

FIVE-YEAR PLAN FOR INDIA

All Round Development Of Country Envisaged

The Prime Minister, Shri Jawaharlal Nehru, presented to both the Houses of Parliament, on December 8, India's First Five-Year Plan in its final form.

The Report, which represents the second phase of the Planning Commission's work since its appointment in March 1950, is a comprehensive blueprint embodying not only the Five-Year Plan as such but an objective analysis of the state of economy, assessment of resources, the financial, economic and social policies to be followed during the period of the Plan and suggestions for strengthening and improving the public administration to meet the obligations of a Welfare State.

The Report takes the place of the Draft Outline which was presented by the Planning Commission in July, 1951. The Draft Outline was intended to evoke the "widest possible public discussion" as, in presenting it, the Commission had said that planning in a democratic State is a social process in which, in some part, every citizen should have the opportunity to participate. Since its publication, numerous individuals, organisations and institutions and the Press have expressed themselves on the proposals made in the Draft Outline. The Commission had also conferred with the Central and the State Governments and their experts as well as with men and women of knowledge and experience outside the Government. Recently, the Commission held consultations with representatives of the principal

political parties, leading women workers and some members of Parliament. These opinions and discussions have been of great value to the Commission in preparing their Final Report.

The present report is divided into three parts. The first part contains an analysis of the process of development in an under-developed economy and indicates the long-term goals towards which national effort is to be directed. At the end of the first part is given a summary statement of the Five-Year Plan and of what is sought to be achieved through it. The second part of the report is concerned with administration and public co-operation. In the third part of its report are outlined the various programmes of development. These are grouped under three broad heads, namely, agriculture, irrigation and community development; industry and communications; and social services and employment. Each aspect of development is taken up in turn, needs and resources assessed and the Commission's own proposals for policy and action are presented. In a separate volume details are given concerning the principal development schemes included in the Five-Year Plan.

The Plan now presented contains all the development projects included in the Draft Outline along with a number of additions and changes. These changes have been made to strengthen the Plan at those points, at which it was felt that the proposals made in the Draft Outline fell short of the needs of the country.

The overall investment programme has also been considerably enhanced. The Draft Outline was divided into two parts—the first involving an expenditure of Rs. 1,493 crores and the second proposing an outlay of Rs. 300 crores, which was to be undertaken if external assistance were available. In the Final Report, the Plan no longer consists of two parts. The various programmes have been brought together into a single plan and the total outlay is now estimated at Rs. 2,069 crores.

The broad allocation of resources between the main heads of development in the Plan as compared to that in the Draft

Outline is indicated below:

| | Outlay during (Rs. crores) 1951-1956 | | percentage of total outlay | |
|--|--------------------------------------|---------|------------------------------|-------|
| | Five Year Draft Plan Outline | | Five Year Draft Plan Outline | |
| Agriculture and community development. | 360.43 | 191.69 | 17.4 | 12.8 |
| Irrigation and Power | 561.41 | 450.36 | 27.2 | 30.2 |
| Transport and Communications | 497.10 | 388.12 | 24.0 | 26.1 |
| Industry | 173.04 | 100.99 | 8.4 | 6.7 |
| Social Services | 339.81 | 254.22 | 16.4 | 17.0 |
| Rehabilitation | 85.00 | 79.00 | 4.1 | 5.3 |
| Miscellaneous | 51.99 | 28.54 | 2.5 | 1.9 |
| | 2068.78 | 1492.92 | 100.0 | 100.0 |

IMPORTANT ADDITIONAL PROGRAMMES

In the field of agriculture and community development, additional programmes have been introduced with a view to ensuring that the targets of agricultural production will be reached. These include a provision of Rs. 90 crores for community development projects, Rs. 30 crores for additional minor irrigation programmes and a scheme for the establishment of a National Extension Organisation. In the field of irrigation and power development, in addition to providing for projects already in hand, funds have been allocated for undertaking certain new river valley schemes which are considered vital for the development of large regions served by them. To keep pace with progress in other sectors of the economy, especially industry and irrigation and power, increased provision has been made for railways, roads, civil aviation, posts and telegraphs and ports.

INDUSTRY

In the sphere of industry, where the provision made in the Draft Outline was considered insufficient mainly because of the greater urgency for development in agriculture and irrigation,

the programme has now been strengthened. In the public sector, a provision has been made for the establishment of an integrated steel plant and for setting up of certain new basic industries such as the manufacture of heavy electrical equipments, fertilisers and for providing increased transport facilities required for industry and mineral development a provision of Rs. 50 crores has been made.

For the private sector, special development programmes for about 40 industries have been prepared by the Commission in co-operation with the Ministry of Commerce and Industry and after full discussion with representatives of the individual industries.

