

Three Years of progress.

**THREE YEARS
OF
PROGRESS**

THE PUBLICATIONS DIVISION

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INTRODUCTION

The Five Year Plan aims at securing for the people a better, richer and happier life through increased production and a more equitable distribution of wealth. Three of the five years have now passed, and the time is convenient for assessing the progress we have made towards these objectives and what remains to be done.

When the Plan was being drawn up, the country was faced with many difficulties. There was an acute food shortage, prices were rising, industry and trade faced peculiar difficulties. Now the picture has greatly changed for the better. Food is ceasing to be one of our most pressing problems. The first benefits of the huge multi-purpose river valley projects are being felt. Industrial production is increasing and in some sectors the targets set in the Plan are already near achievement. Indigenous production of locomotives, coaches and wagons is helping the Railways to recover from the shortages caused by war and partition.

The economic situation has greatly improved, and the upward trend of prices has been checked.

In the matter of reducing economic inequalities, a big step has been taken through land reform legislation, which has reached an advanced stage in some States. Measures such as the Estate Duty Act and the spread of co-operative institutions are carrying this process further.

A welfare plan such as this has to reach down to the lowest levels of society and work for the social and economic uplift of the millions of poor and ignorant. In the rural areas this is being done through the Community Projects and the National Extension Service, which in a short period

have a good record to their credit. Welfare organisations, in which women play a leading role, are striving for the abolition of untouchability and other social evils, and are helping in various ways to raise living standards.

The progress achieved has been due in a large measure to the active help given by the common man in carrying out the development programmes. This co-operation will now be more necessary than ever, as the programmes that remain to be fulfilled in the last two years of the Plan period are distinctly larger than those so far undertaken.

AGRICULTURE AND COMMUNITY DEVELOPMENT

Planning in India, it has been said, must start with the rural areas, for agriculture is the basis of our economy and the vast majority of the people live in villages in conditions of poverty and ignorance. The Five Year Plan, therefore, has given top priority to rural development programmes aiming at (1) increasing agricultural production; (2) raising the living standards of the villagers through community development; and (3) changing the structure of rural society through land reform.

As regards the first aim—increased agricultural production—the steps that have been taken include minor irrigation works, land reclamation, the distribution of fertilisers and better types of seed and the use of modern methods of cultivation. The Grow More Food Campaign has also played an important part.

Over and above the Grow More Food programmes, the Plan provided Rs. 30 crore for minor irrigation schemes in the States, such as the construction and repair of wells and tanks, the installation of pumps and the construction and improvement of dams and channels. Up to the end of 1952 these schemes are estimated to have provided irrigation for 2.0 to 2.5 million additional acres each year. In addition to these works, over 900 tube-wells were sunk in U.P., Bihar and the Punjab by the end of 1953, and the construction of 2,650 others has been undertaken under the Indo-U.S. Technical Co-operation Programme.

Much good work has been done by the Central Tractor Organisation in reclaiming kans-infested and other waste

land. In the first half of the Plan period the Organisation reclaimed about 5 lakh acres against a target of 14 lakh acres for the five years.

It has been necessary to provide cultivators credit at fair rates of interest to enable them to go in for improved seed, fertilisers and modern farming methods. Loans amounting to about Rs. 20 crore per annum are given by the State Governments and under the Grow More Food Campaign while co-operative societies, with Reserve Bank aid, advance another Rs. 30 crore. Medium and long-term loans have also been made possible through grants from the Central Government and the Reserve Bank. The societies help the farmers in various other ways, such as by supplying implements and marketing their produce. The co-operative movement is playing an increasingly important role in rural economy.

As a result of these measures, agricultural production has been increasing at a satisfactory rate. In the second year (1952-53) the total production of foodgrains was about 4.4 million tons higher than in 1950-51. In 1953-54, although exact figures are not available, it looks as if production has risen to 9.5 million tons above the 1950-51 figure. The planned increase of 7.6 million tons has, therefore, been considerably exceeded. Much saving has been achieved as a result of the reduction in food imports, as will be seen from the following table :

Year	Quantity imported (million tons)	Value (rupees in crores)	Saving
1951	4.7	216	—
1952	3.9	210	6
1953	2.0	86	130

It has been found possible virtually to end food controls without the fear of a rise in prices. In fact, there has been a slight fall in the general level of food prices.

