



OUR PLAN

PLANNING COMMISSION

FIRST FIVE YEAR PLAN

(PEOPLE'S EDITION)

The First Five Year Plan, as presented by the Planning Commission to the Government of India, runs to over one thousand pages. This abridged and slightly simplified version of it preserves, however, the substance of the original. The condensation does not detract in any way from the usefulness of this volume as a ready book of reference to the serious-minded student as well as the lay reader. Besides being eminently readable, it is illustrated with a few photographs and pictographs.

Available also in Hindi & Urdu

Price Hindi & Urdu Editions Rs. 2/- each.

Price English Edition Rs. 2/8/-, Sh. 4/6 or 60 cents.

Postage As. 3/3



Available at important bookstalls or directly from

THE PUBLICATIONS DIVISION

Old Secretariat, Delhi-8

OUR PLAN



Issued by

THE PUBLICATIONS DIVISION
Ministry of Information and Broadcasting
Government of India

Contents

Introduction	..	..	..	..	5
I Objectives and Approach	..	..	..	..	8
II The Plan	..	..	..	..	11
III Food Policy	..	..	..	..	14
IV Agriculture	..	..	..	..	16
V Irrigation and Power	..	..	..	..	25
VI Industry	..	..	..	..	27
VII Labour	..	..	..	..	38
VIII Transport and Communications	..	..	..	..	40
IX Social Services	..	..	..	..	44
X Rehabilitation	..	..	..	..	52
XI Public Co-operation	..	..	..	..	54
XII Administration	..	..	..	..	56
XIII Financial Aspect	..	..	..	..	59
XIV Benefits	..	..	..	..	62
XV Progress	..	..	..	..	64



Progress of Five Year Plan being discussed by National Development Council comprising Members of Central Cabinet and Planning Commission and Chief Ministers of States

INTRODUCTION

A better, richer and happier life for every man and woman is the chief purpose of the Five Year Plan. In the past, rulers of India were concerned with their own interests and those of their supporters. Today, for the first time in many centuries, perhaps in our entire history, a planned effort is being made to promote the welfare of the people as a whole.

By planning adequately, a nation can make the most of its resources in men, money and materials. In our country, the idea of Planning became a reality in 1938. The Indian National Congress then set up the National Planning Committee with Jawaharlal Nehru as Chairman. The World War broke out shortly afterwards and several of its members were arrested. Despite its chequered career, the Committee was able to compile and publish valuable material and to make the country plan-minded. The Bombay Plan which envisaged an expenditure of ten thousand crores of rupees was published in 1944. Several other plans followed.

Independence came to our people in extremely unfavourable circumstances. On the morrow of freedom the new State was called upon to deal with manifold problems of great complexity. Law and order had to be restored in many places and grave political issues awaited solution. The people's expectations for a higher standard of life had risen to a high pitch just when even the essentials of life were scarce. Partition had dealt shattering blows to our war-worn economy. The loss of the canal-irrigated areas of Sind and the Punjab and the fertile low lands of

East Bengal aggravated our food problem and created an acute deficiency in jute and cotton. At the same time the infant State had to bear the staggering burden of providing relief, accommodation and gainful employment to millions of displaced persons from Pakistan.

Measures had to be taken to undo the evil effects of war and partition, to keep down prices, to raise production and to distribute the available supplies equitably. It was clear, however, that the country would not go far unless the basic defects in our economy were remedied.

What are these defects? Far too many people are dependent on the land and their number is increasing, while the size of holdings is diminishing progressively. The farmer cultivates his tiny holding indifferently and it is inadequately irrigated and manured. Consequently, our agricultural productivity compares unfavourably with that of other countries. An acre of land yields three times as much wheat in Egypt and Japan as in India. Moreover, village industries have decayed and there is not enough work for the rural population which constitutes 83 per cent of the total. Our urban industry has not developed sufficiently to absorb the surplus rural population. In fact, organised modern industries employ only 2.5 million persons or less than one per cent of our total population.

Scarcity of essential goods and services, high prices and unemployment underline the unprogressive character of our economy. While our economy is stagnant, our population is increasing rapidly. It has risen by 52 per cent during the past fifty years.

Small wonder then, that we are poor. The average Indian earns Rs. 255 a year, whereas the American earns Rs. 10,000. This meagre income cannot provide the Indian with even three square meals a day. The average expectation of life is 32 years in India compared with 64 in New Zealand and 61 in Britain and in the U.S.A. We do not have enough hospitals, doctors and nurses. Although shrewd and

intelligent, only about 17 per cent of our people can read and write. Finally, there is overcrowding in cities as well as in rural areas.

In their keen desire to bring about a speedy rise in the standard of living of the common man the Central and the State Governments undertook numerous schemes of development. Our limited resources in men, money and trained personnel were soon strained to the utmost. An overall picture of the country's needs and resources and a definite plan of work were wanting.

Accordingly, the Planning Commission was appointed in 1950 to assess our resources and to formulate a plan for their most effective and balanced utilisation.

The draft plan, drawn up in consultation with the representatives of the Central Ministries, the States and public opinion, was published in July 1951 for "the widest public discussion." It was improved in the light of suggestions received by the Commission. The Five Year Plan in its final form, was presented to Parliament in December 1952. In the words of Jawaharlal Nehru "it represents the largest measure of agreement among the different sections of the people."

CHAPTER I

OBJECTIVES AND APPROACH

Increased production and reduction of the existing inequalities are the two main objectives of the Plan.

New dams, canals, roads and factories will be built to stimulate economic activity. Waste land will be reclaimed and improved methods of cultivation introduced. Our goal however, is not merely more wealth but better individuals also. New schools and hospitals will thus be opened and the community will have greater opportunities for a healthy, happy and enlightened life. At the same time the State will ensure that the community as a whole avails of the fruits of this national endeavour.

The aim that we have set before us is the doubling of per capita income. This goal will be attained over a period of twenty-five years because we are comparatively a poor nation and cannot gather together the resources required for speedy development. Thus as a result of the present Plan our national income is expected to increase from Rs. 9,000 crore to Rs. 10,000 crore. But gradually, as our resources expand and we invest more money in improving our agriculture, in putting up new factories and in building dams, our income will also rise correspondingly. From 1965 it will increase steeply until it is doubled by 1978. Thus "those who are young today may expect in their middle age to see a general rise in the standard of living—a rise not so small as to be scarcely perceptible and a matter of debate but quite marked and indisputable. In the life of a nation one cannot look for more than this."

Reduction in Disparities

Social justice is the other main objective of the Plan. At present there is great inequality in the distribution of wealth between the rich and the poor, between the urban and rural areas. These must be ironed out if democracy is to grow in our country. The Plan, therefore, seeks to recast our society on a more equitable basis.

Hasty and ill-considered measures may, however, defeat themselves by discouraging savings and thereby hampering investment and development. Nor must we use violence, which is inconsistent with our traditions, to change the social structure. The necessary transformation is to be brought about in an orderly manner through legislation.

Indeed, the process has started already with the abolition of *zamindari*. Legislation for the imposition of death duties will soon be enacted by Parliament. At the same time the economic position of the weak and the underprivileged is being strengthened. Measures for the protection of tenants and for the amelioration of backward classes have this aim in view.

State and Private Enterprise

Planned progress implies participation by the State in the economic affairs of the country. For instance, the Government must ensure the modernisation of agriculture and industry, the utilisation of water resources, and the adoption of the latest techniques in industry. Without these improvements our economy cannot be transformed quickly nor can the aspirations of the people be satisfied within a reasonable time.

The State must therefore lead and direct the productive forces. But private enterprise will still have an honourable place in the country's economy. It must not, however, be guided solely by the profit motive and must function in the interests of the community as a whole.

The relative positions of the State and the private sector

in the country's economy can be gauged from the following figures. They represent the book value of the equipment owned by each in 1950-51.

State-owned	(Crores of rupees)	Private Sector	(Crores of rupees)
Railways	837	Factory establishments	1,110
Irrigation works (including multi-purpose river valley projects)	230	Plantations	100
Communications and Broadcasting	53	Electricity undertakings	70
Electricity undertakings	49	Mines	30
Industries	44	Shipping and Aviation	32
Civil Aviation	10	Motor Transport	130
Ports	8		
Central Tractor Organisation	5		
	<hr/>		
Total	1,236	Total	<hr/> 1,472 <hr/>

Under the Plan both the sectors will co-operate to promote the common weal. There will be ample scope for the expansion of the private sector. In fact, it will have to work hard to complete the tasks entrusted to it under the Plan.

Democratic Approach

There is something unique about our Plan. Firstly, it embraces all aspects of the national life. Secondly, in no country of the world has the democratic method been applied to planning on the same scale as in India. Representatives of almost every conceivable interest in the country were consulted in drawing up the Plan. Finally, this people's Plan is to be executed largely by the people themselves.

CHAPTER II

THE PLAN

The Five Year Plan covers the period 1951-56 and involves an outlay of Rs. 2,069 crore. This is distributed over the different sectors of our economy as follows :

	Outlay (crores of rupees)	Percentage of total outlay
Agriculture and Community Development	361	17.5
Irrigation	168	8.1
Multi-purpose irrigation and power projects	266	12.9
Power	127	6.1
Transport and Communications	497	24.0
Industry	173	8.4
Social services	340	16.4
Rehabilitation	85	4.1
Miscellaneous	52	2.5
	<hr/> 2,069 <hr/>	<hr/> 100.0 <hr/>

The Plan is essentially a first step towards a more rapid development in the future. The targets of investment and increased production proposed in the Plan are modest in comparison with what has to be achieved in the next twenty years, but high compared to past trends. The competing claims of different sectors have been reconciled so as to secure the maximum benefit from the resources available during the period of the Plan.

Agriculture with irrigation and power receives the highest precedence in the Plan. This, of course, is natural since more than two-thirds of our people are dependent on the land. Unless we help them to grow more and earn more, the momentum for progress will be lacking in our economy. Moreover, without a substantial increase in the production of food and of raw materials, industrial expansion would be impossible. The efforts of the State in this sector will be supplemented by the initiative of millions of farmers in the country.

The large irrigation programme included in the Plan will stimulate agricultural development. Though the generation of electricity is an integral part of some of the irrigation projects, it is important in its own right. Electrification is essential not only for the revival of rural industries but also for the expansion of urban industry.

Transport must also respond to the needs of an expanding economy. Accordingly a substantial provision has been made in the Plan for the development of the roads and the railways.

As the Government's resources are largely committed to agriculture, irrigation and transport, the responsibility for industrial progress will devolve mostly on private enterprise. The State will, however, complete the industrial projects already in hand and will also set up new factories for the manufacture of vital materials such as iron and steel and heavy electrical equipment which are essential for economic development.

In view of the urgent need to develop our economy, only a limited amount is available for social services. Although they have been expanded substantially in recent years, they fall far short of our requirements. In this sphere, official efforts can be supplemented by those of the community. For instance, the people can improve sanitation and liquidate illiteracy on their own.

Lastly, the Commission is fully alive to the needs of

displaced persons and a sum of Rs. 85 crore has been earmarked for their rehabilitation.

For each sector of the economy, the Commission has suggested an appropriate policy, a programme, and an agency to execute the various schemes of development.

CHAPTER III

FOOD POLICY

“To the millions who have to go without two meals a day the only acceptable form in which God dare appear is food,” said Gandhiji. Food is, of course, the basic requirement of everyone. The poet and the office worker need it as much as the labourer and the soldier.

Strangely enough, our country, though predominantly agricultural, is short of food. During the past seven years our foodgrain imports have averaged about 3 million tons a year. This figure is a true measure of the gap between our requirements and production. Further, we need about 4.5 lakh tons of additional foodgrains every year for our growing population.

National interests demand that we grow all the food we require within the country. Careful and long sustained efforts are necessary to raise the domestic production of foodgrains. Simultaneously, steps must also be taken to bring the increased output to the market. Until there is enough food produced in the country, imports cannot be done away with altogether. Nor can control over the distribution and price of foodgrains be abandoned. These measures are essential for an equitable distribution of the available supplies to all parts of the country and every section of the community at reasonable prices.

In concrete terms this policy involves the continuation of rationing in big towns and deficit areas and controlled distribution in other places. Procurement will remain both

in surplus and deficit States. The former should aim at giving all they can to the latter, while the latter should keep their demands to the minimum. Imports are to be kept as low as possible.

Controls may be relaxed when the domestic production increases by about 7.5 million tons of foodgrains and adequate transport facilities are available. Meanwhile, the existing machinery for administering food controls has to be improved.

