacity for better planning

has increased for the reason that in the First Plan we had very little of statistical tools, and of basic information. We were in a better position in the Second Plan and we are in a very much better position in the Third Plan. During the past ten years, our capacity has increased and so has our knowledge.

I have said something about implementation and now I turn to a major question raised here, the rate of growth in this country. But before I do that, I shall say a few words about a long portion of the speech of Acharya Kripalani devoted to the shortfalls. It is all correct; the figures have been quoted from a report published by the Planning Commission and various other official publications. The hon. Member Shri Asoka Mehta said that we should have devoted a whole chapter to this aspect but Acharya Kripalani made a chapter out of it. My only comment is this. Here is a picture, a canvas. There is a dark dot here and a dark spot there. You bring together all the dark spots in one place and make it a black picture; that is not the true picture; the real picture is very different.

Acharya Kripalani: The Treasury Benches bring all the bright spots together. They do one job and I do the other job.

Shri Nanda: If we had followed his line of prudence and wisdom, then he would have had no material to produce his speech because all that he said about shortfalls is given in the Plan and other official documents.

Shri Ranga (Tnali): You are the Government

Shri Nanda: Then do not say both the things. The question was raised about the Plan. Acharya Kripalani's argument was: if there are variations from the targets contained in the Plan, then what is the Plan? It is a defective plan and a defective plan is worse than no plan. That is what Acharya Kripalani said; as if a little

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light is worse than darkness. Planning is a continuous process. We go on improving our technique and the methods as we proceed. We may not get 100 per cent results in the first or second stage but we have been progressing in that direction. The point is this. We say that this is what we can do. There are many difficulties and complications to be faced in a country where there are 43 crores of people as participants. Moreover, in a mixed economy in which private sector forms the larger part and with a substantial non-monetised sector, you cannot have a very rigid Plan. Even in a fully regulated economy you cannot have a precise knowledge of what is going to happen five years hence. Things will always be changing. But there should be no variations in the overall position.

You will have noticed that in the Third Five Year Plan there is this idea of physical planning and financial planning. There is the Plan outlay as differentiated from financial outlay. This is again, part of a better technique. Of course we wanted to do much better but the available resources were not quite adequate for the purpose. That was one impulse. We also felt that we could have taken upon ourselves to do something more as extra resources became available. I may state here that in the latest budgets there were signs of the financial situation improving and therefore, we could take a more optimistic view of the future. But the main consideration was that we might have more resources but not enough ready projects. Therefore it was decided that we should have preliminary work started in a number of directions so that at the appropriate time we could go ahead with those projects.

Now, the rate of growth seems to have caught the fancy of some hon. Members. Everybody is talking about the low rate of growth in India. We are before the bar of public opinion

and economic judgment. What are we doing? We claim that we are making a success of our Plans to a considerable extent and yet in the list of 25 underdeveloped countries India stands at the bottom, with the exception of four or five countries. That was the impression created here in the House and outside. The material in the publication from which this is drawn does not lend itself to any such interpretation; it does not lead to any such conclusion. The hon. Members who have dealt with this aspect should appreciate that the calculation of the rate of growth depends upon the way in which we are dealing with the figures, it depends primarily on the rate of investment in proportion to national income or the gross national product. There is a definite relationship between the two. That shows the efficiency of our execution of projects, the efficiency of investments and also the degree of capital intensity, etc. It is true that the figures are low for India but the actual figure is more than the one quoted here because in that publication the last year of the Second Plan was not taken into reckoning. It is slightly more than eight per cent and when allowance is made for the omission, naturally the average goes up. Leaving that aside for the moment, let us take the figure as it is. What is the conclusion? I have got the figures. The rate of investment in Jamaica was 21 per cent and for Israel 26 per cent. Now, in India it is 8 per cent. Now what rate of economic growth can you expect from this? Then, there is another factor. In India's case, the inflow of resources was one per cent out of this 8 per cent. In the case of Israel the inflow was 21 per cent out of 26 per cent. Where is the comparison? They get so much foreign aid which helps to create a huge investment in that country.

The question may be asked: why are we not able to raise investment of that order? I do not think that the point of view which has been put for-

ward by the hon. Members opposite at all synchronises with this kind of approach. When they talked about our low rate of growth, they thought possibly that there was something wrong with our economic policy and therefore, there should be a change. This is also the view taken by the Federation of the Indian Chambers of Commerce and Industry. Some hon. Members from that corner charged us for going so slow and such expressions as "galloping", "trotting" common to horse racing were used. They said that we must do better. I must first deal with that part. They are apt to overrate themselves and try to overdo things but we are not going to follow that advice because our approach in these matters is not a doctrinaire approach. We want to get the best results but not at the expense of solid progress. So far as this side is concerned, how do we manage to do better? Financial resources can be in the form of taxation, loans, more of small savings or more foreign aid. But they say, "do not become dependent on foreign countries." Take the question of external assistance and taxes. Their approach is that the taxes are already too high. How are they too high? The tax burdens have to be put on the broad shoulders which can bear them and not on the poor people who cannot bear them. That is true enough. What is the proportion of tax revenue to G. N. P. in India as compared to a rate varying between 20 to 30 per cent in some advanced countries? It was 8.9 per cent in 1960-61 as against 7.6 per cent in 1951-52. Over all these years, it cannot be said that taxation has been a crushing burden at all. If we want a still higher rate of growth within the ambit of pattern of investment laid in the Plan the investment-output ratio is going to become higher. It means that we will have to put in more resources in order to arrive at the goal of 15-year perspective and get a per capita doubling of per capita income which means so far away. If we do not want to make it so much further and choose to postpone it,

then something has to be done. But both Acharya Kripalani and Shri M. R. Masani are in no hurry. Shri M. R. Masani said yesterday, "you cannot develop quickly; it will be a century or half a century."