Programmes for village industries, small industries and handicrafts have received special emphasis in the Plan. The Central Government has already set up new boards for khadi and village industries and for handicrafts, levied a cess on mill-made cloth for assisting the development of khadi and handloom, and taken measures for the reservation of certain lines of production in favour of the handloom industry. The Central Government's programme for cottage and small-scale industries has also been expanded, from Rs. 5 crores to Rs. 15 crores.

In the sphere of social services, the Plan has several important programmes. These include a national malaria control scheme estimated to cost Rs. 10 crores, increased provision for scheduled tribes and scheduled castes and other backward classes, including criminal tribes, a programme for industrial housing costing about Rs. 49 crores, increased allocation for technical education and provision for youth camps and labour service for students. Provision is also made for carrying forward the rehabilitation of displaced persons from West Pakistan, and it has been made clear that if circumstances so warrant it will be necessary to provide larger funds for the rehabilitation of displaced persons from East Pakistan.

Other directions in which additions have been made include a provision of Rs. 15 crores for assistance to scarcity-affected areas. This is with a view to avoiding adverse effects on the

implementation of the Plan in the States on account of seasonal failures which occur from time to time in different parts of the country.

Each State plan is being broken up into plans for districts and sub-divisions of districts so that these can be supplemented through the effort and co-operation of the local people. To assist local works to which the people themselves contribute in labour the Plan allocates a sum of Rs. 15 crores over the next three years. Finally, to provide an increasing field of work for the peoples' sector, a sum of Rs. 4 crores has been provided in the Plan for assistance to voluntary social welfare organisations at the instance of Social Welfare Board which is proposed to be set up. In view of the fact that in many fields sufficient data are wanting to enable policies to be formulated, it is proposed to organise, in co-operation with universities and other institutions, research and investigations into social, economic and administrative problems relating to national development. For this purpose, the Plan makes a special provision of Rs. 50 lakhs.

PLANNING — A CONTINUOUS PROCESS

In making its recommendations, the Commission is conscious, the Report says, "that the framing of social and economic policies in different fields is a continuous process and, within the framework of priorities and objectives now formulated, such changes as may be necessary in the interest of national development will no doubt be made as experience is gained and ideas are tested in practice. In the field of policy, the Central and State Governments have to act in close co-operation with one another. Such co-operation will be greatly facilitated as a result of the setting up in August, 1952, of the National Development Council which includes the Prime Minister of India and the Chief Ministers of all States.

"The fulfilment of the Five-Year Plan", the Planning Commission says, "calls for nationwide co-operation in the tasks of development — between the Central Government and the States, the States and the local authorities, with voluntary social service agencies engaged in constructive work, between

the administration and the people as well as among the people themselves. Although several programmes included in the Plan are already under way, it is important that through sacrifice borne equally by all citizens the effort and resources of the entire nation should be mobilised in support of the Plan, so that, during the coming years, the tempo of development can be greatly increased and the Plan becomes a focus of intense activity and a field of common endeavour throughout the country."

OBJECTIVES, APPROACH AND TECHNIQUES OF PLANNING

The central objective of planning in India is to raise the standard of living of the people and to open out to them opportunities for a richer and more varied life. It must, therefore, aim both at utilising more effectively the available resources, human and material, so as to obtain from them a larger output of goods and services, and also at reducing inequalities of income, wealth and opportunity.

While in the initial stages the accent of endeavour must be on increased production, planning even in the initial stages should not be confined to stimulating economic activity within the existing social and economic framework. That framework itself has to be remoulded so as to secure progressively for all members of the community full employment, education, security against sickness and other disabilities, and adequate income.

The essence of planning is simultaneous advance on all fronts. Since the resources at the disposal of a community are limited, it is necessary to proceed in terms of priorities taking in hand the most urgent things first and utilising resources in each line to the best advantage.

THE DEMOCRATIC WAY

The techniques to be adopted for planning link up directly with the basic approach that a community decides to adopt for the realisation of its objectives. This approach has been defined in the Directive Principles of State Policy laid down in the Constitution. These point to democratic planning the success

of which depends on the extent to which it is possible to energise the entire community and to place before it a goal of endeavour which would call forth all its latent creative urges. The crucial factor here is leadership, not merely leadership at the top but at all levels.

CAPITAL FORMATION

The level of production and the material well-being of a community depend mainly upon the stock of capital at its disposal — the amount of land per capita and of productive equipment in the shape of factories, locomotives, machinery, irrigation facilities, power installations, and communications. The use of resources for building up such equipment constitutes 'capital formation' on which primarily depends the rate of development of the economy.