A slight change in the people's food habits is desirable in view of the world shortage of rice and the high cost of imports. The shortage of rice in our country is between 2 to 3 per cent of our total needs. It could easily be overcome by consuming more wheat and supplementary foods and less rice. Such a change is recommended from the point of view of nutrition also.

CHAPTER IV

AGRICULTURE

Although about two-thirds of our population is engaged in agriculture, the land does not produce enough food, cotton, jute and oilseeds for the country's requirements. Obviously, there are grave drawbacks in our agricultural economy. The Plan seeks to (1) remedy these defects, (2) overcome or reduce the existing shortages of food and raw materials and (3) transform the village environment and the outlook of the rural population. The outlay in the agricultural sector is as follows :

	* (Crores of rupees)
Agriculture	184.22
Veterinary and animal husbandry including dairying	22.28
Forests	11.69
Co-operation	7.11
Fisheries	4.64
Rural development	10.47
Community Projects	90.00
Local works	15.00
Programme for scarcity affected areas	15.00
	<hr/> 360.41 <hr/>

1. PRODUCTION PROGRAMME

The targets to be attained under the Commission's programme for additional production are 7.6 million tons

of foodgrains, 1.26 million bales of cotton, 2.09 million bales of jute, 0.7 million tons of sugar and 0.4 million tons of oilseeds.

The programme consists of (1) schemes drawn up in consultation with the State Governments and (2) supplementary schemes proposed by the Commission. The former are expected to yield 6.5 million tons of foodgrains as shown in the table below :

		(Million tons)
Major irrigation works	..	2.01
Minor irrigation works	..	1.78
Land reclamation and development	..	1.51
Manures and fertilisers	..	0.65
Improved seeds	..	0.56
		<hr/>
		6.51
		<hr/>

The major and minor irrigation works mentioned above will irrigate 16.7 million acres.

Under the reclamation programme 7.4 million acres are to be brought under the plough by the Central and State Governments at a cost of Rs. 35 crore. Nearly 1.4 million acres will be reclaimed and developed by the Central Tractor Organisation and 1.2 million acres by similar organisations in the States. The remaining 4.8 million acres will be developed by the farmer himself with the assistance of the State.

Improved seeds and fertilisers will be supplied to the farmer and the use of improved implements will be encouraged.

The statement below indicates the general nature of the supplementary schemes suggested by the Commission :

	(Crores of rupees)
(1) Additional provision for minor irrigation works	.. 30
(2) Additional programme for construction of tube-wells	.. 6
(3) National extension organisation	.. 3
(4) Supplementary allotment for Grow More Food during 1952-53	.. 10
(5) Community Projects, including 66 projects already initiated	.. 90

The targets of additional production indicate the magnitude of the efforts envisaged in the Plan. In each State the targets are being broken up district-wise, tehsil-wise and village-wise. It is the duty of every *panchayat*, indeed of every farmer, to achieve and if possible, to exceed the targets. The peasant will be assisted in this task by extension workers and officials of the agricultural department.

Finance

Inadequate finance is one of the main handicaps of the farmer. Under the Plan finance will be made available to the cultivator by the Reserve Bank of India as well as by the State through co-operative credit societies. It is hoped that by the end of the period of the Plan sums of the order of Rs. 100 crore, Rs. 25 crore and Rs. 5 crore will be made available to the farmer annually as short-term, medium-term and long-term loans respectively.

Co-operative Marketing

The cultivator sells his produce either through the broker in the *mandi* or the money-lender. In the past unfair practices have deprived the cultivator of his legitimate share of the sale proceeds. To ensure a fair return to the farmer for his produce, regulated markets and co-operative marketing societies are being established throughout the country. Besides selling his produce, co-operative marketing societies provide the farmer with loans, improved seeds and fertilisers.

They also undertake the processing of agricultural produce wherever possible.

Co-operative marketing is making headway. Some 1,600 cane Co-operative Unions and Primary Societies have already been formed in Uttar Pradesh, while co-operative marketing of cotton is being tried out in Bombay.

2. COMMUNITY DEVELOPMENT AND NATIONAL EXTENSION

Under the scheme of Community Projects, concerted and sustained efforts will be made to develop the rural economy and to transform our villages.

Rural development has been attempted sporadically in the past. The different departments of the State used to reach the cultivator through their junior officials who were not well equipped for their work and each of whom only dealt with one limited subject and not with the problems of the villager as a whole. These unco-ordinated efforts often caused confusion in the minds of the villagers. Under the scheme of the Community Projects a single agency will deal with all the problems of the farmers.

The scheme has been launched in 66 selected areas. Each project is under the direction of a Project Executive Officer and covers about 300 villages with about 200,000 people and a cultivated area of about 150,000 acres. The project area is divided into three Development Blocks each consisting of about 100 villages and a population of 60,000 to 70,000. The Development Block is in turn divided into groups of five villages, each under a village level worker who comes into daily and direct contact with the farmers. A community project will cost Rs. 65 lakhs in three years. The Centre will meet three-fourths of the non-recurring and half of the recurring expenditure.

Before the Project staff can get down to work, they must have a thorough understanding of the problems of the area in their charge. The village level worker must

visit every single farmer and ascertain his needs and difficulties. The Project Executive Officer prepares his plan of work on the basis of the data thus collected.

Field work is carried out in collaboration with the different departments of the State. For instance, the anti-malaria operations are organized with the assistance of the health department, while land reclamation is undertaken by the department of agriculture. There has not been such a joint effort in the past. New methods of inter-departmental co-operation must, therefore, be worked out.

Encouraging reports have been received from many project areas. Within a brief period, there has been an upward trend in production in many places. New roads have been built, wells repaired, drains cleared and village schools started. And perhaps, the most hopeful sign is the tremendous enthusiasm of the villagers almost everywhere.

The scheme of Community Projects is part of a bigger scheme of community development which is being executed through the agency of the National Extension service. This service is expected to cover the country in ten years. During the period of the Plan 120,000 villages or about one-fourth of the rural population will be brought within its scope. Under the scheme of National Extension one village level worker will serve every 10 villages, while the areas earmarked for a more intensive development under the scheme of community projects will have one village level worker for every 5 villages.

3. LAND REFORMS

We will now consider how the Commission seeks to tackle some of the basic problems of the rural economy connected with the ownership and management of land.

The land is overcrowded. On an average the Indian peasant has only 5 acres to cultivate, whereas his American counterpart cultivates 145 acres and British, 21 acres. With

the growth of population the size of the holdings is diminishing progressively. Further, the farmer does not hold his land in one single block. Fragmentation has reached extreme proportions in some places.

Scattered strips of land can neither be fenced nor cultivated properly. Thus, over a large part of the country the farmer cultivates his uneconomic holding indifferently and barely manages to feed his family. He is poor because he has little to sell. For want of funds he is unable to use quality seeds, improved implements and fertilisers. Inevitably our agriculture is backward.

Consolidation of holdings through co-operative societies has been suggested by the Commission as a solution to the problem of fragmentation. This measure is well understood by the farmer, and should be pursued vigorously. Also sub-division is not to be permitted beyond a certain minimum.

Scientific cultivation will be possible only if small holdings are pooled and cultivated on a co-operative basis. It is proposed, therefore, to encourage and assist the formation of co-operative farming societies.

New Land Policy

How is land owned and cultivated? This question has a close bearing on agricultural progress. The cultivator has no incentive to work hard unless he owns the land he tills. If he cultivates another man's land, he must have security of tenure and a fair return for his labour. Hitherto, the existence of numerous intermediaries between the State and the cultivator, insecurity and high rents have tended to cramp the cultivator's initiative and enterprise. The structure of our rural society must change if our economy is to develop appreciably. The land policy suggested by the Commission will lay the foundations of a new order in the villages.

For instance, intermediate rights are to be abolished

forthwith. *Zamindari* has already been liquidated in Uttar Pradesh, Bihar, Orissa and Madhya Pradesh. Similar steps are being taken in other States also.

Upper limit

From the stand point of social justice, the Commission has proposed that there should be an upper limit to the amount of land one may hold. This will apply to (i) resumption of land for personal cultivation and (ii) future acquisition.

What about the land held at present by owners in excess of this limit? If it is cultivated by tenants, the Commission suggests that they should be enabled to acquire ownership rights on payment of compensation. Where such land is cultivated by the owners themselves the test should be efficiency. Farms which are badly managed should be taken over by the State and cultivated through co-operatives of landless or displaced workers. Efficiently run farms may be allowed to continue.

Owners of middle-sized and small farms are to be encouraged to develop their production on a co-operative basis. If they do not resume land for personal cultivation within a reasonable period of time, their tenants may be allowed to become owners of the land they till. To protect the tenants-at-will the Commission has suggested that a tenancy should last for at least five years and should be renewable. Rents should vary between one-fourth to one-fifth of the produce.

Co-operative Village Management

These adjustments will confer only limited benefits on the landless workers, and inequalities among the different sections of rural society will continue, though on a reduced scale. Therefore, along with land reforms, the Commission has offered co-operative village management as the best solution to the problems of the rural society.

Under the scheme of co-operative village management

the land and other resources of the village are to be pooled and utilised in the interests of the community as a whole.

In co-operative farms scientific cultivation will be possible without doing away with ownership rights. For the same type of work every one will receive the same remuneration. Economic and social inequality will thus tend to disappear. Production will be diversified to provide employment for those who are willing and able to work. A dynamic element, hitherto lacking, will thus be introduced into our rural society and the country will make rapid strides towards the goal of economic democracy.

If the majority of people in a village decide in favour of a co-operative form of organisation their decision will be binding on the village as a whole.

A number of experiments in co-operative farming are already in progress in the country and these should be studied. Increased facilities for training and experiments in co-operative farming are to be provided at a cost of Rs. 50 lakhs.

4. AGRICULTURAL WORKERS

Agricultural workers constitute about 18 per cent of the total agricultural population. They lack continuous work, their earnings are low and they suffer from serious handicaps. Their position is a source of weakness in our rural society and it needs to be improved urgently.

The Five Year Plan will remove many of the causes responsible for their present plight. Revival of rural industries and co-operative utilisation of village land will provide the agricultural workers with fresh avenues of employment, while the Minimum Wages Act will guarantee them a fair wage. A sum of Rs. 2 crore has been provided in the Plan for settling landless agricultural workers on reclaimed land. Finally, as the economy develops as a

whole, an increasing number of agricultural workers will be absorbed in urban areas. Meanwhile the State should :

- (i) provide them with house sites,
- (ii) give preference to co-operatives of landless workers in the allotment of reclaimed land,
- (iii) Employ co-operatives of agricultural workers and entrust them with construction work on behalf of the Public Works and Forest Departments, and
- (vi) offer them educational stipends liberally.

5. ANIMAL HUSBANDRY

India's 193 million cattle represent a large proportion of the world's cattle population. Nearly a tenth of this number is unproductive. The Commission has suggested that these useless cattle should be removed to *gosadans* located in waste lands and other out of the way places. One hundred and sixty of these institutions are to be opened in areas with grazing facilities at a cost of Rs. 1 crore.

Indiscriminate breeding and poor feeding account for the low quality of our cattle. To improve the stock 600 centres are to be opened under the 'key village' scheme. Breeding at these centres will be confined to three or four superior bulls of known pedigree and all other inferior bulls will be removed or castrated. Each centre will comprise three or four villages having about 500 cows of over three years of age.

The number of veterinary hospitals will be increased from 2,000 in 1951 to 2,600 in 1956. Steps will also be taken to increase fodder supply in the villages.

CHAPTER V

IRRIGATION AND POWER

Although the total irrigated area in India—48 million acres—is twice as large as that of any other country in the world, it constitutes only a fifth of the total area under cultivation. The rest of the land is at the mercy of the monsoon which is notoriously fickle. Failure of rains results in famine conditions and distress over large areas of the country.

To rescue our farmers from the vagaries of the monsoon we must make a fuller use of our water resources. This explains why the Commission proposes to spend a large amount on river valley projects. The yearly expenditure on these projects and the likely future benefits are as follows :

Year	Expenditure (crores of rupees)	Additional irrigation (acres)	Additional power (kws)
1951-52	85	646,000	58,000
1952-53	121	1,890,000	239,000
1953-54	127	3,555,000	724,000
1954-55	107	5,749,000	875,000
1955-56	78	8,533,000	1,082,000
Ultimate	..	16,942,000	1,465,000
New schemes	40		
Five Years' total	558		

It will be seen that by 1955-56, the projects will irrigate 8.5 million additional acres. Also about 11 million acres will receive irrigation from minor works, namely, tanks,

wells and tube-wells at a cost of Rs. 77 crore. The total irrigated area will thus increase from about 48 million acres in 1950-51 to about 67 million acres in 1955-56. 1.08 million kilowatts of additional electricity will also be generated.