Shri M. R. Masani (Ranchi—East): I did not say that. I said that you need foreign capital for half a century in order to develop faster.

Shri Nanda: Otherwise, without these capital goods, etc., you cannot progress. I am going to explain it. He said: "No jaim today no jaim tomorrow, and fly in the skies till you die."

Acharya Kripalani: The generation will die.

Shri Nanda: May be, but so far as they are concerned, their generations, their children, their children's children and grand-children will have died before that stage comes. This is the kind of strategy or economy that they are presenting. (*Interruptions*).

Shri Ranga: What does your conscience say?

Shri Nanda: We were told that this is the eve of the election, and that this is an election Plan. No 'eve of the election' Plan is going to contain that material which you can fling at us. I cannot understand how Shri M. R. Masani who has considerable acquaintance with economics can at all subscribe to a line of thought which is totally contrary to economic sense, but I do not say that. (*Interruptions*). About the rate of growth, Shri Asoka Mehta pointed the example of Iraq and some other countries. It was said that Iraq got it mainly from oil. The situation in one country is very different from another. We are trying to develop—it is not being liked—the basic industries. They are capital-intensive. Some countries may prefer to have just consumer industries and go on merrily. We do not think that that is the right course.

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I now come to another aspect, the strategy of the Plan. That is the main question. Are we doing anything wrong, as was alleged by some hon. Members? There are very serious allegations. We are asked, "According to your strategy, the way in which you are proceeding about this Plan, what will be the consequences?" The consequences, as they say, are inflation, misery for everybody, unemployment and dependence on foreign countries and various other evils that they can possibly imagine. These are the consequences that are going to flow from this approach of planning. Therefore they say it is all wrong. They mentioned inflation, erosion of income, the State sector becoming predominantly monopolistic, and so on. The hon. Member talked of monopolies which grow because of the Plan.

Shri M. R. Masani: The State becomes a monopolist.

Shri Nanda: Their objection is to bigness. What is the remedy? The remedy is very simple. They suggested some ingredients for the recipe. The first, no heavy industry; second, no public sector; third, no foreign aid. These are the main ingredients of the recipe.

Shri M. R. Masani: Quite wrong:

Shri Nanda: These could be proved. I have got copies of their speeches. The hon. Member might even now say anything also he has in mind.

Shri M. R. Masani: Restoration of competition in the service of the people!

Shri Nanda: I am sorry I forgot to mention one more ingredient. I would be most unfair to them if I did not mention it; I just lost sight of it; it is very important. It is, "no control and no regulation of the economy."

Shri M. R. Masani: I said, "minimum regulation and minimum control; not the maximum."

Shri Nanda: These are the four legs on which they stand. The hon. Member told me, perhaps in a fit of absent-mindedness, that he happened to read a book by a gentleman called Bauer. This gentleman seems to be an old acquaintance of my hon. friend.

Shri M. R. Masani: I have never seen him.

Shri Nanda: I was told that he has something to do with the establishment and development of the Forum of Free Enterprise. At any rate, he is thinking on those lines.

Shri M. R. Masani: Till four days ago, I had not even known of Prof. Bauer's existence. He is a Professor at London University. That is all I know.

Mr. Speaker: Anyhow, they think alike!

Shri M. R. Masani: I am very happy that such an eminent authority happens to think on my lines and is not on the side of my hon. friend.

Shri Nanda: All that I wish to say about that is just two or three words. Of all the eminent economists in the world today, there will be hardly any person belonging to this generation who will say like that.

Shri M. R. Masani: Who says so?

Shri Nanda: There will be very few, at any rate. Anyway, I may inform hon. Members that so far as the current trends in the world are concerned, the position broadly speaking is this. Take England for instance. It has a conservative government. Knowing that their rate of advance is not good enough, what are they doing? They call labour and industry to sit together and say: "Have a Plan; do something to ensure that there is proper allocation of resources." That is

economic planning. That will bring in regulation of all kinds. Next, take the United States; I believe that is a good enough country to refer to, which the hon. Member, Shri M. R. Masani, will agree. The Government of U.S.A., is urging on every Latin American country to whom they already give some aid or promise such assistance to go in for integrated planned development. The main objection of my hon. friends over there is to heavy industry. Is it not so?

Shri M. R. Masani: No, the obsession with heavy industry.

Shri Nanda: It is a matter of degree; there is no thermometer to measure these things, except that there are certain economic needs of the nation. Therefore, certainly, it will be insane to set up huge plants, the products of which cannot be utilised at subsequent stages. But I do not think there is any fear of that; so far as we are concerned. We are still not getting all those products; we are not self-sufficient and we are trying to produce them. Therefore, where is the question so far as the degree of need is concerned?

Mr. Speaker: He said that the idea of self-sufficiency is wrong.

Shri Nanda: I shall deal with that also. So, the idea of self-sufficiency is wrong and the idea of dependence is right!