COMMUNITY DEVELOPMENT

The community development scheme covers every aspect of rural life. Priority is of course given to agricultural programmes, but attention is also paid to education, health and sanitation, housing, cottage industries, road-building, social welfare and all the many activities that make for a fuller and happier life for the village people.

The Community Project programme—one of intensive development over a period of three years—was launched on October 2, 1952, in 55 selected areas. Exactly a year later the National Extension Service was initiated. This is a movement with identical objects and methods seeking to cover the entire country but having a lighter works programme and therefore requiring less resources in men and money.

The programme for the Plan period is to undertake 1,200 blocks under the National Extension Service of which 700 blocks, comprising 70,000 villages with a total population of 49 million, will receive intensive development. Nearly one-fourth of the country will thus be covered, and it is anticipated that the programme will be extended over the entire country in about 10 years. The present coverage of the two agencies is as follows :

	Number	Villages	Population
Community Project Blocks	220	23,650	21.5 million
National Extension Service Blocks	237	23,700	15.6 million
Total	457	47,350	37.1 million

Achievements—Figures for the first year's working of the Community Projects show that a considerable amount of work has been done. About 700,000 maunds of fertilisers and 22,000 maunds of seed were distributed to cultivators in this period. About 61,500 acres were reclaimed and a further

131,300 acres were brought under irrigation. Nearly 9,000 wells were renovated and 1,300 new ones constructed, besides 12 tube-wells. Over 144,000 yards of new drains were built. In the cattle improvement campaign, 259 breeding and artificial insemination centres were opened and about 1.2 million cattle inoculated.

Vigorous steps have been taken to educate the villagers. Nearly 1,500 schools were opened in the first year and 250 institutions converted into basic schools. Attention was also paid to adult education and 3,700 centres were opened.

An important aspect of rural development is the building of roads, largely by means of voluntary labour. In this period, over 150 miles of new pucca roads and 3,500 miles of kutchra roads were built. The villagers have also been encouraged to improve their housing conditions. Over 15,000 houses were reconditioned and 2,750 new ones constructed.

These achievements are the first fruits of the efforts to bring about a transformation of rural life.

LAND REFORM

Land reform, the third aspect of rural reorganisation, also made some headway in the first half of the Plan period.

The first targets of reform have naturally been the zamindars and other intermediaries. Almost all the Part A and B States have now passed laws abolishing zamindari. In these States, farmers at last have direct dealings with the Government. Ownership of the land they till has acted as a spur for them to produce more. Even where they have not become full owners their social status has improved.

Tenancy Reform—The abolition of zamindari does not, however, solve the entire tenancy problem. In the ryotwari areas of Bombay, Madras, etc. and the States of "peasant proprietors" like the Punjab, Pepsu and Delhi, portions of holdings are sublet. Even tenants under intermediaries have not in all cases cultivated their land, and the intermediaries themselves often lease the home farm lands which they have been allowed to keep. Tenancy reform aims at (1) scaling down rents; (2) ensuring security of tenure, and (3) giving tenants the right to buy their holdings.

In the Plan it is suggested that the general level of rents should ordinarily not exceed one-fourth or one-fifth of the gross produce. Most States now have legislation in this respect and rents have been appreciably reduced.

The position as regards security of tenure is bound up with the question of the maximum area a landlord can resume for his personal cultivation. There are large variations in the limits fixed by individual States, and a few have yet to implement this part of the Plan. A number of States

have, however, taken steps to fix the minimum period of lease.

In Bombay, U.P., Hyderabad, Madhya Bharat, Pepsu, Delhi and Himachal Pradesh provision has been made for the purchase of land by tenants. The pace at which this is done will depend largely on the ability of the respective State Governments to arrange for the financing of land purchases.

Size of Holdings—Some States, such as U.P., Hyderabad, Madhya Bharat and Delhi have passed or are passing legislation fixing limits to future land acquisition. This is in keeping with the policy of preventing anyone from acquiring more land than he and his family can reasonably cultivate.

Another pressing problem is that small and uneconomic holdings—largely the result of inheritance divisions—have proved a formidable obstacle in the way of development. Therefore, the fragmentation of holdings is now banned in several States. Instead there is a growing movement for the consolidation of holdings on a co-operative basis.