The present per capita income in the country is particularly low and the objective must be to increase it substantially — preferably to double it — as early as possible. Three important factors have been considered in this connection by the Planning Commission, viz., (a) the trend of population which has been growing at the rate of $1\frac{1}{2}$ per cent per annum, (b) the relation between investment and output and (c) the proportion of the increase in national output that can be devoted to investment.

11 PER CENT INCREASE IN NATIONAL INCOME

In the present Five-year Plan, capital formation is estimated to rise by about 20 per cent of the additional national income each year. The internal resources thus available will, to some extent, be supplemented by external resources. By 1955-56, national income will have gone up to about Rs. 10,000 crores, i.e., by about 11 per cent. If, from 1956-57 onwards, investment is stepped up by each year by about 50 per cent of the additional output, it would be possible to double per capita income in about 27 years from now, i.e., by 1977.

NEED FOR IMPROVEMENT IN TECHNIQUES

The increase in production depends on the efficiency of the techniques used. The rapid advances in science and technology

in the last few decades have opened out new possibilities. To make full use of them, experimentation in research in the field of productive techniques and organisation and wide-spread application of the results of such research are necessary. In India, there is very large scope for improvement in this respect. In certain spheres of economic activity, such as agriculture, a large increase in output can probably be secured through improvement of agricultural practices and the use of better seed, fertiliser, etc.

EMPLOYMENT IN RELATION TO DEVELOPMENT

A substantial increase in the volume of employment is a major consideration in planning in India. A programme of full employment at rising real wages can be effective only as capital formation in the country goes up. The Five-year Plan envisages progress in this direction through expansion of irrigation, power, basic industries, transport and other services. But aggregate investment will have to be stepped up continually in the succeeding periods if employment opportunities in the economy are to expand rapidly.

While the elimination of unemployment in an under-developed economy is, by its very nature, a somewhat long-term problem, the immediate problems raised by unemployment have to be approached from a broad social point of view. In this connection, the Commission makes several suggestions. For example, proper safeguards must be made against excessive unemployment arising out of a process of technological change. Again, in determining the distribution of capital in new lines, their capacity to absorb labour should be given special attention, and the need to increase employment opportunities should be constantly kept in view.

INTER-RELATION OF OBJECTIVES

Maximum production, full employment, the attainment of economic equality and social justice, which constitute the accepted objectives of planning under present-day conditions, are not really so many different ideas but a series of related aims which the country must work for. But it would be unrealistic to imagine that rapid and spectacular progress in all these

directions can be made in the initial period of planning. Within a limited period, there is a measure of conflict between one objective and another and it is necessary to proceed in terms of carefully defined priorities. For instance, fuller utilisation of the idle manpower in the country must necessarily be the major objective of policy, but this has to be done without creating serious inflationary pressures. Again, the pace at which economic inequalities are reduced has to be adjusted properly. While the ultimate objective in this sphere is not open to question, it is important to ensure that the measures, fiscal and others, to be adopted for promoting economic inequality, do not dislocate production and jeopardise the prospects of ordered growth.

There are risks in going too far or too fast in these matters, but the risks of not moving fast enough are no less serious. The greater the capacity of the community to hold together under the stress of major structural changes, the more rapid is the pace at which such changes in the economy can be made.

THE ROLE OF THE STATE

In such planning, the role that the State will have to play, will be a crucial one. While this need not involve complete nationalisation of the means of production or elimination of private agencies in agriculture or business and industry, it does mean a progressive widening of the public sector and a re-orientation of the private sector to the needs of a planned economy.

Already the public sector has been playing a significant part in the provision of basic services essential for organised industries and, to some extent, in industrial development itself. Private enterprise also functions largely within the conditions created by the State. In a planned economy the distinction between the public and the private sector is one of relative emphasis. The two sectors are and must function as parts of a single organism.

EMPHASIS ON CO-OPERATION

The reorientation of the economy in terms of the objectives of the Plan involves a rapid extension of the co-operative form

of organisation. The possibilities of co-operation in the vast fields of primary production, of cottage and small-scale industries, of marketing of agricultural produce, of residential housing, of wholesale and retail trade are immense. The encouragement of co-operative enterprise in all these fields has to be given the highest priority.

INSTITUTIONAL CHANGES

The institutional changes to be initiated in the period of the Five-year Plan have to be framed with two objectives in view: first, to progress, as far as possible, towards social objectives defined in the Plan, and, secondly, to remove deficiencies in organisation which will make possible faster progress in the future. Major changes are necessary in the ownership and management of land in order that agricultural producers have the necessary incentive to put forth their best effort. With the abolition of zamindari, large areas of the country have emerged from forms of feudal organisation. Systems of tenure of a similar type in other areas have to be changed rapidly. Detailed recommendations have been made in the Report indicating the policy to be followed in the matter of agrarian reforms. Specific recommendations have also been made in the sphere of state trading, banking developments, etc., as further steps towards institutional changes necessary in a planned economy.