The magnitude of the irrigation programme can be judged from the fact that as against the expenditure of Rs. 558 crore contemplated during the period of the Plan, the entire book value of the irrigation projects at partition was Rs. 100 crore only.

The irrigation and power projects included in the Plan will yield a rich harvest of benefits for the people. They will provide irrigation for large blocks of thirsty land which will begin to smile with golden crops. Electrification will help the revival of rural industries. It will stimulate the use of labour saving equipment such as grain grinders, sugar-cane crushers, cream separators and water pumps. The radio and the cinema will come into common use and provide entertainment and information to the villagers. Through these and many other devices, electricity will eliminate the drudgery of rural communities and make life healthy and pleasant for them.

Projects of such magnitude and significance to the country's economy cannot be carried out without the co-operation of the people. They must feel that the projects are for their benefit and for the benefit of their children. Co-operation could be sought by the Government and offered by the people in various ways. One suggestion that has been made by the Commission is that work such as the excavation of canals should be undertaken by co-operatives of village workers and not entrusted to contractors. By this means the Government would save money and the villagers would be enabled to participate in the work for their betterment.

CHAPTER VI

INDUSTRY

The outlay by the Government in the industrial sector will be as follows :

	(Crores of rupees)
Large-scale Industries	.. 94.00*
Cottage and Small-scale Industries	.. 27.04
Scientific and Industrial Research	.. 4.61
Mineral Development	.. 1.06

1: LARGE-SCALE INDUSTRY

Indian industry has made considerable headway since the first world war. Its development has, however, been lop-sided. Broadly speaking, while the country is more or less self-sufficient in consumer goods of widespread use such as textiles, soap, sugar, matches and paper, it is deficient in iron and steel, heavy chemicals, fertilisers and the products of heavy engineering industries which are essential for the all round expansion of our economy. The Plan envisages the (1) expansion of capacity in producer and capital goods industries like iron and steel, aluminium, cement, heavy chemicals and fertilisers, (2) fuller utilisation of the existing capacity in the case of consumer goods industries, (3) completion of the undertakings already in hand and (4) installation of new plants—for the manufacture of sulphur from gypsum, for instance, which will strengthen the industrial structure.

* Excluding an extra lump sum provision of Rs. 50 crore for basic industry and transport.

The industrial policy announced in April 1948 provides for the co-existence of a public and a private sector in industry and defines their respective spheres. The State reserves exclusively to itself certain industries such as the manufacture of arms and ammunition and the development of atomic energy. In the case of certain other industries such as coal, iron and steel, ship-building, aircraft manufacture, the manufacture of telephone, telegraph and wireless equipment, the State is to be responsible for further development except to the extent that the co-operation of private enterprise is considered essential. The existing undertakings in these industries will, however, continue for at least 10 years. The rest of the industrial field is left open to private enterprise for development under the broad directions of the State.

The Industries (Development and Regulation) Act of 1951 ensures that the expansion of the private sector conforms to the over-all needs of the country. With that aim in view it provides for the registration of the existing undertakings in 37 industries mentioned in the Act. Some more industries are to be included under the latest amendment to the Act. It also provides that an inefficient undertaking which fails to carry out a directive issued after investigation, be taken over by the Government. This power will, of course, be exercised only in the interests of the country and the industry.

Under the Act, Development Councils will be set up by the Central Government to foster the growth of industries in the private sector. They will comprise experts and the representatives of employees, employers and consumers. The Councils will fix targets of production, lay down norms of efficiency and suggest measures for improving production. Their administrative and technical staff will be provided by the Government.

Development in the Public Sector

The major industrial project in the public sector is the new iron and steel plant estimated to cost Rs. 80 crore

in all and Rs. 30 crore up to 1955-56. The Plan also provides for the completion of the Sindri Fertiliser Factory with a total capacity of 350,000 tons of ammonium sulphate per annum. The Chittaranjan Locomotive Factory which by 1956 will be turning out 100 locomotives a year and the Machine Tool Factory at Jalahalli in Mysore State are also to be completed. The latter will specialise in high precision machine tools and thus provide the basis for the subsequent expansion of heavy and light engineering industries. Another important project in the public sector for which provision exists is the acquisition and development of the Vishakapatnam ship-building yard. Preliminary steps are also to be taken for the establishment of a heavy electrical industry.

Development in the Private Sector

Though these and other important projects are included in the public sector, the main responsibility for the development of industry during the period of the Plan will devolve on the private enterprise. Expansion programmes for 42 industries have been drawn up by the Commission in consultation with the representatives of the industries concerned. It must be remembered that while the Government can influence the private sector it cannot determine the actual course of investment. The programmes are therefore in the nature of best judgments of what is desirable and possible.

Cost and Benefits

To implement these programmes the private sector will require Rs. 233 crore for expansion, Rs. 150 crore for modernisation, Rs. 150 crore by way of working capital and Rs. 80 crore for current depreciation. In addition, the State will spend Rs. 94 crore in the public sector. In all Rs. 707 crore will be needed for industrial expansion. Most of the required money will be raised from internal sources. The additional production in some of the more important industries as a result of this expenditure will be as follows :

1. Heavy chemicals (sulphuric acid, caustic soda and soda ash)	(thousand tons)	156
2. Fertilisers (ammonium sulphate and superphosphate)	"	528.6
3. Iron and Steel		
(a) pig iron (available for foundries)	"	310
(b) steel	"	394
4. Aluminium	"	8.3
5. Cement	"	21,080
6. Locomotives	150 (+ 50 boilers)	
7. Diesel Engines	(in thousands)	44.5
8. Power-driven pumps	"	45.7 to 50.7
9. Carding engines	(Number)	600
10. Spinning ring frames	"	440
11. Plain, semi and automatic looms	"	4,100
12. Consumer goods industries		
Cloth	1,872 million yds.	
Sugar	384,000 tons	
Salt	429,000 tons	
Paper and paper board	86,000 tons	
Sheet glass	21,150 tons	
Vegetable oils	182,000 tons	

Foreign Capital

The inflow of foreign capital is to be encouraged especially as it will bring much needed capital goods, technical personnel and managerial skill in its train, but agreements for joint participation between foreign and Indian concerns will require the approval of the Government.

2. VILLAGE INDUSTRIES

Cottage industries were once an essential feature of our agrarian economy. Their decline synchronized with

the growth of modern industries in the West and in our country. They must be revived in order to create work for the farmer in his spare time and for the unemployed village artisan.

Village industries should make use of local talent and material and serve local needs. They should be the concern of the organised village community as a whole; this at any rate is the ultimate goal. Meanwhile the formation of artisans' co-operatives will afford some measure of useful organisation.

The Commission suggested the constitution of a Central Khadi and Village Industries Board to promote the revival of rural industries. This has since been set up and has started functioning. Programmes for the development of the oil industry, soap-making, palm gur manufacture, paddy husking, bee-keeping, and other industries have been drawn up by the Commission and will now be carried out by the Board which will also add more programmes in consultation with the State Governments.

The handicaps of village industries relate mainly to finance, organization, equipment, and skill. Suggestions have been made to overcome these handicaps. For instance, wherever a large-scale industry competes with a cottage industry a sphere of activity may be reserved for the latter and a common production programme drawn up. In the case of the oil industry for instance, edible oil could be produced through the cottage industry and non-edible oil through the mills.

Cottage industries especially if organized on a co-operative basis, can be helped with finance from public funds. It is also proposed that a small cess could be levied on a large-scale industry in order to help a corresponding cottage industry. Training-cum-production centres are to be opened to enable the artisans to improve their skill. Steps must also be taken to supply raw materials to co-operatives of artisans at controlled rates.

Finally, the Commission recommends the establishment of a central research institute to study the technical problems of village industries. It would seek the assistance of national laboratories in the solution of these problems.

3. SMALL-SCALE INDUSTRIES AND HANDICRAFTS

Widespread unemployment among educated people and scarcity of capital and machinery point to the need for the development of small-scale industries in our country. The value of small industrial units is gradually being recognized the world over. Prior to the Second World War for instance, more than two-thirds of Japan's industrial workers were employed in units with less than 50 workers each.

Small-scale industries supplement, complement or compete with large-scale industries. Those belonging to the first group should be organised on a co-operative basis, while industries in the other two categories should be integrated with the corresponding large-scale industries on the basis of common production programmes.

To stimulate the demand for their products, small units should be patronised by the State. Also the possibility of replacing imports with indigenous products should be explored. Suggestions have also been made for improving the technique and organisation of small industries as well as for the training of unemployed persons with a view to their eventual absorption in stable occupations.

In the new townships, which are being built for the rehabilitation of displaced persons, production should be organised on the basis of small units. Sites, transport facilities and power should be made available to intending manufacturers in these townships. Financial corporations could finance small units on a regional basis.

The planned development of small-scale industries is a task of immense magnitude and importance. To begin with, the Central Government is drawing up plans for the

manufacture of woollen goods, sports goods, agricultural implements, brassware and cycle parts. A sum of Rs. 15 crore has been set aside by the Centre for assistance to small-scale and village industries.

Handicrafts

Besides producing artistic wares, craftsmen must meet the demand for commodities which combine utility with beauty. There is a considerable demand for such articles in foreign countries, particularly in the U.S.A. The tastes and the requirements of foreign buyers need studying.

To improve our handicrafts, the Commission suggests the formation of artisans' co-operatives for each type of handicraft. These co-operatives should aim at improved quality and new designs. The Commission has recommended the creation of an institute for research in handicrafts and for the study and preparation of designs. It will work in co-operation with centres of art such as Santiniketan.