This is an important step towards the ideal visualised in the Plan—the management of the entire land of a village as a co-operative farm, with the village panchayat as the controlling body. Generally speaking, however, the aim is to complete the first stage of reform—abolition of intermediaries and reform of tenancies—by 1955-56, so that it may be possible to achieve a complete reorganisation during the period of the second Plan.

IRRIGATION AND POWER

With only a fifth of India's cultivated area under irrigation, the remainder being at the mercy of the weather, it is natural that special importance should be attached in the Plan to irrigation programmes. Storage dams across rivers are favoured as they have an additional use as a source of cheap power so necessary for the country's economic development.

Several big multi-purpose river valley projects have, therefore, been undertaken in various parts of the country. During the period 1951-53, the larger irrigation schemes have brought more than 1.5 million acres under cultivation, and the additional power capacity installed during the same period has been 425,000 kw. The power output is ahead of schedule, and although irrigation from major projects is some way behind the increase of 8.5 million acres, as planned for by 1956, greater progress is anticipated during the rest of the Plan period.

The projects are in various stages of construction. In the Bhakra-Nangal project, the Nangal Dam, the hydel channel and the diversion tunnels are complete. The canals have been opened for seasonal irrigation. One of the power-houses is to start functioning soon.

In the Damodar Valley Project, the Bokaro Thermal Station is already in use. The Tilaiya Dam has been built and the Konar Dam has begun to store water. Most of the work on the Maithon Dam, too, has been completed.

In the Hirakud Project, the first stage, comprising the main dam, dykes, a power-house, 400 miles of transmission lines and canals for irrigation, is nearly complete.

Among other projects, the Lower Bhavani is nearing completion and a considerable amount of work has been done on the Tungabhadra, Mayurakshi and Kakrapar projects. Some new projects have been included in the Plan for the last two years. Preliminary work has already begun on most of them.

Employment—Apart from their obvious advantages, these multi-purpose projects will be valuable indirect sources of employment once the power schemes are completed, permitting the expansion of existing industries and the starting of new ones. The power generated by a new project like the Koyna, for instance, will indirectly provide employment for half a million people.

Efforts are being made to extend power supply to the rural areas wherever possible, especially to the community projects where it should hasten development.

As in other spheres, the co-operation of the public is important to the success of these projects. In several States, notably Bombay, Madras, the Punjab and Rajasthan, increasing use is being made of village labour co-operatives for the construction of distributaries and other local works.

INDUSTRY

Defence industries apart, the Plan provides only Rs. 94 crore by way of direct investment by the Government in industry. It was not possible to make a bigger allocation, as other sectors such as agriculture were in more urgent need of help from the State. The Government, therefore, reserved to itself defence and key industries, and decided to participate to a limited extent in certain others, leaving the rest of the field to private enterprise. The Industries (Development and Regulation) Act was passed to ensure that development in the private sector would be along the lines desired, and an order of priorities was laid down in accordance with the country's needs.

Public Sector—Progress has been generally satisfactory in projects undertaken by the Government. As regards the proposed new Iron and Steel Plant, a definite step has been taken with the selection of Rourkela in Orissa as the site. It is expected that the plant will be completed in four years.

The output of fertilisers, urgently needed for agriculture, has increased substantially since the Sindri Factory started production in November 1951. Steps are being taken to expand the Vishakhapatnam Shipyard, and work on the construction of the fourth and fifth berths has begun. Indian Telephone Industries are now producing telephones at the rate of 40,000 a year.

The Ambarnath Machine Tool Prototype Factory (Defence) recently started production, and the Government Machine Tool Factory at Jalahalli (Mysore) is to open soon. The Penicillin and D.D.T. Factories, Hindustan Cables Ltd. and the Bihar Government's Superphosphate Factory are

also to start production in 1954. Two major projects to be completed shortly are the U.P. Government's Cement Factory and the Newsprint Project of Madhya Pradesh.