Shri M. R. Masani: Economic cooperation in the world.

Shri Nanda: Whoever told Shri M. R. Masani that this Plan, aiming at self-sustaining and self-reliant economy in a period of fifteen years or so, excluded international collaboration? I think that collaboration in the form of international exchange of goods and services is going to be on a much higher level after fifteen years than it is today.

Shri M. R. Masani: What about import of machines?

Shri Nanda: I think his association with friends who are non-economists

has possibly wasted his knowledge of economics! We do not want to continue import of machines for ever. We want to build up our own capital goods and machine-building capacity, which will build the machines which in turn will produce the consumer goods. What is the alternative? We cannot start manufacturing capital goods in a day; it takes such a long time. Their prescription is begin with the consumer goods. There are two ways of producing consumer goods. One is without machines, doing it with the hands and go on doing it. Of course, hon. Members will ask, what will happen with the increasing population, if there are no machines to produce all the things? There will be destitution, starvation and privation of the worst kind. The second course is to produce consumer goods with the aid of machines, but for that you need not make the machines which could be imported from outside. How long shall we do that?

13 hrs.

When the hon. Member asked, how do you pay, the question is, what do you pay, with? You consume everything and then how do you pay for all you choose to import? Is it not better policy to reduce your dependence on foreign countries? Again the whole question boils to dependence on foreign economic aid. So, this is the only way of getting rid of dependence on foreign countries. In a period of 10 or 15 years, we try to stand on our own legs, otherwise, we have to go on importing even machines for producing consumer goods. The hon. Member will, no doubt, realise that in a period of about 15 years, what is going to be the norm of volume of the capital goods that will be required in the process of large scale investment. Who is going to give us all that and how are we going to pay for it? You will have to send away practically everything you produce to pay for the imports. That is what is going to happen. This is the strategy. I thought that the consequences of such a policy should be absolutely clear. Then they say, the Third Plan is based on the

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Soviet model. We know that. There is the Swantantra model, which is dependence on foreign countries perpetually. (*Interruptions*). That is one ingredient.

The second is public sector. They have an aversion for the public sector.

Shri Tyagi (Dehra Dun): I would request the hon. Minister to throw some light on the plan which they have decided about the method of repayment of loans. Those plans also may be explained.

Shri Nanda: Yesterday my colleague explained all that. That is a common problem. But here is an attack on the basic strategy of the Plan. There are three things. They are averse to the public section. They think that the public sector takes away the freedom and it sets up monopolies.

Shri M. R. Masani: Is not the LIC a monopoly? Is not the STC becoming a monopoly?

Shri Nanda: Monopoly of the whole nation is no monopoly at all. Monopoly of a section is a monopoly. When everybody has a thing, it is no monopoly at all.

An Hon. Member: What about bureaucracy?

Shri Nanda: In all those big business houses, do you think, it is personal administration there? It is bureaucratic administration.

Shri Ranga: It is worse here.

Shri Nanda: In the public sector, it will be possible in due course to hand over the management to decentralised autonomous units. It is not possible to do so in the private sector. (*Interruption*).

There was some talk of an unholy alliance between State capitalism and big private enterprise. I can assure the hon. Member that there is nothing of this kind happening in the country. Government has a positive role in ensuring that the country develops fast that there is social justice and social

security. We are familiar that indigenous industry wants protection against foreign goods. That kind of normal control or action by the State is not considered intervention. Intervention in favour of the people is not considered wrong.

Acharya Kripalani: Government and people are equal.

Shri Nanda: I ask the hon. Member, does he seriously believe that if there had been no State intervention in these things, the sovereign people would have got an opportunity to get into these things? All the opportunities would have been appropriated by the bigger business houses. Now, at any rate, there is some attempt, through licensing, etc., to spread out the opportunities among small people also, otherwise they could not have come in.

Acharya Kripalani: May I remind the hon. Minister that he himself said that private enterprise never prospered so much as under our Plans?

Shri Nanda: That also is true. The private sector should have no grouse. It would not have expanded to half the present size during the past decade, if it had not been for the public sector. It makes use of all the basic facilities which have been created in the shape of economic overheads.

Therefore, it is no doctrinaire approach. We have to see that we develop to the utmost extent. If it had not been for the public sector, could the hon. Member ever imagine that even this limited growth that has taken place during the last ten years could have been achieved? Even the rate of savings and the investment rate were so low. Imagine, if the Government had not through various devices attempted to mobilise the domestic savings and also to secure foreign aid, what could have been the pace of development. It is not a question of ideology. It is not a doctrinaire approach. It is a philosophy of development. (*Interruptions*).

Shri Ranga: That is doctrinaire.

Shri Nanda: I will say simply development, not philosophy of development.

Then, they do not want any controls and regulations.

Shri Masani: We want minimum, essential regulation.

Shri Nanda: When there is war, every country introduces regulations and allocation of resources. Here is a war on poverty and unemployment. There is a scarcity of resources. When there is abundance, there is no need for regulations. But as long as the resources are not abundant, there has to be some kind of priority in favour of more urgent claims; the things which are more important for the nation, have to be done first. How can you afford to allot cement and steel for big mansions when medium and small-scale industries are being starved of these key materials?

Shri Tyagi: Steel is exempted according to them.

Acharya Kripalani: The black-marketeer is getting the materials; he gets more than he needs.