ALLOCATION OF RESOURCES AND PRICE POLICY

A planned economy aims at the fullest mobilisation of the available resources and their allocation so as to secure optimum results. To a great extent, this has to be done through price policy. The aim should be to maintain a structure of relative prices which will bring about an allocation of resources in conformity with the targets defined in the Plan. To secure this result, financial as well as physical controls are necessary. In the early stages, a development Plan necessarily increases money incomes faster than production and this carries with it the dangers of inflation and economic instability. The instruments of monetary and credit policy have to be used to obviate these dangers.

REDUCTION OF INEQUALITIES

Inequalities of income and wealth have clearly to be reduced. In this connection, the Commission mentions death duties as an important equaliser of incomes and wealth. If income tax rates are progressive and a structure of controls is maintained which would prevent excessive profits being made, the addition of death duties to the fiscal system can make a significant contribution towards reduction of inequalities.

PLANNING AND CONTROLS

To bring about the desired allocation of resources, to keep down prices and to ensure an exchange of goods between different sections of the community on terms of fairness, it is necessary to have a system of controls. Under certain circumstances, the accent may be on the maintenance of price ceilings. Under other conditions, it might be necessary to maintain certain minimum prices in order to ensure a reasonable return in certain lines of economic activity. Controls limit the freedom of action on the part of certain classes but properly administered, they are an instrument for securing a balance between the claims of different sections of the community.

THE PATTERN OF PRIORITIES

The pattern of priorities to be followed during a particular plan period has to take into account the immediate needs of the economy as also the desirability of initiating certain long-term changes in the economic structure. The emphasis in the development programme as between different sectors will obviously shift as development in those taken up initially prepares the ground for development in others.

For the immediate five year period, agriculture including irrigation and power, has topmost priority. Without a substantial increase in the production of food and of raw materials needed for industry, a higher tempo of development in the latter

cannot be sustained. The economy has first to be strengthened at the base, and a sizeable surplus created in the agricultural sector and mobilised for sustaining increased employment in other sectors. The development of irrigation, power and transport will take up the bulk of the resources available to the public sector. Progress in the industrial field would, therefore, depend to a great extent on effort in the private sector. The State, however, has special responsibility for developing key industries like iron and steel, heavy chemicals, manufacture of electrical equipment and the like, without which, in the modern world, continued development is not possible. A beginning in these directions has, therefore, to be made even at this stage.

ASSESSMENT OF RESOURCES

In assessing the resources for financing the Five-year Plan, the Commission has drawn attention of one fundamental fact, namely, that although in the Five-year Plan expenditure of the order of Rs. 2069 crores has been estimated, conditions must be created whereby the necessary developments in the private sector are not impeded. There is one single pool of investible resource, from which both the private and public sectors have to draw. The problem, therefore, is not only to find resources for the public sector but to enlarge progressively the size of the common pool and to see that the total thus available is allocated between the two sectors in terms of agreed priorities.

During the Plan period, it is estimated that public savings, i.e., the savings out of current revenues, will finance about Rs. 738 crores of the expenditure visualised. Private savings likely to be available to the public sector through loans, small savings, deposits and funds, and other miscellaneous channels have been estimated at Rs. 520 crores. The two sources which together provide the normal budgetary resources of the Central and State Governments will thus meet about Rs. 1,258 crores of the planned outlay of Rs. 2069 crores.

The following table shows a breakdown of the estimates for the Plan period with corresponding figures for 1950-51 for purposes of comparison :

| | Base Year 1950-51 | | | Plan Period 1951-56 | | |
|---|--|--|------------|--|---|-------------|
| | Centre (in- clude- ing Part C States) | Parts A and B States and Kash- mir | Total | Centre (in- clude- ing Part C States) | Part A and B States and Kashmir | Total |
| Public Savings from: | | | | | | |
| (a) current re- venues | 71 | 51 | 122 | 160 | 408* | 568 |
| (b) railways | 23 | — | 23 | 170 | — | 170 |
| Private savings absorbed through: | | | | | | |
| (a) loans from the public | 11 | 8 | 3 | 36** | 79 | 115 |
| (b) small savings and other un- funded debts | 42 | — | 42 | 270 | — | 270 |
| (c) deposits funds and other miscellaneous sources (net) | — | 38 | 38*** | 90 | 45 | 135 |
| Total | 125 | 97 | 222 | 726 | 532 | 1258 |

* Includes Rs. 3 crores estimated as available from the current revenues of Kashmir for financing the State Plan.