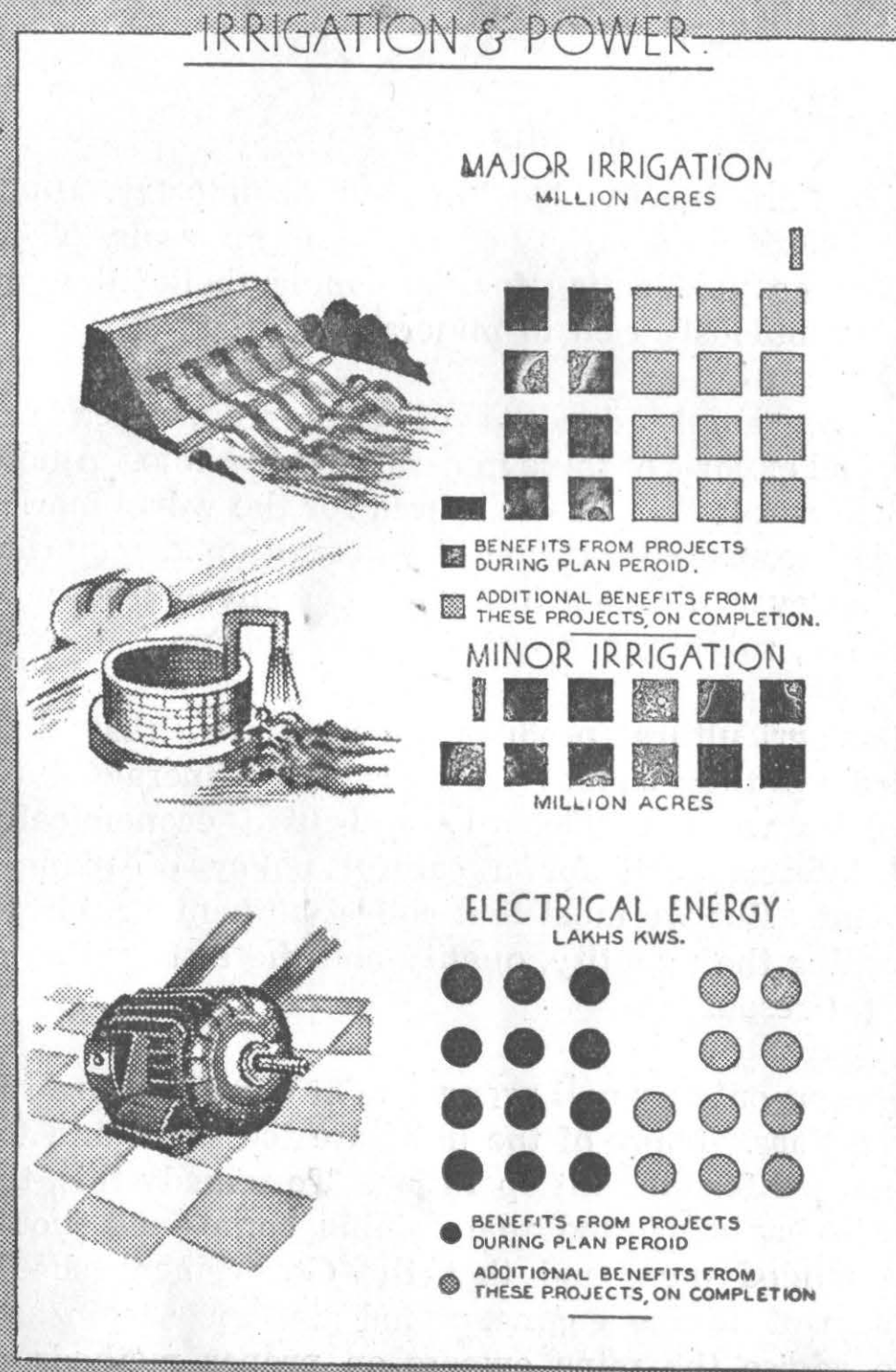
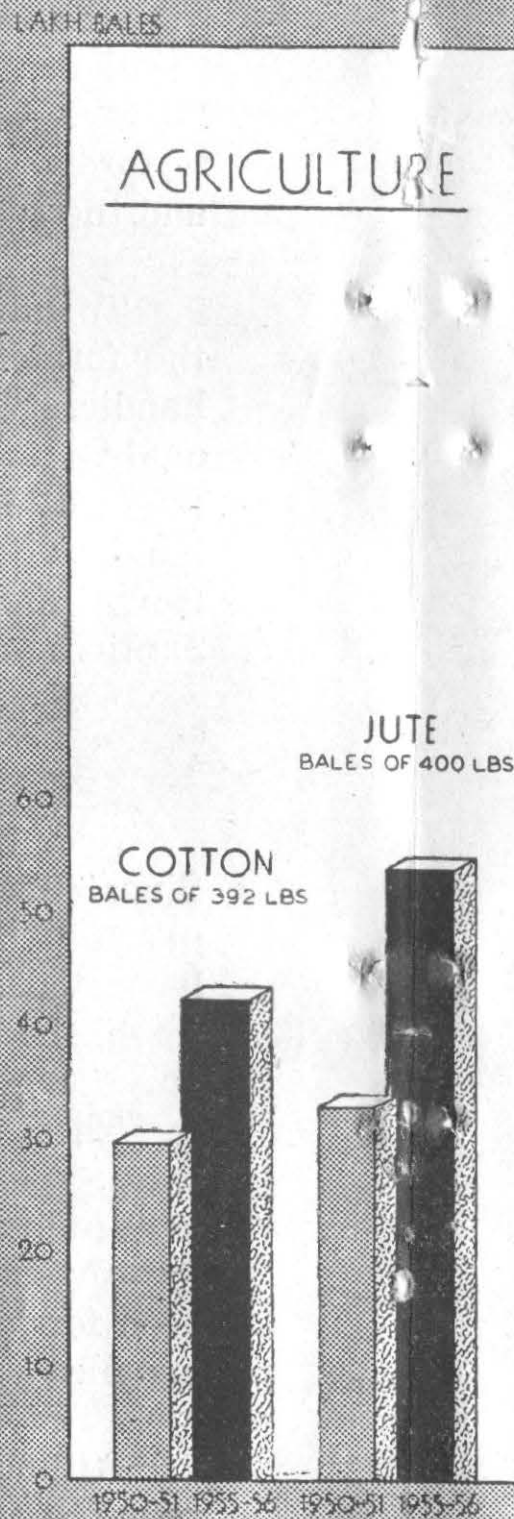
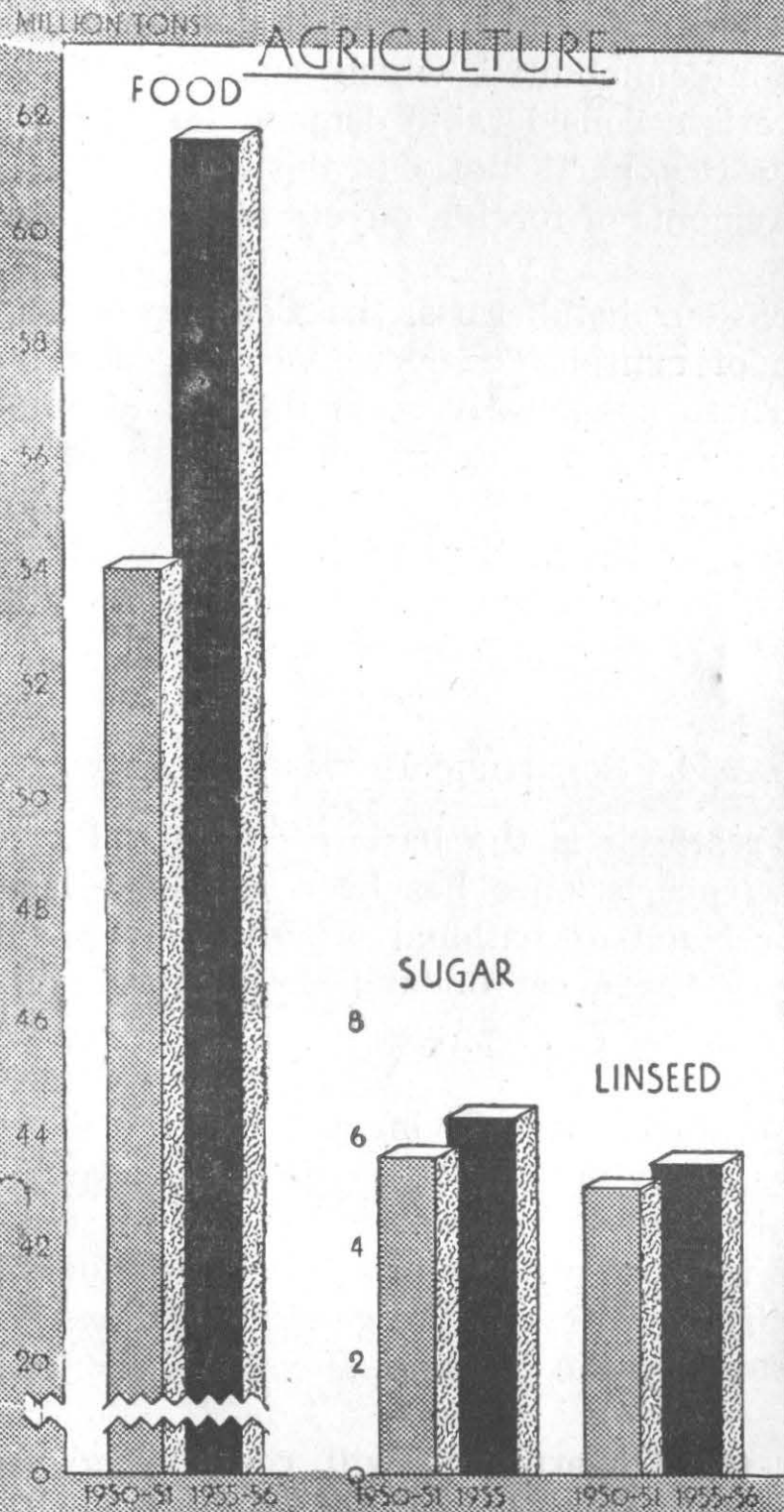
4. SCIENTIFIC RESEARCH

Scientific research is the basis of industrial progress. Since independence, science has been assigned its proper place in the scheme of national affairs. Eleven national laboratories have been set up and three more are to be established.

These laboratories are serving the country in various ways. Besides carrying out fundamental research, they help industry by evolving new processes and by suggesting improvements in those already in vogue. The indelible ink used for identifying voters in the general elections was for instance prepared by the National Physical Laboratory.

Although the Government will continue to sponsor research as hitherto, there is need for initiative on the part of private industry also. Research associations could be formed by them on the lines of similar associations in the

— TARGETS OF THE FIVE YEAR PLAN —



U.K. The Government would make grants to such associations

To work out the commercial possibilities of a piece of research or a new invention, the Commission has recommended the establishment of a National Research Development Corporation.

5. MINERALS

Minerals are the 'lifeblood' of modern industry. India has large deposits of a variety of important minerals. There is, however, no justification for the popular belief that the country is fabulously rich in mineral resources.

We have ample deposits of coal, iron, mica and titanium, and exports of these minerals are possible. Among the other minerals that can be spared for the world market are manganese, bauxite, magnesite, ilmenite and monazite. India is, however, deficient in copper, tin, silver, lead, zinc, nickel, cobalt, sulphur and above all, petroleum.

Unlike agricultural produce minerals are exhaustible. Once used up they cannot be replaced. Minerals must, therefore, be worked efficiently and used economically. National interests call for a careful policy of planned development. But we must first collect authentic information regarding the quantity, quality and the distribution of our mineral resources.

At present only a small proportion of our mines are run on modern lines. Many of the units are too small and too poorly financed for efficient operation. To remedy this, the Commission has suggested that mining companies should employ qualified men, and that the Government should have a team of mining engineers and geologists to inspect mines; to advise the mine owners on proper methods of development and to ensure that their advice is followed.

Under the Mines and Minerals Act of 1948, permission

to exploit atomic energy minerals like vanadium, titanium, columbium, coal, and certain other minerals is given by the States with the concurrence of the Centre. The Commission has recommended that the scope of this Act should be enlarged so as to make it applicable to other minerals of strategic value, such as iron ore, manganese ore, chromite and bauxite. Also, the areas leased out for prospecting should not be less than the minimum considered necessary for efficient operations.

The other recommendations relate to the collection of information about the mining industry by the Bureau of Mines, conversion of mica, manganese, chromite and other minerals into finished or semi-finished products for export, and research in different aspects of the mining industry.

A programme of development based on these principles has been laid down by the Commission. To carry out the programme, the Geological Survey of India, the Indian Bureau of Mines, the National Fuel Research Institute, the National Metallurgical Laboratory and the Central Glass and Ceramic Research Institute are being strengthened.

CHAPTER VII

LABOUR

The worker is the backbone of our economy. He is, however, not merely a producer of wealth but also a human being. His basic need for food, clothing and shelter must be satisfied. Also, he must have facilities for health, education, recreation and cultural life. He must be assured of a reasonable measure of security and a fair wage. If he feels that he cannot receive a fair deal from his employer he must have access to an impartial tribunal. Most of these rights are guaranteed to him by the Constitution. In fact, since independence, the State has made special efforts to promote his welfare. On the whole the workers have responded satisfactorily to these measures.

Progress under the Plan depends on industrial peace. The employers and employees are partners in the common task of promoting the welfare of the community. Both must therefore join hands in increasing production, improving quality and reducing costs. As far as possible disputes are to be avoided. This implies continuous contact between workers and employers and the supervisory staff. Works committees should ensure that differences are settled on the spot.

Whenever employers and workers fail to reach a settlement the State must step in to offer conciliation. The machinery and procedure for arbitration and adjudication should however be such as to ensure a fair settlement without unnecessary waste of time, money and legal technicalities.

Working Conditions

To get the best out of workers their working conditions need to be improved considerably. This aim will be achieved if the existing legislation to regulate working conditions in the factories, mines and plantations is enforced vigorously. State enterprises should treat their workers fairly and even generously and thus set a standard for private undertakings.

Wages

Wages have risen considerably in recent years. A further rise in wages will not, under present conditions, benefit the workers permanently, for it will be neutralised by a rise in prices. Their standard of living can improve either through a fall in prices or an increase in productivity. The policy of the Government is therefore to control prices on the one hand and to keep down, on the other, increase in money incomes. To ensure a fair return to the worker for his labour the minimum wage legislation should be enforced effectively. Wage boards should, in fact, be set up on a tripartite basis in the States and at the Centre to study all aspects of the wage problem and secure adjustments in the wages of the workers periodically.

The Commission has also given considerable thought to the question of rationalisation. It is suggested that in consultation with employers and workers, means should be found to safeguard the position of workers in enterprises where rationalisation is carried out. For instance, retrenched employees should be trained with a view to absorbing them in alternative occupations:

CHAPTER VIII

TRANSPORT AND COMMUNICATIONS

In a vast country like ours, a well-developed system of transport and communications is the pre-requisite of progress. This explains why a substantial proportion of the total outlay has been earmarked by the Commission for the development of transport.