Shri Nanda: There may be something of this kind happening. But then, do you want the whole market to be turned into a black market? By not having any regulations, the whole thing goes into the black market. Then, where is the gain to the society? Let us together try to get rid of these malpractices and rectify them. Simply because you get a foot sore, you cannot cut your foot.

Next I will take up another question. The hon. Member asked, "You have adopted a socialist pattern. What are you doing about it? It must be admitted that so far our advance in this direction has not been quite adequate. But it is not negligible. It has not been adequate for the same reason which I explained. In the earlier stages of development, if you push the ideological considerations too far

and thereby hamper progress, you are really not helping anybody at all, at least not the poor people, whom you want to raise. Ultimately, the most important element in the socialistic pattern is that there should be more and more abundance. That is the first element.

Shri Braj Raj Singh (Ferozabad): Abundance for whom, for a few?

Shri Nanda: There must be total abundance before it can be shared by anybody. The question of who gets it arises only when there is something to be shared. And, I concede immediately one point, that we cannot go on thinking of a day when the abundance has arrived and meanwhile do nothing to realise those social aims like removal of inequalities, narrowing down of disparities and raising the levels of living of the weaker sections. I agree entirely that if you neglect it, you would not have the desired progress and abundance, because if these people are neglected they would not allow you to march ahead. Therefore, side by side you have to do that also. I believe, Sir, that we are doing that to the utmost extent possible.

I wish to explain to hon. Members about the lines of advance towards the socialist goal. When we are in a better position, when we have stabilised the economic situation and created a fairly firm base for industrialisation and, more than anything else, when we have developed our administration properly—that is where we are lacking—then it will be easy to make a quicker advance. I think if we try to go faster more and more complications will arise.

In the matter of socialistic pattern, I could give to the hon. Members, if they choose to have—the question of time will of course arise—the various

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directions in which progress has been made. There are mainly two approaches to this question. One is, we try to lift the man at the bottom. Therefore, one main consideration, in fact the main line of advance towards a socialist pattern in this country has to lie in this direction. Think of the minimum needs of everybody in the country. Let everybody in this country be assured of a basic minimum, a national minimum in respect of food, clothing, shelter, education, health etc. I think when we have done that, we would have set a new pattern of socialist society.

There was a talk of the weaker sections in particular the agricultural labour, and the industrial labour. They are all suffering. I know that the report of the Second Agricultural Labour Enquiry Committee does not reveal any great improvement. That is true.

Shri Braj Raj Singh: Does it say that the situation has worsened?

Shri Nanda: No, that is a wrong reading of it. It is slightly better in some respects. Still it is not good enough. What do we do for them? The population is going up and at the same time the pressure on land is increasing. The only way to help them is through industrialisation. When we talk of industrialisation, it is not as if it is something that is in conflict with the interests of the people in the rural areas. The only way to absorb the surplus labour in villages is through greater industrialisation. Industrialisation need not be away from the rural areas. We have to bring much of that close to the rural areas. We have to build an agro-industrial base in the villages. I think that should be the second element in the socialist pattern. Another element of socialist pattern in our vast country has to be a balance of development, balance as between rural and urban development, and the regional balance. The whole question of regional disparity has been talked at

length in the course of this discussion. What hope is there for poorest sections in the rural area? The population is increasing with the result that there is less need for their labour and the result is that their wages go down. Similar though not at par is the case with the middle class. When the educational output exceeds the demand the price for their services also goes down. Therefore, the only way out is rapid economic development. That is the only answer, so far as middle class people are concerned.

You will see, Sir, from the various chapters of the Plan that enormous expansion is taking place in various sectors. What we accomplished in the past decade, we are now aiming to achieve over a five-year period in the Third Plan. There has been enormous expansion in training of various grades of technicians including engineers, doctors and personnel to man agricultural services and community development etc. There can be no other answer to their problems. So far as agricultural labour is concerned there is vast amount of construction going on in the country which provides them employment opportunities.

This, briefly, Sir, is the position. I can share with hon. Members plenty of material about what we are doing or propose to do in the matter removing and preventing concentration of economic power. A series of measures have been taken but the major step in that direction, I repeat, is the expansion of the public sector. The public sector has to grow absolutely and relatively, and that is the main guarantee for preventing concentration of economic power. This has to be done in various other ways also for instance, through providing much wider economic opportunities for the small man. That is the real private sector. Sir, the few big business houses—that kind of giantism or something which the hon. Member there said—do not constitute the entire private sector. They form a distinctive sector of their own.

They are not at present a competitive sector. The real competitive private sector is what we are now aiming to develop (An Hon. Member: Question). We are now helping to develop a large number of small entrepreneurs, particularly in small-scale industries. That is going to be the real private sector. Then there is the co-operative sector which we are also trying to develop. We believe that progress in these directions will insure against concentration of economic power in the hands of the few. We are doing a number of things to help these people. There are the various financial institutions, the industrial estates and various concessions etc. have been provided for them. Recently there has been a twist in the licencing policy in their favour. There is now greater vigilance exercised on company management and so on. Some progress has been made on rural electrification. More has been done in the Second Plan than in the First Plan and much more is going to be done in the Third Plan. Even that is not enough. Even as opportunity arises we have to be prepared to do something more in that direction.