** Represents estimated investment in government securities from out of the provident funds of industrial workers; taking this into account provision is made in the Plan for loans and grant for industrial housing of the order of Rs. 38.5 crores.

*** Of this, Rs. 16 crores was on account of State Trading through reduction in stocks. Some of the accumulation in the States is also perhaps due to delays in transfer of amounts due to the Centre.

THE GAP

In addition to the normal budgetary resources thus estimated at Rs. 1,258 crores, credit can be taken for external assistance already received from the International Bank, the United States, Canada, Australia, New Zealand, etc., amounting to date to Rs. 156 crores. There is still left a gap of Rs. 655 crores. This gap has to be met from further external resources or, in the absence of it, by additional measures of internal taxation and borrowing and from deficit financing which is visualised to the extent of Rs. 290 crores.

In the earlier stages of development, external assistance can be a significant factor in eliminating bottlenecks and in helping to avoid dislocations which may have far-reaching consequences. In the conditions, in which the country is placed today, however, a programme with relatively modest targets cannot be made inflexibly conditional on the availability of external resources. If external assistance is not forthcoming to the extent necessary, there will undoubtedly be some scope for marginal adjustments in the Plan, but a planned outlay broadly of the order of Rs. 2069 crores will still have to be kept as the target in order to lay the foundation for more rapid development in the future.

INVESTMENT PROGRAMME AND THE TARGET

The Five Year Plan involves an outlay on development by public authorities of Rs. 2069 crores over the period 1951-56. In determining this target of expenditure, the main considerations that have been taken into account are :

- (1) the need for initiating a process of development that will form the basis of the much larger effort needed in the future;
- (2) the total resources likely to be available to the country for the purpose of development;

(3) the close relationship between the rates of development and the requirements of resources in the public and in the private sectors;

(4) the necessity of completing the schemes of development initiated by the Central and State Governments prior to the commencement of the Plan; and,

(5) the need to correct the maladjustments in the economy caused by the war and the partition.

PRIORITIES AND THE PATTERN OF OUTLAY.

The distribution of expenditures in the development programme of the public sector is summarised below:

| | (Rs. crores) | (Per cent of Total) |
|---|------------------|---------------------|
| 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 |
| Others | 52 | 2.5 |
| | <hr/> 2069 <hr/> | <hr/> 100.0 <hr/> |

The chief significance of the outlay of Rs. 2069 crores on development is that it will make substantial amount of productive equipment available in the public and private sectors, thus forming a basis for the development work in the future decades.

The outlay will be as follows :

| | |
|---|-------|
| (1) Outlay which will add to the stock of productive capital owned by Central and State Governments | 1,199 |
| (2) Outlay which will contribute to building up productive capital in the private sector— | |
| (i) Expenditure on agriculture and rural development (excluding community projects and provision for scarcity-affected areas) | 244 |
| (ii) Loans for transport and industry | 47 |
| (iii) Provision for stimulating local development (community projects and local works) | 105 |
| (3) Outlay on social capital | 425 |
| (4) Outlay unclassified above (including provision for scarcity-affected areas) | 49 |
| | 2,069 |

It will be seen that nearly 60 per cent of the planned outlay will result directly in the creation of productive capital in the ownership of the Central and State Governments; this will be mainly under irrigation and power, transport and communications, and industry. The remaining 40 per cent will partly add to productive equipment in the private sector, partly provide assistance in the form of working capital or of advisory and administrative services, partly help to maintain and expand social services, and partly act as an incentive for community effort in development.

DISTRIBUTION AND PHASING OF EXPENDITURE

The distribution of the total outlay as between the Central

and the State Governments is summarised below :—

(Rs. Crores)

| | |
|--|-------|
| Central Government (including railways) | 1,241 |
| States : Part A | 610 |
| Part B | 173 |
| Part C | 32 |
| Jammu and Kashmir | 13 |
| | 2,069 |

The following table summarises the outlay of the Centre and of the States (excluding Jammu and Kashmir) under various heads :

| | (Rs. crores) | | | |
|---|--------------|----------|----------|----------|
| | Centre | Part 'A' | Part 'B' | Part 'C' |
| Agriculture and Community Deve- lopment | 186.3 | 127.3 | 37.6 | 8.7 |
| Irrigation & Power | 265.9 | 206.1 | 81.5 | 3.5 |
| Transport & Com- munications | 409.5 | 56.5 | 17.4 | 8.8 |
| Industry | 146.7 | 17.9 | 7.1 | 0.5 |
| Social Services, in- cluding rehabilita- tion | 191.4 | 192.3 | 28.9 | 10.4 |
| Miscellaneous | 40.7 | 10.0 | 0.7 | — |
| | 1240.5 | 610.1 | 173.2 | 31.9 |

