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LOK SABHA

Tuesday, 15th May, 1956

*The Lok Sabha met at Half Past Ten  
of the Clock*

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-30 A.M.

SECOND FIVE YEAR PLAN

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):**  
Mr. Speaker, Sir, I have the honour to present to Parliament and lay on the Table of the House a copy of the Report of the Planning Commission on Second Five Year Plan [Placed in Library See No. S-177/56]

This is rather a bulky volume. It is divided up into two parts, the second part dealing with details of the schemes and the first part dealing largely with broad approaches, policies and various other problems, industrial, agricultural, etc., that arise. A Draft Outline of this was circulated some time ago and after considering the criticisms that have been received, this is for the moment finalised. I believe now cyclostyled summaries of this will be placed in the hands of the Members and a full copy would also be available in the Notice Office. Printed copies of the summary will also be issued very soon. It is proposed to issue soon translations in the various Indian languages of the full book,—it may take a little time— as also summaries of it in the various languages.

A Hindi version of the Draft Outline is being circulated today. I regret it is slightly out of date—that is obvious. As it gives many of the facts contained in this and it is ready, we are circulating it. But, the other Hindi edition and others will be ready before very long. It is proposed also to issue pamphlets on individual aspects of the Plan, and separate sections will be printed separately for those who are interested in each

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part. It is proposed to issue soon a report on the development programme for 1956 and 1957 and a volume on the development schemes in the Second Five Year Plan. A new edition of the book called Building of New India is also being issued.

I understand that it has been decided by the Business Advisory Committee and approved by the House that four Committees should be formed of Members of the House to consider the subjects divided into four groups, and that these Committees are going to begin functioning from today. That is, I understand the Chairmen of these Committees are meeting today the Minister of Planning to decide on their procedure and course of action. I believe that the debate on this should begin on the 23rd of this month in this House.

Now, Sir, many Members present here may remember that it was almost exactly three and a half years ago that I presented to this House the Planning Commission's report on the First Five Year Plan. It was in effect presented after the First Five Year Plan had been functioning a year and a half. This time, we have improved somewhat on that and we are presenting this report only five weeks after the Plan started functioning from the 1st of April. Of course, this business of the Plan's functioning does not start on a particular date. Planning, and even more so, implementation of a Plan is a continuous process. It goes on; it does not stop on a particular date. But, for purposes of calculation, targets, financial arrangements, etc., we have to give this time table.

Hon. Members, in looking through this report, will see that stress has been laid on what I might call flexibility. That is, while the Plan is there for the House to consider, and when approved, for the country to act upon, it is not a rigid Five Year Plan. It is proposed to consider it from time to time and, in effect, to have annual plans varied here and there as experience dictates and as conditions necessitate. So that, while we have a Five Year Plan, it is going to be considered annually and where necessary revised. Also, although a

[Shri Jawaharlal Nehru]

Five Year Plan is in one sense rather a long period and we have to divide it up into annual plans, in another sense, it is much too short a period for planning. We have to consider what is called perspective planning, that is consider a picture of 15 years or 20 years and keep that in view in drawing up these Five Year Plans, because many of the things that we undertake take several years. Apart from that, unless we have some kind of a picture of a social structure that we are aiming at, that we are going to, it will be difficult for each step to be conditioned, to be directed towards that end. We must have that picture. That picture, of course, need not be a rigid one or a kind of a steel frame. But, broadly speaking, it does become necessary for us to have this perspective planning.

I do not propose at this stage to take the time of the House; but I think that perhaps it may be helpful if I read some parts of the Introduction of this report. This gives briefly the stages through which it has passed and the general outlook that has governed that.

"The Plan was considered in draft by the National Development Council which passed the following Resolution on the 2nd May, 1956 :

HAVING considered the Draft Second Five Year Plan,

THE National Development Council places on record its general approval and acceptance of the objectives, priorities and programmes embodied in the Plan; and

REPLYING on the enthusiasm and support of the people;

AFFIRMS the common determination of the Central Government and the Governments of all the States of the Union of India to carry out the Plan, and to improve upon the targets set out in it; and

CALLS upon all the citizens of India to work wholeheartedly for the full and timely realisation of the tasks, targets and aims of the Second Five Year Plan."

The beginning and the end of a Five Year Plan are vital dates in the nation's history. Each Five Year Plan is both an assessment of the past and a call

for the future. It seeks to translate into practical action the aspirations and ideals of the millions in the country and gives to each of us the opportunity of service in the common cause of eliminating poverty and raising standards of living.