Regarding land reform measures—that is part of the same theme—I think considering the circumstances of the country we have done fairly well. It is not that we have done all that we would have liked to do. The immediate aim now is to ensure that the rents are reduced and a good measure of security is secured to the tenants. We have to achieve what we have been saying all these years in the Congress programme, that is, to make the tiller the owner of the soil. It has been provided for in the legislation in most of the States but not enough has been done about that in practice. The need is for more effective implementation of the policy.

Then I come to the question of reduction of disparities. Hon. Members will have noticed in the Plan document a policy statement about reduction of disparities in incomes. It is very difficult to say that from tomor-

row nobody will have more than 30 times the minimum income. It is not a question of just lobbying about it, we have to secure it. But the approach has been very properly defined. We have mentioned the report of the Taxation Enquiry Commission where it is stated that the difference between the highest and the lowest income should not be more than 30 times. I think even 30 times is not too high, and it should be our effort to secure that aim, as early as possible, through various means. It is not feasible for me to indicate all these devices here. Those weaker sections about whom we have talked so often have to be helped through extension and reform of social services. There is a complaint that we have not done enough in that direction. The increase in outlay under social sciences in the Third Plan is fairly large, though it may not be quite enough.

Sir, I have dealt at some length with the aspect relating to socialist pattern about which we need not have any kind of hesitation, or be apologetic about it. We think that is the right thing for this country. It is not that some person should continue to sit on the large mass of people and do things. It concerns the people themselves; it is their creative energy which is being harnessed and it is they who are going to manage everything since everything belongs to them. The aspect will have to be carefully worked out as to how to transfer more powers and functions to the peoples' organisations specially the Panchayats and co-operatives. There is no time for me to elaborate that idea.

I now come to the question of regional disparities. This is a question which is very near the heart of all hon. Members, because every hon. Member from every State thinks that he belongs to a backward region.

Shri Tyagi: Not in urban areas.

Shri Naada: Yes, not in urban areas. All the States are backward. But there is a degree of backward-

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ness and there is some degree of advance, and we have to observe the two together when we make plan allocations. We have, in fact, taken note of that when we made allocations to the States in the Third Plan.

An hon. Member said that we had promised that an agency would be set up for continuously watching the progress towards reducing regional disparities and doing something about it. I may say that a Working Group has been established in the Planning Commission for that purpose. At the time when allocations were made, we took a number of factors into consideration and an effort was made to do much more for those States which were lagging behind or which were backward generally, or in particular fields. As we have maintained, it is not possible in a very short period to cover the whole of this field and bring all the States or areas to an equal level. It is simply not possible because of the diversities of resources, population etc. Till we have placed ourselves in a better position regarding the capacity to give more assistance, our resources should concentrate for some time on points where they will give an adequate return. In the last analysis where the Central assistance is to come from, if the Centre has not got sufficient sources?

Therefore, in the present circumstances, there is a limit to what can be done in the way of redress of regional disparities. Yet, I find that we have not done so badly even now. I have a paper with me which divides the States into three groups. Group 'A' consists of Bihar, Orissa, Madhya Pradesh and West Bengal; Group 'B' of Maharashtra, Gujarat, Andhra Pradesh, Madras, Mysore and Punjab; Group 'C' of Assam, Kerala, Rajasthan and Uttar Pradesh. The groups are in the order of the extent to which they have advanced in the matter of investments in major industrial units. The picture that emerges from this comparison regarding how much of

the total investment in both the public and the private sectors has gone to the three Groups is not at all unsatisfactory. In the Second Plan, the percentage for Group 'A' was 73.2 the figure in the Third Plan is 55 per cent. It has gone down. It is plain that unless it goes down, the share of others cannot rise. In Group 'B', the earlier percentage was 23.4. Now it is 29.4 per cent. In Group 'C', which is the worst off, it was 3.4 in the Second Plan; now it stands at 15.6 per cent. The same picture comes to the surface if we take the public and private sectors separately. So far as the public sector is concerned, Group 'A' had 86.9 per cent before; now it is 73 per cent; for Group 'B' it was 12 per cent before and now it is 18 per cent; for Group 'C' it was 1.1 per cent before and now it is 19.0 per cent. It is clearly visible that every effort is being made to lift the backward areas. It is acknowledged that it is not enough, but as I said, there are in practice limitations on what we can do in this direction. As we will grow in strength, it should be possible to do much more later on.

Shri Tyagi: Will these figures be available Statewise?

Shri Nanda: Yes.

Shri Braj Raj Singh: If the figures were Statewise, then he will not have a case to go on. Because, there is no sense in tagging Assam with Uttar Pradesh.

Shri Nanda: It is a question of the degree of development, and you can have all the figures, because we do not build a case except on strong foundations.

Shri Khushwaqt Rai (Kheri): Why do you not give the figures Statewise?

Shri Nanda: I have done that in order to make it more meaningful, otherwise, there will be a vast array of figures and you may not be able to understand anything.

Mr. Speaker: He wants to arrange them according to the groups.

Shri Nanda: I can assure them that we have not placed any advanced State in the lower category or backward State in the higher category. We have done it according to the degree of backwardness or advance.

Shri Shree Narayan Das (Darbhanga): In this particular context, a State should not be taken as a unit, because in particular States there are areas which are backward. For example, in Bihar itself, north Bihar is backward whereas South Bihar is not so backward.