The outlay proposed in the development programmes of States other than Jammu and Kashmir is shown below :

State Plans

(Rs. crores)

| Part 'A' States | | Part 'B' States | | Part 'C' States | |
|-----------------|---------------|-----------------|---------------|------------------|--------------|
| Assam | 17.49 | Hyderabad | 41.55 | Ajmer | 1.57 |
| Bihar | 57.29 | Madhya Bharat | 22.42 | Bhopal | 3.90 |
| Bombay | 146.44 | Mysore | 36.60 | Bilaspur | 0.57 |
| Madhya Pradesh | 43.08 | Pepsu | 8.14 | Coorg | 0.73 |
| Madras | 140.84 | Rajasthan | 16.82 | Delhi | 7.48 |
| Orissa | 17.84 | Saurashtra | 20.41 | Himachal Pradesh | 4.55 |
| Punjab | 20.21 | Travancore- | | | |
| Uttar Pradesh | 97.83 | Cochin | 27.32 | Kutch | 3.05 |
| W. Bengal | 69.10 | | | Manipur | 1.55 |
| | | | | Tripura | 2.07 |
| | | | | Vindhya Pradesh | 6.39 |
| Total | 610.12 | | 173.26 | | 31.86 |

These State Plans were drawn up initially over a year ago in consultation with the State Governments concerned and on the basis of forecasts supplied by them regarding their likely revenues and expenditures in the period of the Plan. In cases where the State Governments made proposals subsequently to raise the size of their State Plans, the upward revisions have been accepted provisionally subject to the resources corresponding to them being raised by the governments concerned.

The table below shows the financial basis of the Plan:

| | Central Government. | (Rs. crores) States (including Jammu and Kashmir) | Total |
|---|------------------------|---|-------------|
| Planned outlay on development | 1241 | 828 | 2069 |
| Budgetary Resources : | | | |
| i. Savings from current revenues | 330 | 408 | 738 |
| ii. Capital receipts (excluding withdrawals from reserves) | 396 | 124 | 520 |
| iii. Internal inter-governmental transfers in connection with the Plan (i.e., "Central assistance") | 229* | 229* | — |
| | 497 | 761 | 1258 |
| External Resources already received | 156 | — | 156 |
| Total : | 653 | 761 | 1414 |

As brought out in the assessment of financial resources for the Plan, the balance of Rs. 655 crores, necessary for the public development programme will have to be found from further external resources that may be forthcoming or from internal taxation and borrowing as far as possible and by deficit-financing.

* Includes Rs. 4 crores by way of statutory grants for scheduled tribes which will be available for part of the development expenditure on scheduled tribes in the Assam State Plan.

APPRAISAL OF THE PROGRAMMES IN THE PLAN

In appraising the results of the Plan, the development programme in public sector cannot be taken by itself. This programme is based on an appraisal of the needs of the economy as a whole and is related to an assessment of the effort that is likely to be forthcoming from the private sector. In the case of agriculture, where the problem is primarily one of providing irrigation, fertilisers and manures, better seeds, as well as extension services, which will carry to the farmer the know-how of technical improvements, the supplemental investment required would, to a great extent, be in the form of direct contributions of labour by the farmers themselves. In the sphere of industrial development, we have taken into account the working plans of larger and medium scale industries which cover about two-thirds of the total output of factory enterprises in the country. The results of the Plan can thus be viewed within a wider setting as far as agriculture and manufacturing industry are concerned. In other spheres of development, particularly in respect of professions and services and small-scale enterprises in transport and industry, only broad judgments can be made at this stage. The contribution that community effort may make to extension of education, sanitation, communication, etc. cannot also be assessed in advance in precise terms.

In the statement below results of the development programme in terms of certain select targets and indices are given:

I Agriculture

| | | | |
|----------------------------|-------|------|------|
| Foodgrains* (million tons) | | 52.7 | 61.6 |
| Cotton (lakh bales) | | 29.7 | 42.2 |
| Jute (lakh bales) | | 33.0 | 53.9 |
| Sugarcane (million tons) | | 5.6 | 6.3 |
| Oilseeds (million tons) | | 5.1 | 5.5 |

II Irrigation and Power

| | | | |
|---|--------|------|-----|
| Major irrigation (million acres) | } 50.0 | 8.5 | |
| Minor irrigation (million acres) | | 11.2 | |
| Electrical energy (installed capacity in million KWs) | | 2.3 | 3.5 |

* Including gram and pulses. Output in 1949-50 (used as the base for fixing the target for 1955-56) was 45.0 million tons.