	(Crores of rupees)
Railways	250.00
Roads	108.88
Road transport	8.97
Shipping	18.05
Civil Aviation	22.87
Ports and Harbours	33.09
Inland Water Transport	0.10
Posts and Telegraphs	50.00
Broadcasting	3.52
Overseas communications	1.00
Meteorological department	0.62
	<hr/>
	497.10
	<hr/>

1. RAILWAYS

With 34,000 miles of track and a million workers, the Indian railway system is the largest in Asia. On the eve of the Second World War the bulk of its rolling stock had outlived its normal life. With this worn out stock the railways had to carry an enormously increased traffic during the war. Consequently, repairs and replacements fell into heavy arrears. On March 31, 1951, no less than 1,051

locomotives were due for replacement, whereas normally only about 190 should come up for replacement every year. Similarly, on the same date there were 5,514 overaged coaching vehicles and 21,418 overaged wagons as against the normal annual replacements of 650 and 5,000 respectively.

It is inevitable, therefore, that most of the money to be spent on the railways during the period of the Plan—and, including the amounts normally set apart every year for renewals, this will amount to Rs. 400 crore—will have to be used for providing new locomotives, coaches and wagons. Another large sum—about Rs. 60 crore—will have to be spent on repairing and improving the track. A number of branch lines, dismantled during the war, have to be relaid. It is also necessary to provide greater comforts for third class passengers and about Rs. 15 crore will be required for this. After meeting all these expenses, only about Rs. 20 crore will be available for opening new lines.

As far as possible, the needs of an essential service like the railways should be met from internal production. The Chittaranjan Locomotive Factory has been set up by the Government with this aim in view. During the period of the Plan, this undertaking and the Tata Locomotive Engineering Company will turn out 268 and 175 locomotives respectively.

2. SHIPPING AND PORTS

With 2,900 miles of coastline India requires a sizable mercantile marine to carry its overseas trade.

In 1951, India had 73 ships of 2,17,201 tons plying on the coast and 24 ships of 1,73,105 tons engaged in overseas trade. By 1955-56 the tonnage will increase to 3,00,000 tons in either case or 6,00,000 tons in all. To attain this target, ships will be acquired by the shipping companies at a cost of Rs. 18.7 crore, of which Rs. 14.4 crore will be advanced to them by the Government as loans.

To meet the needs of increased overseas trade, the five

major ports, namely, Bombay, Calcutta, Madras, Cochin and Vishakapatnam are to be modernised and expanded, while Kandla in Kutch is being developed as a substitute for Karachi. Further, port facilities are being provided for oil refineries at a cost of Rs. 8 crore.

3. CIVIL AVIATION

Possessing excellent flying conditions for the greater part of the year, India is ideally suited for the development of civil aviation. In fact, aviation has developed speedily since independence and has a good record of safety and service. It has been found, however, that there are too many companies for economical and successful working. The Government have, therefore, set up two corporations—one for the internal services and the other for the international services. The Plan provides Rs. 9.5 crore for compensation to air companies and for the purchase of new aircraft.

4. ROADS . .

“The community pays for good roads whether it has them or not. It pays more if it has not got them”. We in India are fully alive to the need to develop the road system.

India has 2,50,000 miles of roads divided into four categories: National highways, State highways, District roads and Village roads. The Central Government is responsible for the maintenance and development of the 13,400 miles of national highways. The other roads are looked after by the States.

Under the Five Year Plan the road system will be improved as well as extended. In the past five years 160 miles of new roads, 17 large bridges and numerous smaller bridges have been constructed and 1,015 miles of roads improved, while about 320 miles of new roads and 18 large bridges are under construction. The Plan provides for the completion of the work in hand and for the construction of 450 miles of new roads and 43 large bridges besides a number of smaller bridges. In addition, about 2,000 miles of roads will be improved.

Rupees 27 crore will be spent by the Centre on the national highways, Rs. 4 crore on certain selected roads and Rs 21.5 lakh on the establishment of a Central Road Research Institute. The programme of road development in the States will cost Rs 73.5 crore.

5. POSTS, TELEGRAPHS AND TELEPHONES

The Plan provides Rs 50 crore for the development of postal, telegraphic, telephonic and wireless communications. The main aim of the programme is to provide a post office for every village with a population of 2,000 or over and increased telephonic facilities in cities.

CHAPTER IX

SOCIAL SERVICES

The Plan to develop social services embraces schemes for education, health, the welfare of the backward classes and the under-privileged and for removing the disabilities of women and children. The proposed outlay is shown below :

			(Crores of rupees)
Education	..	..	155.7
Health	..	..	99.5
Housing	..	..	48.8
Labour and labour welfare	..	..	6.9
Welfare of backward classes and scheduled castes and tribes	..	..	28.9
			<hr/>
			339.8
			<hr/>

1. EDUCATION

Only a sixth of our population is literate. Clearly our educational system is inadequate and unrelated to our requirements. We need larger facilities for education as well as a radical change in its content. Among the targets to be achieved are :

- (1) educational facilities for at least 60 per cent of the children between the age of 6 and 11;
- (2) secondary education for at least 15 per cent of the children; and
- (3) social education for 20 per cent of men and 10 per cent of women between the age of 14 and 40.

Education for children between the age of 6 and 14 should be of the basic type with emphasis on manual work. The problem of secondary education is under consideration by a Commission and the Planning Commission have not thought it proper to anticipate its recommendations. They have, however, stressed that it must be closely integrated with basic education and the child should not feel that in passing from a basic school to a secondary school there is a sudden change in methods of teaching. In regard to university education, an interesting suggestion that has been made is for the establishment of at least one Rural University during the period of the Plan. Such an institution would be the logical extension of the basic idea into the sphere of higher education.

Adult education, restricted to the promotion of literacy, has been found to be too narrow. It requires to be widened so as to include the education of adults in health matters, the proper use of leisure and citizenship. To denote this new concept the term "social education" has been coined. It implies a comprehensive programme of community uplift through community action. All forms of group activity such as village panchayats, co-operative societies and trade unions offer opportunities for it. In a country in which so large a proportion of the population is illiterate, the growth of social education has a vital significance for national development.

To attract capable men to the field of education higher pay and better conditions of service have been suggested for the teachers.

Education is largely the concern of the States. The Centre will, therefore, concentrate on research on improved educational methods, training of selected personnel and production of literature. Also it will guide and co-ordinate social education activities in the States and undertake pilot schemes with a view to laying the foundations of a new educational structure. Special attention will be paid by the Centre to university, technical and scientific education.

The Centre will spend Rs. 20 crore on basic and social education, Rs. 3 crore on university education, Rs. 11 crore on scientific and technical education and Rs. 1 crore on youth camps. The States will provide Rs. 117 crore for educational programmes.

2. HEALTH

A community in good health is the prime condition of progress. Good health implies not only physical fitness but also proper adjustment of man to his physical, mental and social environment.

The existing health services in most of our cities and villages are inadequate. The Health Survey Development Committee recommended that the country should have one doctor for every 2,000 persons, one nurse for 500 and one midwife for 4,000 persons. We have one doctor for 6,300, one nurse for 43,000 and one midwife for every 60,000 persons. These figures give some idea of the leeway to be made up.

In view of our limited resources in medical personnel, equipment, and funds we must first deal with the most pressing health problems. In order of importance, they are : (1) provision of water supply and drainage, (2) control of malaria, (3) care of the rural population through health units and mobile units, and (4) health services for women and children. The State Governments intend to spend Rs. 23.5 crore on water supply and drainage. About half of this will be spent on improving water supply and drainage in towns and the rest in the villages.

Then there is a big scheme for tackling malaria. About 100 million people in India suffer from malaria and about 1 million die of it every year. It is proposed to spend about Rs. 15 crore on organising 125 malaria control teams which will destroy mosquitoes with D.D.T. sprays. People suffering from malaria will also be treated with new anti-

malaria drugs. Similarly, a countrywide B.C.G. campaign will reduce the mortality from tuberculosis.

The Plan provides for the training of more doctors and nurses. In a few years our villages will have a larger number of dispensaries than at present. Some of these will be mobile dispensaries.

Malnutrition is common among children. To fight this menace to national health school-feeding of children will be organised on a large scale. Maternity and child welfare services in urban as well as in rural areas will be improved and extended.

Indigenous systems of medicine

A large proportion of our population depends on the indigenous systems of medicine and homoeopathy for relief. A sum of Rs. 37.5 lakh has been allotted by the Commission for research on these systems. A part of this fund will be spent on surveying the indigenous medicinal herbs.

Drugs and Medicines

A large variety of drugs, vaccines and sera are now produced in India. Others, particularly anti-biotics sulpha drugs, vitamins and anti-leprosy drugs are imported at a cost of Rs. 10 crore annually. The Government have therefore made arrangements for setting up a factory for the manufacture of penicillin and other anti-biotics. Two D.D.T. factories are also to be installed shortly.

3. FAMILY PLANNING

In relation to the resources which we are able to utilise at present there are far too many people in our country. Although the U.S.A., Canada and Russia are better developed than India and much larger in area their populations are much smaller. India has 280 persons per square mile, whereas Australia has only 3, Canada 3, the U.S.A. 49 and France 192.

At the same time, our population is increasing speedily. In fact, the last ten years' increase was roughly equal to the entire population of France. Lest the progress aimed at through our development plans should be neutralised by the rising tide of numbers, it is imperative that the people become conscious of the social and economic implications of this rapid growth of population. Family planning is equally desirable from the point of view of the health of the mother and the proper up-bringing of the children. The Commission has, therefore, suggested that (i) steps be taken to create a strong public opinion in favour of family planning and (ii) effective methods of family planning for different sections of the population should be devised.

In pursuance of these recommendations the Central Ministry of Health has earmarked Rs. 65 lakh for a programme of family planning. Under this programme advice on family limitation will be made available to married persons in Government hospitals and in health centres, and field experiments will be carried out in different methods of family planning.

4. HOUSING

Proper housing is one of the primary needs of man. At present, there is a serious shortage of accommodation in the country, particularly in towns and building activity by private enterprise is slack. According to the Commission's estimate the country needs 4.3 million additional houses.

Private enterprise by itself does not appear likely to be able to cope with the situation. Consequently, the State must step in and sponsor a programme of construction. Under the Plan the Centre and the States will spend Rs. 38 crore and Rs. 10 crore on housing respectively.

The Central Government will bear the financial burden of construction in urban areas. It will assist State housing boards and co-operatives of industrial workers to undertake

housing activities. Half of the cost of construction will be given to them as subsidy and the remainder by way of loan. Private employers of labour will also be entitled to receive one-fourth of the cost of construction as subsidy and 37 per cent as loan.

While the Central Government will sponsor building activities in cities, the State Governments will concentrate on the improvement of housing in rural areas. Model houses will be constructed in the villages from local materials such as timber, bamboo, clay, sand and glass. Expert advice is to be made available to those wishing to build improved types of houses.

To secure the implementation of the housing programme the Commission has suggested the creation of a Central Housing Board with branches in the States. The Board will frame policies, allocate funds, fix priorities and promote research.

The Commission has suggested that legislation on rent control should follow a common pattern in the States. To encourage building activities, newly built houses should be exempted from such legislation for a certain period. Finally, houses should be requisitioned only in exceptional circumstances.

5. SOCIAL WELFARE

Social welfare activities are concerned largely with the problems of women, children and those labouring under physical or moral handicaps.

Women's welfare work is handled largely by private bodies such as the All India Women's Conference which run dispensaries, maternity centres and homes for women and destitute children. There is need, however, to supplement this work and a large number of volunteers are required for work in the villages.

The children of today will be the citizens of tomorrow. Their welfare should, therefore, be of special concern to social workers. School-feeding should be organised to prevent malnutrition, creches should be opened and children's centres and play grounds should be provided. Feeble-minded and destitute children and orphans should be taken care of in special institutions.

A vigorous youth movement is to be fostered. For instance, young men will be encouraged to join youth camps, the scout movement and the National Cadet Corps. By developing the spirit of self-help, national service and discipline in young people, these organizations prepare them for the responsibilities of citizenship. A sum of Rs. 1 crore has been set aside by the Commission to mobilise the youth for nation building activities under the Plan.

Numerous voluntary agencies and institutions are engaged in social work all over the country. If properly co-ordinated, their work can be more effective. Rs. 4 crore have been allocated for expanding and improving their welfare activities. A board composed largely of non-officials will administer this fund and arrange for the training of social workers.

6. UPLIFT OF BACKWARD CLASSES

Equality being the avowed aim in the Plan, efforts are to be made to uplift the "backward classes" to the level of more advanced sections of the community. These classes include 779 scheduled castes, 245 scheduled tribes and 198 nomadic tribes besides a number of unspecified groups.

The foremost needs of India's 50 million Harijans are adequate housing and education. During the period of the Plan, the States and the Centre will spend Rs. 10 crore and Rs. 4 crore respectively for their amelioration. A substantial proportion of this amount will be spent on their education and on vocational training.