Shri Nanda: After all, when we make allocations, we do not deal with groups; we deal with each State. When we make allocations for the Plan, we deal with the precise situation in each State, and it is only the emerging picture that is taken into consideration.

Mr. Speaker: Are there no State plans? Are these not tagged to the State plans? Shri Shree Narayan Das points out that there are backward areas within the States. A State may be a forward one, but there may be some backward areas within that State. What happens to that area?

Shri Nanda: It is a very legitimate question. This matter has been exercising our minds. It has been discussed here and at the time of making the Plans for the States. We draw special attention of the State Governments to their own backward areas and ask them to produce specific schemes and proposals for the benefit of such areas. That effort is in progress.

Coming to the question of prices and inflation, it is not the monopoly of Swatantra party alone. It is exercising the minds of all of us generally. We were charged that our Plan takes it for granted that there is going to be a big increase in prices during the period of the Third Plan. The Plan does not postulate a considerable in-

crease. It only brings out the fact that in the course of the five year period there may be relative fluctuations. It does not contemplate any appreciable rise in the prices of essential goods. I may also add here that over the past decade, the prices in this country have not risen more than in a number of other countries. But I do not take shelter behind that, as that is not a good enough position to take. During the last five years, there has been a considerable rise in prices and it is a serious matter. We cannot take it lightly. Therefore, I feel that we have to take very great care to ensure that the price situation does not get worse during the Third Plan.

What is it that we propose to do so that this experience is not repeated? There are two things. One of the reasons for excessive rise in prices in the Second Plan was, I believe, that deficit financing was rather heavy. In the Third Plan deficit financing has been kept within a certain limit which is deemed to be non-inflationary. I will explain that. In the Third Plan there is going to be substantial increase in production including that of consumers' goods. We anticipate an increase in national income to the extent of over 25 per cent. We have to see that the genuine requirements of the economy for more currency and more credit are met. Beyond that, we do not go on creating more money. Now, it is not a very precise exercise. Therefore, we have to be watchful. We have to see to it that such trends do not emerge which will make things more difficult all round. To my mind, the greatest guarantee against sharp rise in prices is the expected increase in production.

Shri Indrajit Gupta (Calcutta—South West): What about indirect taxation?

Shri Nanda: I may answer the hon. Member immediately. An excess of indirect taxation is bad. It is not said in the Plan that it is going to be all indirect taxation. It is a wrong inference. The domestic savings

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are to be mobilised for the Plan through several kinds of devices which also covers taxation both direct and indirect.

Shri S. M. Banerjee (Kanpur):
What is the percentage?

Shri Nanda: I will tell you, I have got it worked out. Indirect taxes during the period of past 10 years, should have been responsible for increase in prices by half a per cent. That is a rough way of putting it. These calculations were made by the Finance Ministry sometime back. We think direct taxes also in certain ranges of incomes may be hard. I think, much more important is the problem of evasion of taxes. That is a problem of administration and a little bit of decency. People should own their obligations and meet them.

Shri Harish Chandra Mathur: May I ask the hon. Minister a question when he is dealing with the question of prices which he may kindly clarify? He said that prices in other countries have risen higher. It will point out Egypt. The Index number of wholesale prices was in 1951, 108 as against 102 in 1959. There are half a dozen countries where the prices have risen much more. There are half a dozen countries where developments have taken place equally well, but prices have not risen. I will not go into that. My question is this. Here is a book which has been given to us by the Finance Ministry. We find there that so far as wholesale prices are concerned, the wholesale prices were 110 in 1951 and they are 111 in 1959. In the wholesale prices, there has been no rise whatsoever. In 1951 as against 111 in 1959 whereas the consumer prices were 93 in 1951 and they are 114 in 1959. This means that there is either something wrong about the administration or something wrong about distribution. The wholesale prices remained in 1959 what they used to be in 1951. It is only the retail prices which have risen.

Shri Nanda: I know something about it. The Working Class Cost of Living Index at some centres has followed very closely the movement in the Wholesale Price Index. I do not think this will be the correct position.

Shri Harish Chandra Mathur: This is the book which has been provided to us by the Finance Ministry.

Shri Nanda: We will have to see the figures and interpret them. I know figures of cost of living index, I know figures of wholesale prices. What has happened is that at some stage, the increase in food price was a major contributory factor. Later on, the position has improved. Raw materials have been throughout a major factor in the rise. The answer to that is provided in the Third Plan itself. Ample provision has been made both for consumer goods and raw materials by way of investments, supplies, etc., so that we secure production of that order, so that food and raw materials which enter into industrial production are provided and there is no great risk of prices rising higher. This is the position.

There are factors which are favourable: that is deficit financing controlled to the genuine needs of the economy, production of a level which is going to be more than adequate for the purpose of maintaining the price level and also a certain amount of provision for exports. Hon. Members wanted to draw my attention to that aspect, i.e., exports. That is, of course, most important. It has a bearing on prices. Just as I mentioned the favourable factors there are two features which are not very satisfactory. Firstly, in our foreign exchange reserves, there is no cushion. We have to export even at the expense of a certain amount of domestic consumption. It may create strains in the country. These are absolutely essential and inescapable, if we want to carry on smooth development. We are getting

all the foreign aid for our plants, etc. But, maintenance of the economy which is growing has to be met out of earnings in foreign exchange. Therefore, that is very important. The key of the solution to this problem in one word is Productivity. You cannot just go investing. Investments must yield higher returns. Of course, we have got some improvement in yield. Agricultural yields have improved. Wheat and rice for example. Productivity must be raised both in respect of the working classes and other classes. If this is not done, there is not going to be a successful advance towards those aims which we are setting out here.