Private Sector—In the private sector, programmes were drawn up for the expansion of 42 industries and the starting of some new ones. On the whole production has been satisfactory, as will be seen from the following table:

Unit	Production in 1950-51	Production in 1952-53	
Cotton Textiles			
(a) Yarn	million lb. 1,179	1,450	(1,640) *
(b) Mill cloth	„ yds. 3,718	4,642	(4,700)
(c) Handloom cloth	„ yds. 810	**	(1,700)
Sugar	thousand tons 1,116	1,316	(1,500)
Jute manufactures	„ tons 892	930	(1,200)
Bicycles	„ nos. 101	191	(530)
Finished Steel (main producers)	„ tons 976	1,084	(1,650)
Cement	„ tons 2,692	3,510	(4,800)
Aluminium	„ tons 3,677	3,572	(12,000)
Sulphuric Acid	„ tons 99	96	(200)
Caustic Soda	„ tons 11	17	(33)
Rayon filament	„ lb. 400	8,884	(22,000)

The most significant advance has been that of cotton textiles, with the exception of handloom cloth. In yarn there is every prospect of reaching the target and the mills will probably exceed their cloth target. The handloom industry, on the other hand, has experienced difficulties; special measures have been undertaken to strengthen it.

The sugar industry in 1951-52 nearly reached the production target set in the Plan. There was a decline thereafter due to a fall in cane output, but it has been checked and the target should easily be achieved.

* Figures in brackets at the end of each line denote the target for 1955-56, except in the case of Finished Steel, where they indicate the target for 1957-58.

** Figures not available.

In the case of Iron and Steel, the expansion schemes of the Tata Iron and Steel Company (increasing finished steel capacity from 750,000 tons to 932,000 tons), the Indian Iron and Steel Company (225,000 tons to 624,000 tons) and the Mysore Iron and Steel Company are all being rapidly carried out.

Jute manufacture has not made much progress, but rayon filament production has leapt from 400,000 lb. in 1950-51 to 8.9 million lb. in 1952-53.

This is by no means an exhaustive list, but rather an indication of the steady pace of industrialisation under the Five Year Plan. Taking 1946 as the base year, the index of industrial production rose from 117 in 1951 to 129 in 1952 and 135 in 1953. In the month of December 1953 it was as high as 144.7—an all-time record—and it was again up to 142 in February this year.

Mineral Resources—Knowledge of the extent and quality of our mineral resources is of great help to industrial development. In recent years, some progress has been made in the survey of mineralised areas—the manganese ore belt in Madhya Pradesh for instance—but exploration of resources has in most cases not gone far enough. Difficulties in securing technical personnel and equipment have been largely responsible for the relatively slow pace of development.

An important piece of legislation enacted recently is the Coal Mines (Conservation and Safety) Act of 1952. Under this Act a Coal Board has been set up to co-ordinate matters relating to coal such as surveys, production and the working of railway collieries. Important lignite deposits are being investigated in South Arcot District of Madras.

Among other developments may be mentioned the agreement with a foreign firm for petroleum exploration in the West Bengal basin. Progress in the field of mineral development has, generally speaking, been rather slow, but with the arrival of new equipment (under the Indo-U.S. Technical Co-operation Scheme) one of the main obstacles will be removed.

COTTAGE AND SMALL-SCALE INDUSTRIES

The Plan envisaged that the Centre would spend Rs. 15 crore and the State Governments Rs. 11.8 crore on the development of cottage and small-scale industries. Great importance is attached to village industries as a source of additional income for the farmer, and to small-scale industries as a means of checking unemployment in the towns.

The progress of development programmes has, however, been rather disappointing. Up to April 1, 1953, the State Governments together spent only Rs. 2.61 crore on such schemes. Further sums totalling Rs. 2.18 crore were provided for the year 1953-54.

As regards the Central provision of Rs. 15 crore, barely Rs. 50 lakh has been spent. The reason is that it has taken time to organise the work of the three Boards, viz., the All-India Khadi and Village Industries Board, the All-India Handicrafts Board and the All-India Handloom Board, which are concerned with the development of cottage industries. However, they have now been functioning for a year and a half, and the position is likely to improve.

Small-scale industries suffer greatly from lack of finance, technical help, and marketing facilities. Various measures are being devised for their relief. Several State Governments are setting up Financial Corporations which will assist small industries, and the Reserve Bank is considering how increased finance can be made available for the private sector. An international team of experts brought over by the Ford Foundation has carried out a survey of the problems of small industries in selected areas and made recommendations which are now under consideration.