The 179 lakh members of scheduled tribes are among the most ancient inhabitants of India. They live in the remote forest regions of Bombay State, Madhya Pradesh, Bihar, Orissa, West Bengal and Assam and their mode of life has remained unchanged over the past few centuries.

These tribal areas are now to be developed. Water supply in these areas will be improved and roads built. The people will be assisted to take to settled methods of agriculture in preference to shifting cultivation. Malaria, skin diseases, leprosy, trachoma and elephantiasis are to be fought. Special attention will be devoted to their education, since the usual arrangements are not well adapted to their needs. In short, every effort will be made to develop the economy of the tribal people without exposing them to exploitation.

The nomadic tribes hitherto treated as criminals, are to be weaned away from anti-social behaviour and gradually absorbed in the economic life of the country.

CHAPTER X

REHABILITATION

India has 5 million displaced persons from West Pakistan and 2.5 millions from East Pakistan.

Every effort is being made to enable them to start life again. Most of the displaced agriculturists from West Pakistan have been allotted land and granted taccavi loans. Similarly, 3,30,000 out of 4,70,000 rural families from East Pakistan have been absorbed in the Eastern States. Another 75,000 families will be re-settled by 1953-54.

Some 2.5 million evacuees from West Pakistan sought settlement in urban areas. A number of new townships, such as Nilokheri and Faridabad, have been built to accommodate and rehabilitate them. The housing programme, which is to be completed in 1954, will provide accommodation for one million people at a cost of Rs. 59 crore. Meanwhile, the remaining 1.5 million persons have been accommodated in houses vacated by Muslims who have left for Pakistan. Houses have been built for displaced persons from East Pakistan at a cost of nearly Rs. 9 crore.

Employment has been found for displaced persons by absorbing them in service under the Government, by allotting them business premises and industrial establishments left behind by Muslims, by the grant of loans for starting businesses and by providing technical and vocational training. Some 74,000 destitute, old and infirm persons and women and children are being looked after by

the State. A special board has been set up for the rehabilitation of displaced Harijans.

Under the Plan it is proposed to spend Rs. 85 crore by 1953-54 on rehabilitation. This allotment should not, however, be viewed in isolation. As the Plan progresses there will be increasing opportunities for those who have the enterprise and the will to re-establish themselves.

CHAPTER XI

PUBLIC CO-OPERATION

An economic Plan is carried out either on the basis of regimentation or co-operation. As a democratic State, India has chosen the method of co-operation.

Our Plan is, in fact, a vast adventure in co-operation—co-operation between the Centre and the States, the State Governments and local bodies, the Government and the people and among the people themselves. Since the Plan is for the well-being of the community as a whole every one must participate in the work of building a new India irrespective of his political and party affiliations.

To evoke the people's enthusiasm they must be told how the Plan will benefit them, their children, and their children's children. Writers, artists, dramatists, educationists and young men and women in schools and colleges should co-operate in this work. The press, the radio and the films should also carry the message of the Plan to every hearth and home.

Obviously the quality of public administration will finally determine the nature and amount of public co-operation in carrying out the Plan. If it is corrupt, irresponsible, dilatory and inefficient, the people are hardly likely to extend their hand of co-operation. Every one in the country, be he a Minister, a legislator or an administrator, must therefore try to tone up the general administration.

While the Government will thus do its best to execute

the Plan it behoves every individual citizen to do his share also. Self-help is ultimately the best form of help and we can do a great deal on our own. A democratic State cannot do everything for the community. There is indeed a wide field in which individuals, specially students' organisations and voluntary bodies can co-operate for the betterment of the community on their own initiative. Voluntary efforts will, for instance, be found to be the most fruitful in the building of new roads, desilting of drains, execution of multi-purpose projects and in organizing savings campaigns. It is gratifying indeed that students are participating in development work throughout the country. Our women folk, too, are making a commendable effort to promote the small savings drive.

A large number of people have spare time and energy which is not put to any use at present. To mobilise and pool these for a giant constructive effort, a non-political body called the Bharat Sewak Samaj was created recently.

The progress of co-operation in relation to the Plan will be reviewed by the National Advisory Committee from time to time. It will consider and suggest measures for enlarging the scope of such co-operation.

CHAPTER XII

ADMINISTRATION

The Five Year Plan has shown us the way to progress. We know the direction we should take and the pitfalls we should avoid. We must now have an honest and efficient administration to enable us to realize our hopes and aspirations. As a plan goes into action nothing matters so much as administration and with it the co-operation of the people.

With the extension of the Government's responsibility in the economic sphere, the work of the administration has become more difficult and complex than before. If we are to achieve the objectives of the Plan the political leadership as well as the public services must show a high sense of responsibility, devotion to principles, discipline and leadership of a high order.

One of the pre-requisites of successful administration is co-operation between the political leadership and the public services. The principle task of the former is to assess the needs of the people, determine policy and to ensure that it is carried out vigorously. In the shaping of policies, the services are expected to tender advice to the political leadership without fear or favour. Once a policy has been laid down, the services must implement it faithfully.

In view of the decline in the standards of public services in the past few years and the need to achieve results quickly, the administration has to be toned up. Corruption has to be rooted out and the standards of efficiency and

economy have to be raised. The Planning Commission has suggested measures to achieve these aims.

The administration has to be strengthened for shouldering the work in economic and industrial spheres. The Commission, therefore, recommends that eminent economists and experts in banking, finance and industry should be absorbed in public service. Also junior officers of the Indian Administrative Service should receive intensive training in economic problems.

India's Five Year Plan is a programme of work. A portion of this work is to be done by the Central Government itself. For instance, the Centre will complete large undertakings like the Sindri Fertilizer Factory and major irrigation and power projects, and also maintain economic conditions necessary for the implementation of the Plan. Some tasks fall to the lot of industries in the private sector. But by far the greatest portion of the Plan will be carried out by the States and in this they will seek the co-operation of the people. Almost every action of the State administration, whether it is in the sphere of agriculture, irrigation, social services, rationing, price control or procurement has a bearing on the welfare of the people. Efficiency and honesty have, therefore, to be ensured at every stage of the administration, down to the humble and low-paid public servant with whom the people have to deal most. This is the crux of the problem.

In the different sections of its report the Planning Commission has discussed the question of the administrative set up required for planning and development. At the Centre it stresses the need for a strong planning organization which has influence with the Central and the State Governments and with the general public. Also, in every State, there would be a development committee presided over by the Chief Minister, and a Development Commissioner to supervise the execution of the Plan. Similarly, in the district, which occupies a pivotal position in the Plan, there will be the district development committee. In the villages

the task of carrying out the Plan will fall on the shoulders of the *panchayats*. Representatives of the people will be associated with the administration at all levels.

At the apex of this structure there will be the National Development Council. At its meetings, the Prime Minister and the Chief Ministers will review the progress of the Plan from time to time.

CHAPTER XIII

FINANCIAL ASPECT

How are we to raise Rs. 2,069 crore required for the Plan? The statement below shows how the Plan is to be financed :

		(Crores of rupees)
(i)	Savings from the current revenues of the Central and State Governments (including Railways)	738
(ii)	Internal loans to be raised by the Central and State Governments and savings, etc.	520
(iii)	Deficit financing against the release of sterling balances	290
(iv)	External assistance received	156
(v)	Further external assistance or in the alternative, additional measures of internal taxation and borrowing and larger deficit financing	365
	Total ..	<u>2,069</u>

It will be seen that the revenue surplus of the Centre and the States and the savings to be effected by the railways are expected to amount to Rs. 738 crore. Private savings to be tapped through public loans are likely to yield Rs. 520 crore. The amount to be raised from internal sources thus adds up to Rs. 1,258 crores of rupees :

			(Crores of rupees)
(i) Centre and Part C States	..	..	726
(ii) Part A and B States and Jammu and Kashmir	..	..	532
			532
		Total	.. 1,258
			1,258

Taking credit for the external assistance of Rs. 156 crore already received, we are left with an uncovered gap of Rs. 655 crore. This shortage can be made good either by additional external assistance or if this is not forthcoming, by additional taxation, borrowing and deficit financing.

Deficit financing, which means 'creation' of money by the Government, usually leads to a rise in the cost of living. At present, deficit finance is visualized to the extent of Rs. 290 crore only. Its effects are expected to be neutralised by the withdrawal of an equivalent amount from the sterling balances. This will be available to the country in the shape of goods and services and will counteract the effects of deficit financing.

External Assistance

External assistance worth Rs. 156 crore has already been received by India from the U.S.A., Commonwealth countries and the International Bank. Further assistance or investment from abroad to the tune of Rs. 365 crore would enable the country to implement the Plan without imposing hardships on the people. Should this not be forthcoming minor adjustments may have to be made in the Plan. We must, however, be prepared to carry out the Plan without assistance from abroad. This is the only way to secure our future.

Price Policy

Prices have a close bearing on Planning. An abnormal rise in prices will falsify all our calculations. Our policy

for the next few years should therefore be to prevent a rise in prices. Then, we should try to maintain an appropriate relationship between the prices of different groups of commodities. Simultaneously, steps should be taken to protect our economy from the effects of international price fluctuations.

Controls

A certain degree of control over the economic life of the people is implicit in planning. It ensures the best possible use of resources, a steady price level and an equitable distribution of the scarce commodities among different sections of the population. A system of controls judiciously planned and efficiently administered is thus a necessary adjunct of planning. Although they may cause inconvenience to some people, controls are essential for planned progress.

CHAPTER XIV

BENEFITS

Employment

To work and to earn is everyone's duty. We must, therefore, try to create employment for every citizen who is able and willing to work. The programmes included in the Plan have this aim in view. For instance, minor irrigation works and the schemes for land reclamation and for the revival of cottage industries, will reduce unemployment and under-employment in the villages, while the expansion of large-scale and small-scale industries will increase the volume of employment in urban areas.

River valley projects which are to be completed by the labour and skill of thousands of persons, will stimulate economic activity all round. Electricity from these projects will enable educated people to set up small manufacturing units with loans from the Government. Electric heaters, cookers, refrigerators and numerous other electrical appliances will come into daily use. Many people will thus find employment in the electrical goods industry which will have to be expanded. Numerous others will find work in fisheries, forests and recreational resorts which will spring up in the river valleys.

The contribution of the Plan to the solution of the problem of unemployment has been roughly worked out by the Commission as below :

	Additional employment per annum
1. Industry including small-scale industries ..	4 lakhs.
2. Major irrigation and power projects ..	2.5 "
3. Agriculture : Owing to additional area irrigated ..	14 "
Due to repair of tanks ..	1.5 "
Due to land reclamation schemes ..	7.5 "
4. Building and construction ..	1 "
5. Roads ..	2 "
6. Cottage industries ..	20 lakhs plus 36 lakhs who will be provided with fuller employment.
7. Tertiary sector (transport, banking and other services) and local works	There will be more employment here, but it is not possible to estimate it.

Other Benefits

As already pointed out, the Plan will result in increased agricultural and industrial production. The national income will rise from Rs. 9,000 crore in 1951 to Rs. 10,000 crore in 1956—an increase of 11 per cent in 5 years. Although a part of this additional income will be reinvested, the people will have more money to spend and more goods to purchase.

Although the social benefits which will accrue to the community as a result of the Plan cannot be assessed in terms of money, they are of great significance. For instance, the health programme will reduce the incidence of disease, while new schools and adult education will widen the outlook of the villagers. Moreover, the people will become conscious of their strength as they see the concrete results of their efforts. No longer will they accept poverty as inevitable nor disease and famine as visitations from God. They will work hard for their betterment and will find a new happiness in creative living.

CHAPTER XV

PROGRESS

The Plan has already been in progress for two years. What have we achieved during this period?

In this connection, one has to remember that many of the schemes in the Plan are of a long-term character and they will take time to bear fruit. Also, the first year was spent largely in preliminaries such as the selection of staff and the mobilisation of equipment and other resources essential for carrying out the schemes included in the Plan. Even so the achievements of the last two years have been significant.

For instance conditions essential for implementing the Plan have been maintained. Inflation has been kept under control, in fact, rolled back. Again, out of a proposed total outlay of Rs. 2,069 crore a sum of Rs. 585 crore has already been spent.

In the agricultural sector, the abolition of the intermediaries and the consolidation of holdings are proceeding apace. A large number of wells and tanks have been repaired and excavated and tube-wells installed. Some 4.14 lakh acres have been reclaimed by the Central Tractor Organisation. Also, large quantities of fertilisers have been distributed among the farmers. As a result of these and other measures, there has been an increase in production which has eased the food position.