Shri M. R. Masani tells me about the working classes, that we are trying to keep them down by legislation which prevents them from going on strike. He tells me. Let him know, if it were not for the good of the workers themselves, the system would not have been functioning. I put it to all when I took over—to all sections, workers, employers and State—I said, if you do not agree to continue this system of adjudication, etc., I am here prepared to offer that we shall suspend this legislation. Here was a crucial test. Nobody was prepared. That is because the working class strength is not so much as pitted against the strength of the employers, that strikes can succeed unless there is a big general strike which will not be permitted. There must be some way of getting on equal terms with the employers. There it is. There is the power of the State. It is not the employer who comes to us for adjudication generally. The workers come. We exercise the power which we have assumed to get some opportunities for getting justice.

I realise that I am taking a little too long. If I have to answer all the things that have been said here, it may take the whole day—after all . . .

Shri Prabhat Kar (Hooghly): This is for five years.

Shri Nanda: For example, I thought of dealing with the question of resources. At any rate, let me dispel some doubts on this question. Questions are being raised about the resources pattern; how are you going to get all that from the current revenues, when in the Second Plan it was a negative amount. This is explained by the fact that every year, normally there is an increase in revenue receipts because of the new taxes that have been levied. A much more important factor is this. In the Second Plan, we did not take sufficient account of the needs of the non-developmental expenditure and the maintenance expenditure in respect of development programmes already completed. The procedure here is, when a Plan closes, all current expenditure incidental to all those schemes does not figure again in the Plan. It becomes a liability on the current revenues. That was not properly and adequately allowed for earlier. This time all that has been done.

I can explain also each item. I would rather not take too much time, unless there is anything very important, which I have omitted.

Shri Ranga: You have got everything in the Ramayana.

Shri Narasimhan (Krishnagiri): What about new railway lines?

Shri Nanda: It was lurking in my mind that something I had missed. I want to announce it here. There were some doubts about two railway lines; one from Hassan to Mangalore and the other from Bangalore to Salem.

Shri S. M. Banerjee: There are so many lines. Let all the lines meet together.

Shri Nanda: I will just take one moment. Because one is tacked on to a port the port has been included and without the railway line, that will have no meaning. Therefore, they go with the ports.

Shri Chintamoni Panigrahi (Puri):
The Paradip port also comes in.

Shri Nanda: Paradip comes in its own way.

Shri Ram Krishan Gupta: What about the Ludhiana-Chandigarh line?

Mr. Speaker: Is Chandigarh on the seacoast?

श्रीमती कृष्णा मेहता (जम्मू तथा काश्मीर): माननीय मंत्री जी बतायें कि क्या जम्मू तथा काश्मीर में रेलवे लाइन बनाई जायेगी ?

Shri Nanda: I think I have exposed a front on which possibly I cannot meet more challenges now. I would now pass on to something else.

Shri M. L. Dwivedi (Hamirpur): What about backward areas? Nothing has been said about them.

Shri Nanda: The hon. speaker himself took up cudgels on behalf of the backward areas, but the member was engrossed in something else when I answered his questions.

Mr. Speaker: The hon. Minister has answered them. Shri Shree Narayan Das had raised this point.

Shri Narasimhan: Both the lines will be taken up?

Shri Nanda: Both the railway lines are in the Plan. One is connected with the port, namely the Hassan-Mangalore line. The other stands by itself.

I am being reminded that I have not said anything about unemployment. About unemployment, I should say something in a very few words. In spite of the fact that the Third Plan is going to be so much bigger, and it is going to be equal to the First and the Second Plans put together, it is still not possible, through the normal investments, to make full provision for all the new entrants. Out of 17 millions, 14 millions are going to be given regular employment, arising out of various invest-

ments. 3 millions remain. If 3 millions had remained like that, then the back-log of 9 millions would have become 12 millions. It would have been a tragic thing, if we had allowed things to go on in that fashion. Therefore, a decision was taken. It may not be possible to give regular employment at a certain level for everybody, but we should attempt to give some employment at some level to everybody at least those now coming into the current of the new labour force. Therefore, there is this provision for rural works, of Rs. 150 crores. This is not a part of the financial limit; this amount will accrue by expanding our resources for mainly in the States and also possibly to some extent at the Centre. We have to try to give employment in the rural areas, various kinds of employment. There will be two benefits flowing from that. The first is this. Here is idle manpower, and here are idle unused resources. Why not bring them together and add to the development level in the rural areas? Soil conservation, minor irrigation and a number of other things can be done; and these people can get employment at village rates or near about.

The other question that was asked was this, namely when are you hoping to liquidate this back-log of unemployment? The answer is 'Over a number of years', because the assumptions cannot be made as to what the structure of the Plans will be. What the pattern will be and so on, but I presume that over a period, say, the next two Plan periods, though we may not be able to give necessarily regular employment, at any rate, this kind of employment should be available to everybody, and there should be no back-log in that sense. That is the hope. It depends upon how successful we are in doing the tasks arising out of the Third Five Year Plan.