III Industry

| | | | |
|------------------------------------|---------|-------|-------|
| Iron and Steel (lakh tons) | | | |
| Pig iron available for foundries | .. | 3.5 | 6.6 |
| Finished steel | | 9.8 | 13.7 |
| Cement (lakh tons) | | 26.9 | 48.0 |
| Aluminium (thousand tons) | | 3.7 | 12.0 |
| Fertilisers (thousand tons) | | | |
| Ammonium sulphate | | 46.3 | 450.0 |
| Superphosphate | | 55.1 | 180.0 |
| Locomotives (Nos.) | | — | 170 |
| Machine tools (Nos. in thousand) | .. | 1.1 | 4.6 |
| Petroleum refining | | | |
| Liquid petroleum (million gallons) | .. | N.A. | 403.0 |
| Bitumen (thousand tons) | | N.A. | 37.5 |
| Cotton manufacture | | | |
| Yarn (million lbs.) | | 1179 | 1640 |
| Mill cloth (million yards) | | 3718 | 4700 |
| Handloom (million yards) | | 810 | 1700 |
| Jute manufacture (thousand tons) | .. | 892 | 1200 |
| Agricultural machinery | | | |
| (a) Pumps power-driven (thousands) | | 34.3 | 85.0 |
| (b) Diesel engines (thousands) | .. | 5.5 | 50.0 |
| Bicycles (thousands) | | 101.0 | 530.0 |
| Power alcohol (million gallons) | .. | 4.7 | 18.0 |

IV Transport

| | | | |
|------------------------------------|---------|-------|-------|
| Shipping (tonnage) | | | |
| Coastal (GRT thousands) | | 211.0 | 315.0 |
| Overseas (GRT thousands) | | 173.5 | 283.0 |
| Roads | | | |
| National Highways (thousand miles) | | 11.9 | 12.5 |
| State Roads (thousand miles) | .. | 17.6 | 20.6 |

V Education **

Pupils in

| | | |
|--|-------|-------|
| Primary schools (lakhs) | 151.1 | 187.9 |
| Junior basic schools (lakhs) | 29.0 | 52.8 |
| Secondary schools (lakhs) | 43.9 | 57.8 |
| Industrial schools (thousands) | 14.8 | 21.8 |
| Other technical and vocational training schools (thousands) | 26.7 | 43.6 |

VI Health

| | | |
|-------------------------------------|-------|-------|
| Hospitals (beds in thousands) | 106.5 | 117.2 |
| Dispensaries (number) | | |
| Urban | 1358 | 1615 |
| Rural | 5229 | 5840 |

VII Developmental institutions

| | | |
|--------------------------------------|-------|-------|
| Panchayats (thousands) | 55.1 | 69.1 |
| Co-operative societies† | | |
| Credit (thousands) | 87.8 | 112.5 |
| Sale and marketing (thousands) | 14.7 | 20.7 |
| Multipurpose (thousands) | 31.5 | 40.5 |
| Lift irrigation (Nos.) | 192.0 | 514.0 |
| Co-operative farming (Nos.) | 352.0 | 975.0 |
| Others (thousands) | 27.3 | 35.8 |
| Total (thousands) | 161.9 | 211.1 |

** These estimates do not cover (except in respect of industrial schools) Hyderabad, Rajasthan, Ajmer and Vindhya Pradesh. In some cases, data for a few States (e.g., Uttar Pradesh in respect of primary schools, Madhya Pradesh in the case of junior basic and secondary schools) are also not covered in these estimates.

† The estimates here exclude data for Punjab, Orissa, Hyderabad, Pepsu and most of the Port C States.

EFFECT ON EMPLOYMENT

One of the main objectives of the Plan is to increase employment opportunities and to raise the standard of living of the masses. The foremost consideration is, therefore, given to the rural sector on account of the magnitude and seriousness of the problem there. Among the measures proposed to be taken in the Plan to reduce the incidence of rural unemployment mention may be made of the major and minor irrigation works, large-scale land reclamation schemes and the revival and development of village industries and handicrafts, all of which have found a central place in the rural development programmes because of their potentialities of absorbing a large number of people and of low capital and skill requirements.

Urban areas are also confronted with the same problem which has been made worse after the end of the War due to the difficulties faced by a number of small-scale industries. The solution to this lies mainly in the extension of the existing large-scale industries and the starting of new ones. Along with this, suggestions are made in the Plan to save the existing small-scale industries and also to encourage the starting of smaller new industries, specially those which can serve as complimentary to large-scale industries.