The First Five Year Plan ended in March, 1956. Its approach and outlook are part of our common thinking. It has laid the foundations for achieving the socialist pattern of society—a social and economic order based upon the values of freedom and democracy, without caste, class and privilege, in which there will be a substantial rise in employment and production and the largest measure of social justice attainable.

Work on the Second Five Year Plan has been in progress for about two years. In April 1954, the Planning Commission requested State Governments to arrange for the preparation of district and village plans, especially in relation to agricultural production, rural industries and co-operation. The preparation of such plans was undertaken as it was felt that in sectors which bear closely on the welfare of large numbers of people, local planning is an essential means for securing the maximum public participation and voluntary effort. While plans for districts and villages and for national extension and community project areas have to be fitted within the framework of State plans which, in turn, take cognizance of plans prepared from the point of view of the economy of the country as a whole, the district is still the pivot of the whole structure of planning. At this point plans from different sectors come intimately into the life of the people.

The study of wider aspects of national planning also commenced during 1954. Towards the end of the year the assistance of the Indian Statistical Institute was obtained for the study of technical and statistical problems relating to national planning, and a number of working papers were prepared at the Institute. In March, 1955, the results of these and other studies were brought together in Professor P. C. Mahalanobi's 'Draft Recommendations for the Formulation of the Second Five Year Plan' (referred to as the 'plan-frame') and in a 'Tentative Framework' for the Second Five Year

Plan which was prepared by the Economic Divisions of the Ministry of Finance and the Planning Commission. These documents were considered in April 1955 by the Planning Commission's Panel of Economists, which drew up a 'Memorandum on Basic Considerations Relating to the Plan-Frame'. Members of the Panel also prepared a number of studies on individual aspects.

The 'plan-frame' and the other documents mentioned above were considered by the National Development Council early in May 1955. The National Development Council generally agreed with the basic approach of the draft 'plan-frame' and 'tentative framework' and with the policy considerations relating to it which were put forward in the Memorandum of the Panel of Economists. The Council also agreed that the Second Five Year Plan should be drawn up so as to be capable of leading to an increase in national income of about 25 per cent. over a period of five years and of providing employment opportunities to 10 to 12 million persons. Further, the Council directed that the Second Five Year Plan should be drawn up so as to give concrete expression to policy decisions relating to the socialist pattern of society.

Between July and December 1955, the Planning Commission held discussions with Central Ministries and with State Governments.

Then it goes on to say :

"During January 1956, a Draft Memorandum embodying the proposals which emerged from these discussions was considered by the National Development Council and the Consultative Committee of the Members of Parliament. In the light of these discussions and other comments, a Draft Outline was published in February 1956 for general information and for eliciting comments and suggestions. Suggestions received on the Draft Outline were taken into consideration in the preparation of the Draft Second Five Year Plan.

In the course of the past year certain considerations have impressed themselves upon the minds of those concerned with the formulation of the Second Five Year Plan.

A Plan for a period of five years has to be viewed in the social and economic perspective of a longer period. It has to be worked in a flexible manner so that, through annual plans, adjustments are effected in the light of economic and financial trends, increase of production in agriculture and industry, and progress in different sectors of the Plan. Close coordination has to be arranged in the related fields of industry, transport minerals and power, so that the expenditure incurred on each group of connected projects yields the maximum return. As the National Development Council recognised, to offset inflationary pressure associated with a period of rapid development, it is imperative that the targets of agriculture production proposed in the Plan should be further improved upon. At each stage adequate supplies of food and cloth and of essential consumer goods will have to be provided at reasonable prices and a careful watch on the working of the national economy maintained.

Our Second Five Year Plan seeks to rebuild rural India, to lay the foundations of industrial progress, and to secure to the greatest extent feasible opportunities for weaker and under-privileged sections of our people and the balanced development of all parts of the country. For a country whose economic development was long retarded these are difficult tasks but, given the effort and the sacrifice, they are well within our capacity to achieve.

The Plan which is now presented to Government for submission to Parliament is a result of the labours of large number of persons in the Central Government, in the States at various levels and leaders of thought and opinion in every part of the country. In its preparation men and women in all walks of life have given generously of their time and experience. The enthusiasm and the widespread participation which have gone into the making of the Second Five Year Plan are the best augury for its fulfilment."

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