Lastly, there was the question about the political unity in the country, with regard to the Plan. I am not really competent to deal with that subject, and I hope that the Prime

Minister would certainly give an answer to that on some occasion.

Shri Braj Raj Singh: Is the hon. Minister talking of political unity?

Shri Nanda: If the Plan is to succeed, and it will have to become the Plan of the whole nation, then the ruling party should not claim it as its own Plan, and if the other parties also have to give their full support, then they should be able to claim it also. Otherwise, they will always go on talking about the shortcomings and shortfalls. Then, there was also the question of social tensions rising in the country. My brief answer is this, that apart from any kind of patching up, here is a Plan which we do not claim as the Plan of the ruling party. It is a Plan of the nation. In making the Plan, everybody has the credit, but, for all the shortfalls, the discredit is due to the ruling party.

Shri Ram Sewak Yadav (Barabanki): You can take both the things, and you can see what happens.

Shri Nanda: But the proper approach is that all of us, when we go into the field must feel that the Plan is everybody's and we must bring out the shortcomings and also the basic merits. In order to see that the whole people line up behind the Plan, it is very necessary that in all parts of the country, there should be social harmony, and there should be political unity in this sense that politics should not come in the way of the progress of the Plan; that does happen occasionally.

Therefore, I think that after my have tried to unfold before the House the meaning of both the broad basis of the Plan and the direction in which it has to go forward, the people will realise more and more what it means for them, and I expect that there will be, in the course of the Third Five Year Plan, so much more of public participation and so much of understanding of the Plan, that this

factor will become one of the biggest elements for the success of the Plan, that is, it will become truly a people's Plan both in its conception and in its implementation.

The amendment of Shri Narasimhan may be accepted.

Shri Surendranath Dwivedy: My questions remain unanswered.

Mr. Speaker: The hon. Member must be satisfied with whatever the hon. Minister has said.

Shri Prabhat Kar: The hon. Minister has not touched about the wage policy to be pursued in regard to labour during this period. On the question of the rise in prices, he has said that the pace will not be the same as what it was during the Second Plan, because there will be less deficit financing. From 1954 to 1956, the rise was from 105 to 124. Even if the pace is not going to be so much during the Third Plan, still, the rise in prices have got a direct touch with the wage policy. The hon. Minister has not discussed this part at all.

Shri Ranga: These are two chapters in the Plan on this matter.

Shri S. M. Banerjee: The hon. Minister has talked about the political unity and the national approach to the Plan. My hon. friend Shrimati Parvathi Krishnan read out a circular in which it has been stated that Government servants as a whole cannot even attend an election meeting organised by the political parties. How are Government going to explain this? This is a very important point.

Mr. Speaker: The hon. Member does not belong to any political party.

Shri S. M. Banerjee: But, I have my politics.

Mr. Speaker: I understood from what the hon. Minister stated that he wanted to make it a national Plan, and, therefore, he appealed to all the political parties.

Shri S. M. Banerjee: What about individuals?

Mr. Speaker: He only appealed to the main political parties to treat it as a national Plan, and he said that if there was any credit, it would go to them, and he would be prepared to take discredit if any. Some hon. Member said that he will take this discredit also. Let him do so by all means. The hon. Minister did not appeal to government servants. He never thought that they would become political parties.

Shri S. M. Banerjee: I appeal to you to look at it in an impartial way. You are upholding the banner of democracy here.

Mr. Speaker: I agree. I have been allowing a number of opportunities to hon. Members. Even day before yesterday, this matter was raised.

Shri S. M. Banerjee: You have misunderstood me.

Mr. Speaker: Government servants' attending election meetings is a different question. It is not in the Plan.

Shri S. M. Banerjee: I cannot say anything to government servants on the Plan. *(Interruptions)*.

Mr. Speaker: It is not part of the Plan—the question of government servants attending a public meeting where they have to decide for whom they have to give their votes. It is a different matter.

Now, is it necessary for me to put Shri Ranga's amendment to vote?

Shri Ranga: Yes.

Shri S. M. Banerjee: Let him withdraw it; otherwise, we will defeat it.

Mr. Speaker: Does he want a division also on this?

Shri Ranga: Yes.

Mr. Speaker: This is not the time for division. Many hon. Members have gone away for lunch. I will take this up at 4:30 P.M. All parties and groups may arrange for all their Members to be present at the time of voting.

13:52 hrs.

INCOME-TAX BILL—contd.

Mr. Speaker: The House will now take up further consideration of the following Motion moved by Shri Morarji Desai on the 18th August 1961, namely:—

“That the Bill to consolidate and amend the law relating to income-tax and super-tax, as reported by the Select Committee, be taken into consideration.”

The time taken was 3 hours and 20 minutes out of the 7 hours allotted. Therefore, 3 hours and 40 minutes remain. Shri Naushir Bharucha, who was in possession of the House, may continue his speech. A number of hon. Members want to speak.

Shri Ram Krishan Gupta (Mahendragarh): I also want to speak.

Mr. Speaker: I shall call upon those hon. Members who had no opportunity to speak during the debate on the Plan. I will give call Shri Harish Chandra Mathur and Shri Ram Krishan.

Shri Harish Chandra Mathur (Pali): I am not interested in speaking. I only got up to enquire.

Shri C. K. Bhattacharya (West Dinajpur): An opportunity may be given to this side also.

Mr. Speaker: Let hon. Members rise in their seats. I will call them one after the other.