Irrigation and power projects are also progressing

satisfactorily. A sum of Rs. 206 crore was earmarked for these projects during the first two years and Rs. 190 crore had been spent before the close of this period. It was anticipated that 239,000 kilowatts of new power would be generated by 1952-53. The target has, in fact, been exceeded by about 76,000 kilowatts. In regard to irrigation, the target has not quite been reached, only about 1.4 million acres having so far received irrigation from these projects instead of 1.9 million.

There are encouraging trends in production in State as well as in private industries. Some of the State undertakings, such as the Sindri Fertiliser Factory, the Chittaranjan Locomotive Factory and the Machine Tool Prototype Factory have gone into production. The Uttar Pradesh Government's Precision Instrument Factory has begun to produce water metres and microscopes. At the same time several new industrial units have been installed in the private sector, while production has increased in a number of important industries.

Steady progress has also been maintained in improving the social services, in rehabilitating displaced persons and in ameliorating the condition of backward classes and labour. The work of enlisting the people's co-operation is also gathering momentum.

Some of the achievements during the last two years are summarized below :

Additional area irrigated by major projects	14.2 lakh acres.
New power generated	315,000 kwts.
Increase in the production of agricultural crops (1951-52):	
Jute	14 lakh bales.
Cotton	3.3 lakh bales.
Sugar-cane	3.0 lakh tons.
Foodgrains	11.5 lakh tons.

Increase in agricultural acreage (kharif cereals—1952-53) ..	60	lakh acres.
Locomotives produced (Chittaranjan Works)	58	
Railway coaches manufactured (1951-52)	643	
Railway wagons manufactured (April 1951-Dec. 1952)	8,000	
Components of locomotives pro- duced at Chittaranjan (position in January 1953)	70	per cent.
Additional coastal shipping tonnage acquired	77,000	G.R.T.
Ships built at the Vishakapatnam shipyard	6	
New roads (national highways and strategic roads) constructed ..	380	miles.
Existing roads improved	1,050	miles.
New bridges (large) constructed ..	17	

Important State Industries which went into production :

Sindri Fertiliser Factory,
Chittaranjan Locomotive Works,
Indian Telephone Factory,
Indian Rare Earths Ltd.,
New Mint, Alipore,
Machine Tool Prototype Factory, and
Ambarnath (Defence Industry) Factory.

**The following important industries recorded increase
in production :**

Cotton Textiles,
Cement,
Iron and Steel,
Paper and Paper Boards,
Sewing Machines,
Bicycles and
Rayon and Jute Goods.

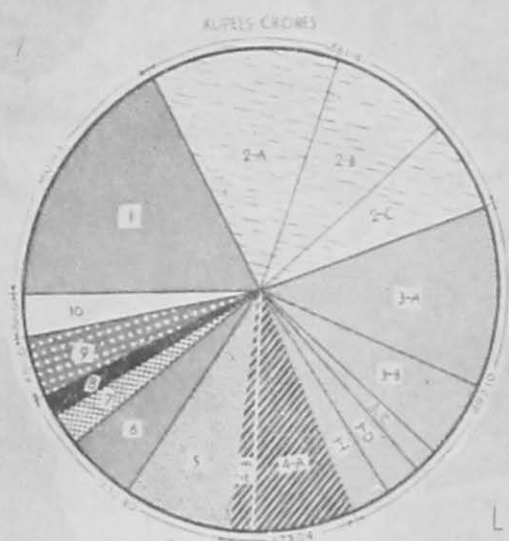
New Programmes launched :

- (1) 55 Community Projects started in October 1952
- (2) Comprehensive National Extension Service Scheme covering 120,000 villages formulated.

But while substantial progress has been made in some spheres, there is need for intensified and sustained efforts in others. These will be forthcoming during the remaining years of the Plan. We have a golden opportunity to rebuild our country and to improve our social and economic condition. Let all of us therefore do our bit to make the Five Year Plan a success.

THE FIRST FIVE YEAR PLAN

DEVELOPMENT EXPENDITURE OF CENTRAL & STATE GOVERNMENTS.



LEGEND

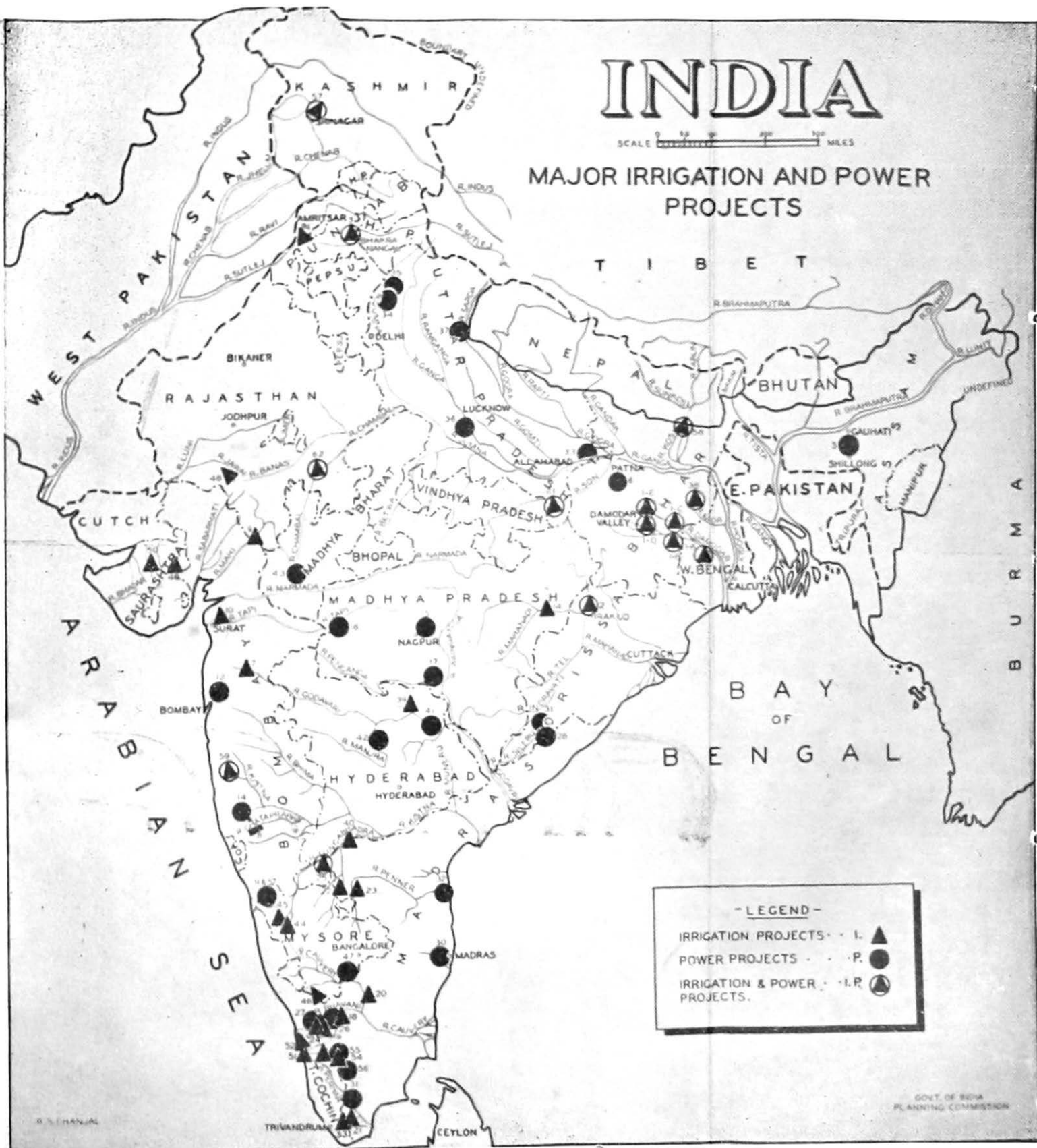
1. AGRICULTURE AND RURAL DEVELOPMENT	4. INDUSTRY
2. IRRIGATION AND POWER	5. EDUCATION
3. TRANSPORT AND COMMUNICATION	6. HEALTH
4. INDUSTRY	7. HOUSING
5. EDUCATION	8. WELFARE OF BACKWARD CLASSES (SCHEDULED CASTES AND TRIBES)
6. HEALTH	9. REHABILITATION
7. HOUSING	10. OTHER EXPENDITURE
8. WELFARE OF BACKWARD CLASSES (SCHEDULED CASTES AND TRIBES)	
9. REHABILITATION	
10. OTHER EXPENDITURE	

TOTAL EXPENDITURE OF CENTRE & STATES 2069 CRORES.

INDIA

SCALE 0 50 100 200 300 MILES

MAJOR IRRIGATION AND POWER PROJECTS



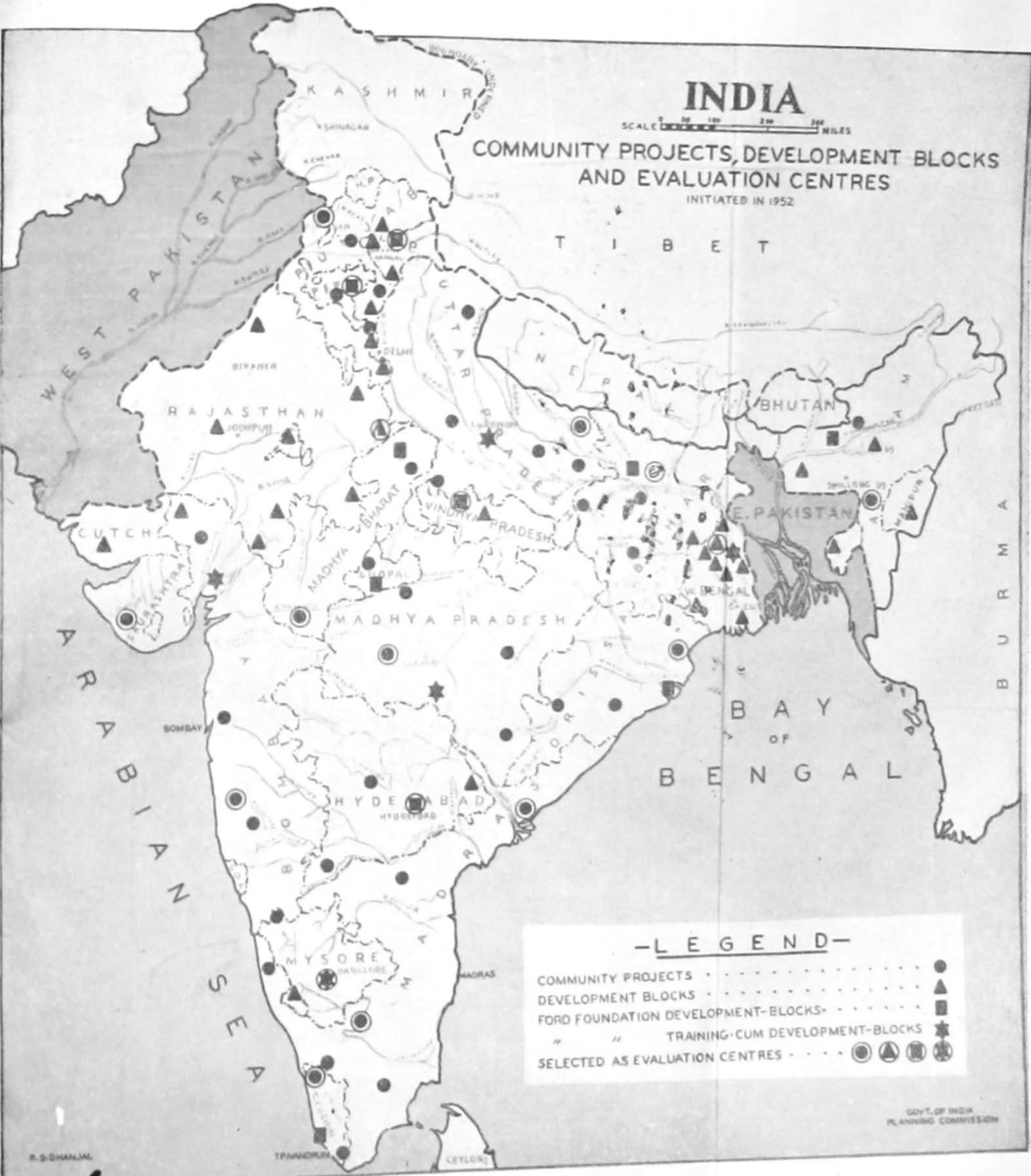
- LEGEND -

- IRRIGATION PROJECTS - I. ▲
- POWER PROJECTS - P. ●
- IRRIGATION & POWER PROJECTS - I.P. ●▲

INDIA

SCALE 0 50 100 200 MILES

COMMUNITY PROJECTS, DEVELOPMENT BLOCKS AND EVALUATION CENTRES INITIATED IN 1952



-LEGEND-

- COMMUNITY PROJECTS ●
- DEVELOPMENT BLOCKS ▲
- FORD FOUNDATION DEVELOPMENT-BLOCKS ■
- " " TRAINING-CUM DEVELOPMENT-BLOCKS ★
- SELECTED AS EVALUATION CENTRES (●) (▲) (■) (★)