TRANSPORT AND COMMUNICATIONS

In a country like India, where distances are so great, an efficient system of transport and communications is essential for economic progress. There is also no sector where deficiencies show up more quickly. This explains why such a large amount (Rs. 497 crore) has been allocated in the Five Year Plan for development in this field.

RAILWAYS

On March 31, 1951, the railways were in heavy arrears of repairs and replacements of locomotives, coaches and wagons. Locomotives are now being manufactured at the Chittaranjan Works and by the Tata Locomotive Engineering Company. In the first half of the Plan period, Chittaranjan produced 87 and Telco 48 locomotives. Chittaranjan has since produced its hundredth locomotive, and by the end of 1955-56 will be producing 100 a year. A good start has been made, but it will be many years before home production can meet our entire locomotive requirements. The original scheme was to obtain about 600 locomotives from abroad during the Plan period, but the figure has now been revised to about 1,050 in view of the acute shortage.

The position as regards coaches and wagons is somewhat better. Over 1,750 coaches were produced in India in the first two and a half years of the Plan, and when the Perambur factory starts production in 1956 the country will be able to do without importing any. Wagon manufacture has progressed well, 13,754 being produced between April 1951 and September 1953. It is hoped that indigenous

wagon production will be increased to 12,000 per annum by 1956.

ROADS

Road development is shared by the Centre and the States, the former being responsible for the National Highways and certain selected roads of strategic or other importance and the States for their own state roads and for village roads.

The following table shows the progress made in the first two years on items for which the Centre is responsible:

	Mileage/Number completed	Under construction	Target for 1951-56
1. <i>National Highways</i>			
(a) New Roads	190	450	640
(b) Improvement of existing roads	750	1,500	3,000
(c) Bridges	17	20*	40
2. <i>Selected Roads</i>	140	233	Not fixed

* During the third year

As regards State roads, it is estimated that new construction and improvements (including village roads) amounted to about 3,300 miles in 1951-52 and 3,900 miles in 1952-53.

MOTOR TRANSPORT

Road development has cleared the way for the expansion of motor transport services. The Plan provides for an investment of Rs. 8.97 crore by the State Governments mainly for buying 2,000 transport vehicles and the establishment of up-to-date workshops by the larger State Transport Organisations in Bombay, U.P. and elsewhere. The Plan also recommends the formation of statutory corporations for running transport services. For this purpose the Road

Corporations Act (1950) has been extended to a number of States.

SHIPPING

The primary aim of the Government's shipping policy—the reservation of the entire coastal trade for Indian vessels—was virtually achieved by 1952-53. In terms of tonnage, the net addition to coastal shipping in the period 1951-53 was about 77,000 GRT. The Hindustan Shipyard at Vishakhapatnam is building small ships for coastal trade. The Yard, which completed six ships in the first two years, is to supply 10,000 GRT in all during the period of the Plan.

As regards overseas tonnage, the progress made towards the Plan's target of 110,000 GRT has been inadequate, but the Eastern Shipping Corporation hopes to acquire 40,000 GRT by 1955-56.

PORTS AND HARBOURS

Provision has been made in the Plan for the development of the major ports from their own resources, with the assistance of Government loans. The original provision of Rs. 12 crore for loans has now been raised to Rs. 16.5 crore. Development programmes have been taken in hand at all the major ports, but progress has been slow except in the case of Bombay. The main reason is that much of the equipment needed has not yet arrived from abroad.

CIVIL AVIATION

Under the civil aviation programme, attention is being paid to the improvement of aerodromes and the reorganisation of air services. Several works started before the Plan period have been completed, and new works, such as the improvement of runways and the construction of administrative buildings, are making good progress.

As regards the reorganisation of air services, the first essential step has been taken with the nationalisation of all air transport lines. Two corporations have been set up, one for internal and the other for external services.

SOCIAL SERVICES

Economic progress would be meaningless unless it was accompanied by other measures directed towards the general well-being of the people. Social services, therefore, form an important part of the Plan.

HEALTH

Among health schemes, stress was laid in the Plan on water-supply and sanitation programmes, but expenditure has on the whole been behind schedule. This is mainly due to lack of equipment and to difficulties in organising public health engineering services. A national water-supply scheme is now being drawn up.