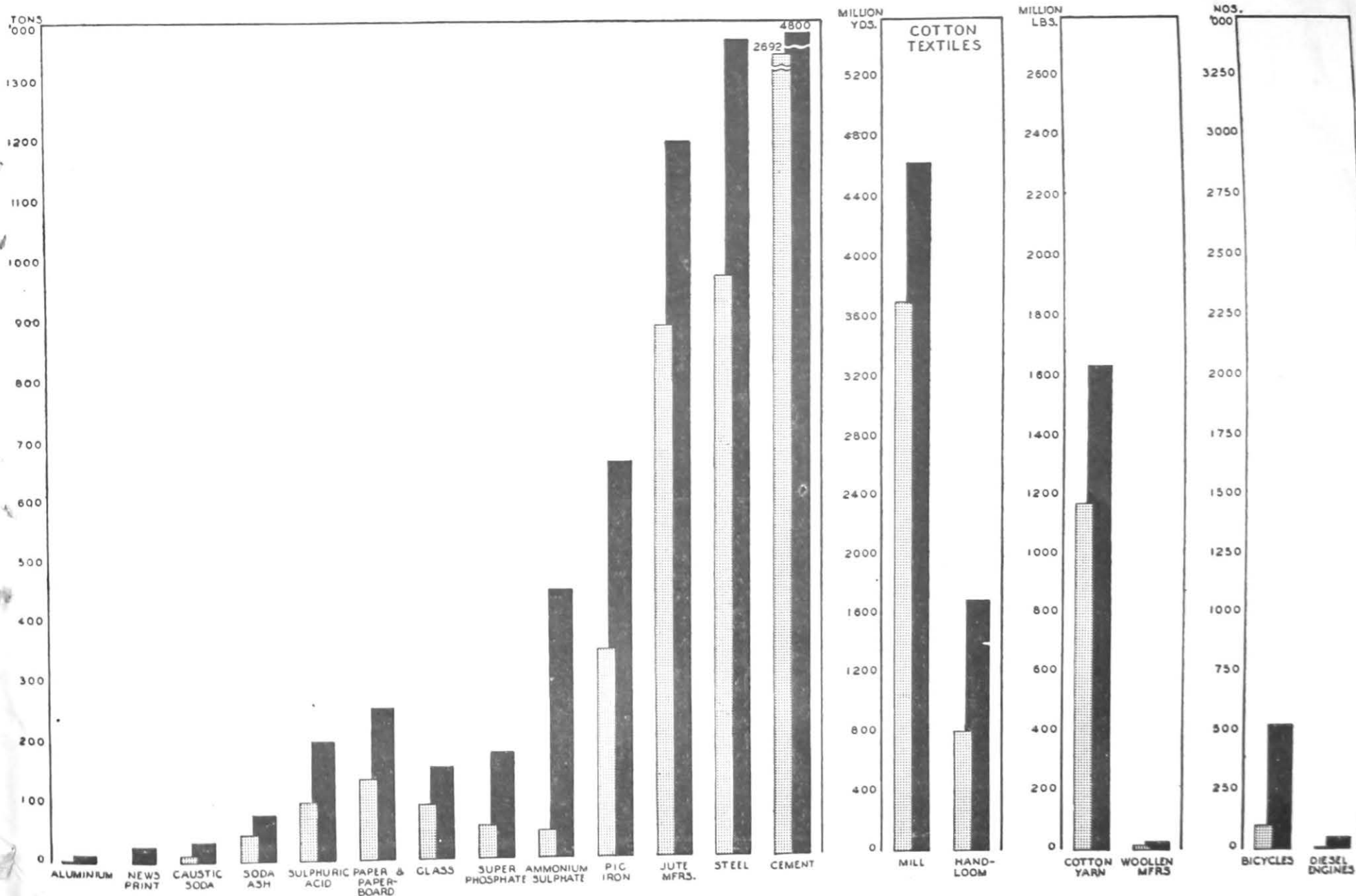
GOVT. OF INDIA
PLANNING COMMISSION

TARGETS OF THE FIVE YEAR PLAN

INDUSTRY

PRODUCTION IN 1950-51

TARGET FOR 1955-56

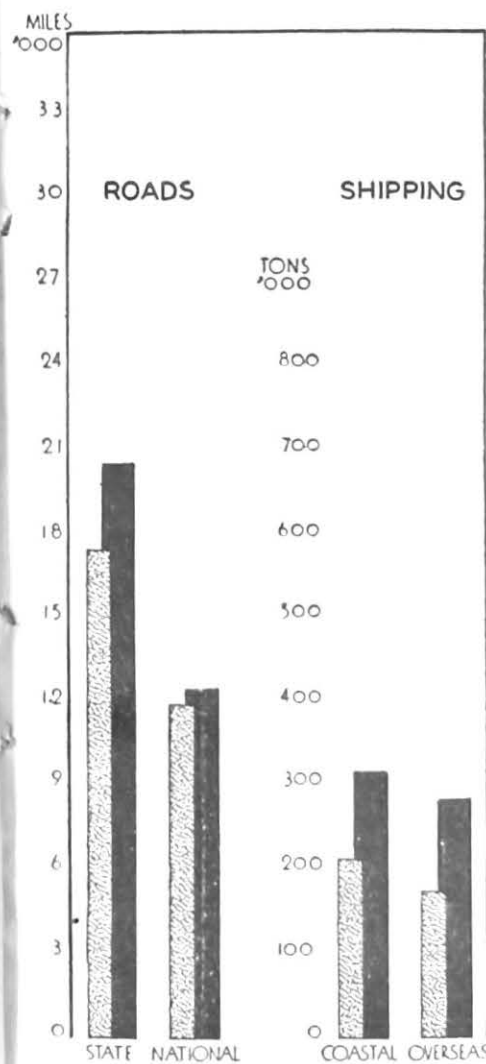


TARGETS OF THE FIVE YEAR PLAN

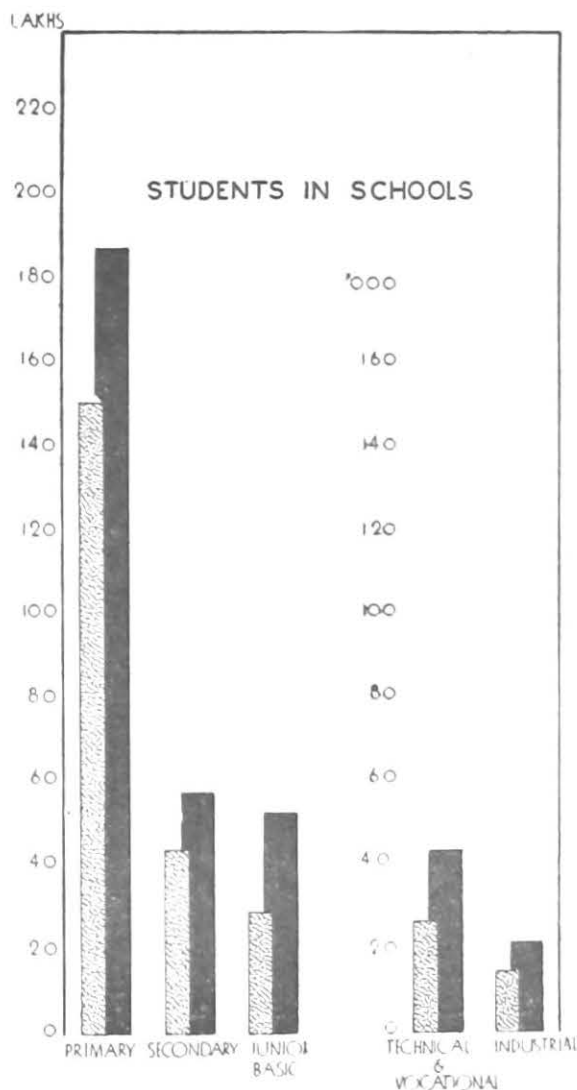
1950-51

1955-56

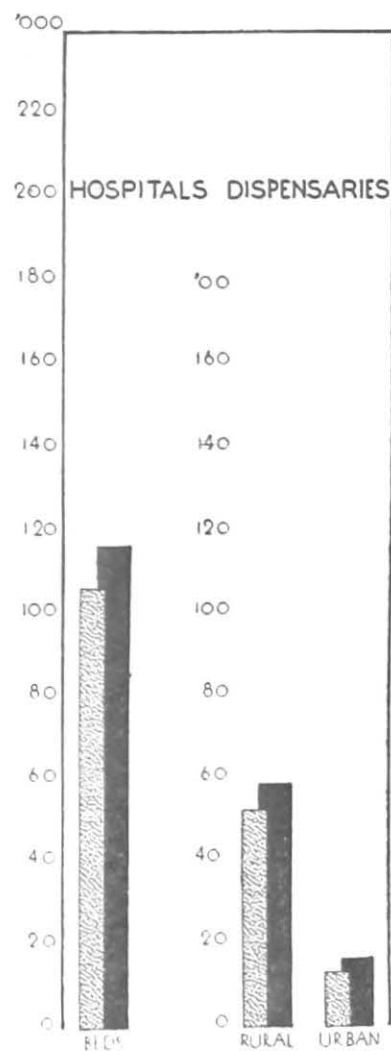
TRANSPORT



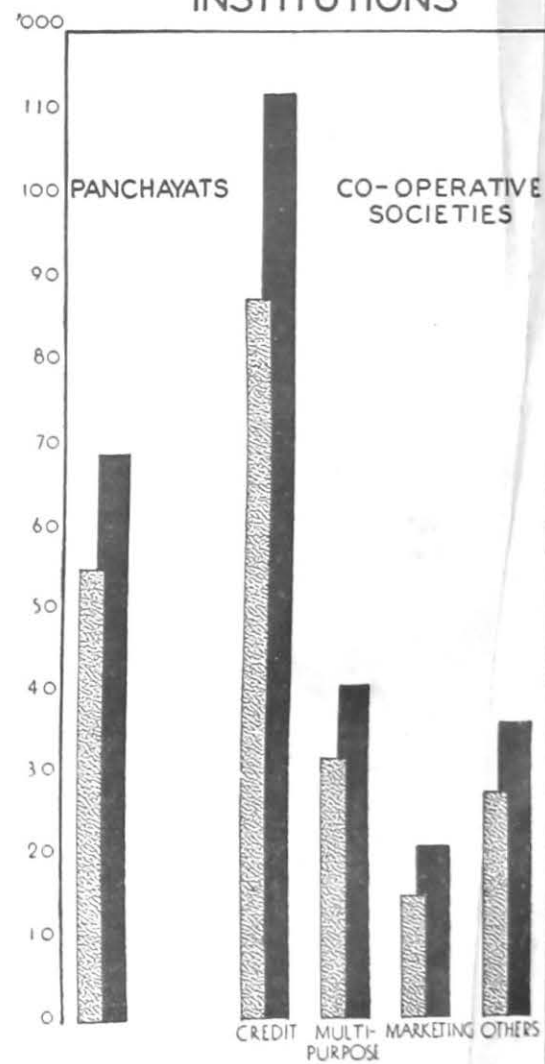
EDUCATION



HEALTH



DEVELOPMENTAL INSTITUTIONS



BUILDING NEW INDIA

Printed on art paper with a multi-coloured cover, *Building New India* seeks to review the achievements of the Government of India under the Five Year Plan in the sphere of industry, irrigation and power, social services, agriculture, etc. The pamphlet has been tastefully produced with a variety of illustrative sketches and photographs. The objectives of each scheme and the progress made under it so far have been discussed in detail.

Also available in Hindi & Urdu

Price Hindi and Urdu Editions As. 8 each

Price per copy As. 8, 10d. or 12 cents.

POSTAGE EXTRA



Available from all book-sellers or directly from :

THE PUBLICATIONS DIVISION
OLD SECRETARIAT, DELHI-8



THE PUBLICATIONS DIVISION
Ministry of Information and Broadcasting
Government of India

Printed at
THE UNITED PRESS
Old Secretariat, Delhi

PRICE
EIGHT
ANNA