Much good work has, however, been done in the matter of controlling disease. Malaria, one of the country's principal scourges, estimated to take a toll of a million lives a year, has been checked to a large extent. Ninety malaria control units, each serving one million people, were assigned to various States in 1953-54, and the number is to be increased to 125 in 1954-55. By November 1953 there was a 50 per cent increase over 1951 in the population protected. A countrywide BCG vaccination campaign has been launched to combat tuberculosis. About 24 million people have been tested so far and 7½ million vaccinated.

The shortage of trained doctors, nurses and midwives is a big obstacle in the implementation of health programmes. This has been partly overcome by the expansion of training facilities. In the first half of the Plan period the number of medical colleges was increased from 30 to 33 and their

training capacity from 2,400 to 3,000. About 20 new hospitals were opened.

EDUCATION

The expansion of educational facilities and the reorientation of the system were urgent needs at the start of the Plan period. As regards expansion, an important part of the programme is the scheme of opening one-teacher schools in the rural areas and social education centres in the towns. This scheme was framed in 1953 as an emergency measure to check the growing number of the educated unemployed. Under it, 88,000 educated persons are to be recruited as teachers in 1953-54 and 1954-55—80,000 in the rural areas as primary school-teachers and 8,000 in the urban areas as social education workers.

Changes in the system of education must be introduced slowly, and the period has largely been one of preparation in this sphere. All the same, there have been some significant developments. One of the most important schemes, that of converting primary schools into basic schools, has been handicapped for want of trained personnel, well-tryed methods and suitable literature. To gain experience a pilot scheme is being started in each State. Steps to introduce practical training at the secondary stage have been suggested by the Secondary Education Commission. With regard to university education, no radical reforms are planned at this stage. An effort is being made, through organisations such as the National Cadet Corps, to induce the country's youth to take more interest in manual labour. Facilities are being increased for post-graduate and research work in the field of technical education.

LABOUR

Legislation has been undertaken in the past few years to ensure better working conditions and to protect the lab-

ourers' interests. The more important laws are the Industrial Disputes (Amendment) Act, 1951, and the Mines Act, 1952, which provide retrenchment and lay-off benefits; the Provident Fund Act, 1952, which has been applied to six industries, and the Employees' State Insurance Act, which covers 185,000 workers in Delhi, Kanpur and Punjab State, is being extended to Calcutta and other industrial areas. In the implementation of the Minimum Wages Act, 1948, progress has been rather slow.

The Joint Consultative Board, set up in 1951, provides an agency for the settlement of industrial disputes. It has met several times and discussed such vital issues as the effects of rationalisation, retrenchment and re-training, the Labour Relations Bill and productivity studies.

The improvement in industrial relations is reflected in the decline in the number of man-days lost from 12,806,704 in 1950 to 3,336,961 in 1952.

HOUSING

Until 1952 relatively little had been done to ease the housing situation in respect of industrial labour. In September 1952, however, a scheme of subsidised industrial housing was inaugurated under which subsidies and loans were to be given to State Governments, to employers and to workers' co-operatives. By the end of 1953 funds had been sanctioned for the building of 24,130 houses by the State Governments and 4,668 by employers of labour. The State Governments had built 4,800 houses by the end of 1952-53 out of their own funds.

WELFARE OF BACKWARD CLASSES

In the effort to raise the backward classes to the level of the more advanced sections of the community, the stress has been on education and training. There are various concessions for backward class students such as free educa-

tion, grants and scholarships. The States are estimated to have spent Rs. 2.5 crore on such schemes in the period 1951-54.

Attention is also given to medical and public health facilities for these classes. Mobile health vans are now serving remote areas. Among other welfare activities may be mentioned the provision of better drinking water. To improve their economic condition, some States have schemes for allotting land to groups of backward class people, the allottees being organised in co-operative societies. For the welfare of the backward classes, the Plan has allocated altogether Rs. 45 crore of which more than Rs. 23 crore is in the form of Central grants for schemes in the States.

REHABILITATION

The 1951 census placed the number of displaced persons at nearly 7.5 million, of which roughly 5 million were from West Pakistan. Subsequently about 600,000 more displaced persons arrived from East Pakistan. Largely because of this late influx, the rehabilitation programme has been extended to the end of the Plan period.

About half the number of displaced persons from West Pakistan have been resettled on evacuee agricultural land, mainly in the Punjab and Pepsu, and the rest in urban areas. The only inmates of the big camps now are unattached women and children and the aged and sick.

By the end of March 1953, the displaced persons in the urban areas had been largely resettled in evacuee houses or in satellite colonies established near the bigger towns. Twelve new townships were also built. To enable displaced persons to rehabilitate themselves, loans totalling more than Rs. 11 crore have been advanced to them by the States from Central grants, and the Rehabilitation Finance Administration has disbursed a further sum of Rs. 5 crore. Payment of compensation for property left in West Pakistan has recently begun.

In the case of displaced persons from East Pakistan, nearly 250,000 families have been settled on tea plantations and other land. In respect of urban housing, the policy has been to provide building sites and loans, leaving the actual construction to the displaced persons themselves.

Up to the end of 1953-54, over Rs. 200 crore had been spent on the rehabilitation of displaced persons. More than Rs. 75 crore of this sum had been spent since the beginning of the Plan period.

FINANCE AND THE PLAN

The Draft Plan prepared in July 1951, provided for a total expenditure of Rs. 1,793 crore in the public sector over the five-year period. The programmes for the first two years were formulated on this basis, and altogether cost Rs. 585 crore.

In the Plan as it finally stood the total outlay was raised to Rs. 2,069 crore. The programmes from the third year onwards had, therefore, to be much larger than those for the first two years. The expenditure budget for 1953-54 stood at Rs. 413 crore, making the total for the first three years just short of Rs. 1,000 crore.

FINANCING THE PLAN

During the first three years, some measures have been taken by the State Governments to raise fresh taxation but, by and large, the additional funds thus obtained have been inadequate. On the other hand, the States have benefited to the extent of Rs. 20 crore annually as a result of the Finance Commission's award. Conditions in the capital market, however, have improved, loans raised by the States increasing from about Rs. 12 crore in 1951-52 to Rs. 17 crore in 1952-53 and Rs. 39 crore in 1953-54. The small savings campaign has also made good progress, Rs. 103 crore being raised in the first two years against a target of Rs. 270 crore for the five-year period. The Centre is helping the States to finance their individual Plans through loans and grants.

Apart from internal resources, the country is in a position to draw upon sterling balances. A measure of external assistance has also been forthcoming. Excluding the 1951 U.S. Wheat Loan, the total external aid authorised since the start of the Plan has been about Rs. 133 crore. This includes aid under the T. C. A. Agreement (Rs. 79 crore up to June 1954) and the Colombo Plan (Rs. 28 crore). The International Bank has sanctioned Rs. 24 crore in the form of loans for the D.V.C. and I.I.S.Co's steel expansion scheme. The Ford Foundation is financing certain training schemes and the Norwegian Government is assisting a fisheries development project in Travancore-Cochin.

In 1953 the change in market conditions following the end of the Korean War boom, and the consequent rapid rise in unemployment made certain adjustments in the Plan necessary. To meet the situation it has been decided that the Plan should be expanded in certain directions which, besides producing quick results, will absorb large numbers of the unemployed. At the Centre, the main schemes relate to the extension of the Rehabilitation programme till 1955-56 and a new road-building programme. In the States, special attention is being paid to areas of chronic scarcity.

The additional cost involved is estimated at Rs. 150 to 175 crore. This will, in the main, be obtained through deficit financing.

PUBLIC PARTICIPATION

Co-operation is the keynote of the Plan. The targets that have been set cannot be achieved unless the people come forward to help. For them to do this it is necessary that they realise the benefits their efforts will bring to the nation. Publicity is, therefore, essential, but it is not enough. There has to be a sense of participation in the Plan, and this can best be achieved through small local works which directly benefit the people participating in them.

The Local Development Works Programme was launched in April 1953. The schemes include the provision of drinking water, sanitation, village roads, improvements in school buildings and permanent works for the improvement of agriculture. About 125,000 works estimated to cost about Rs. 3.5 crore have already been approved.

Voluntary welfare agencies, such as the Bharat Sewak Samaj, have been trying to secure the people's help in the implementation of the Plan. The Women's Savings Campaign, too, is carrying the message of the Plan to every home. Finally, there are the Community Projects, where the people's active participation is being secured in carrying out schemes directed to their own betterment.