A quantitative assessment of the effect of the Plan on the employment situation as a whole is not easy, the Report says, because a large mass of statistical data would be necessary concerning the estimates of available population for gainful occupation, expected volume of employment, volume of unemployment and the manpower requirements, etc. An attempt has, however, been made to work out such estimates which, the Commission points out, are very rough approximations and

may be much wide of the mark. Subject to this remark, the additional employment opportunities which will be created in some selected sectors are as follows:

| | Additional em- ployment |
|--|--|
| 1. Industry, including small-scale industries | 4 lakhs annually. |
| 2. Major irrigation and power projects | 7½ lakhs annually. |
| 3. Agriculture: Due to additional area irrigated | 14 lakhs annually. |
| Due to repairs to tanks | 1½ lakhs annually. |
| Due to land reclamation schemes. | 7½ lakhs annually. |
| 4. Building and construction | 1 lakh annually. |
| 5. Roads | 2 lakhs annually. |
| 6. Cottage industries | 20 lakhs annually, plus 36 lakhs will be provid- ed with fuller employment. |
| 7. Tertiary sector and local works | There will be more employ- ment here but it is not possi- ble to estimate it. |

EMPLOYMENT AMONG THE EDUCATED

As regards unemployment among the educated, since the emphasis in the Plan is on increasing agricultural production and creating a base for industrial expansion, the scope for increasing the employment opportunities of the educated unemployed is somewhat limited. Nevertheless, various short-term remedies have been suggested by the Commission which include the following:

- (a) The pay offered to technical personnel, e.g. engineers and doctors, should be consistent with the cost of training. In-

ducement, such as subsidizing of private dispensaries in villages should be offered;

(b) Utility to employers of certain degrees, e.g. commerce can be increased if the present theoretical knowledge imparted in colleges is supplemented by practical training;

(c) Educated persons should be persuaded to rid themselves of prejudice against manual employment and should be encouraged to receive sufficient training for manual jobs.

(d) A list will be made of small-scale industries which could be started by the educated classes with amounts of capital ranging from Rs. 500 to Rs. 5,000. Governments should help them by advancing loans for the initial capital and by providing vocational training facilities; and

(e) A beginning has to be made in having trading estates providing factory sites or built factory premises, with such facilities as transport and the supply of electricity, water, gas, etc. on the lines of those in the United Kingdom. It is understood that the Industrial Finance Corporation is interested in such a scheme. The idea, therefore, requires to be pursued by Government in co-operation with the Corporation.

AGRICULTURE

Targets of Additional Production

The targets of additional production envisaged in the Plan are as follows:

| Commodity | Quantity (in millions) | Percentage increase |
|------------|------------------------|---------------------|
| Foodgrains | 7.6 (tons)* | 14 |
| Cotton | 1.26 (bales) | 42 |
| Jute | 2.09 (bales) | 63 |
| Sugarcane | 0.7 (tons)** | 12 |
| Oilseeds | 0.4 (tons) | 8 |

These targets have been arrived at after prolonged discussion with State Governments. They were first worked out in the sum-

* The target of 7.6 million tons of foodgrains would roughly comprise about 4 million tons of rice, 2 million tons of wheat, a million tons of gram and pulses and 0.5 million tons of millets.

** In terms of Gur.

mer of 1951 and a detailed reappraisal was carried out early this year. While there was no material change in the targets for commercial crops it was found that on the investment contemplated the increase in food production over the period of the Plan was likely to be only about 6.5 million tons, as compared to the initial target of 7.2 million tons and, if allowance were made for diversion from foodgrains to commercial crops, the net increase would be about 6 million tons. The short-fall in the original target was recently examined by the Grow More Food Enquiry Committee which recommended additional programmes so as to assure the achievement of the food production target.

The production programme consists of two parts, namely,
 (1) schemes of State Governments which together account for a total net food production target of 6 million tons to be achieved at a total cost of Rs. 125 crores,

and

(2) Supplementary schemes proposed by the Planning Commission with a view to achieving additional production of at least 1.6 million tons.

The following statement gives the targets for agricultural production by States:

| Part 'A' States | Foodgrains (0000 tons) | Cotton (000 bales) | Jute (000 bales) | Suga·cane (000 tons) | Oilseeds (000 tons) |
|-------------------|---------------------------|-----------------------|---------------------|-------------------------|------------------------|
| Assam .. | 255.9 | — | 225 | — | — |
| Bihar .. | 775.9 | — | 390 | 50 | — |
| Bombay .. | 376.5 | 275 | — | 87 | 10 |
| Madhya Pradesh .. | 281.0 | 170 | — | — | 10 |
| Madras .. | 890.0 | 180 | — | 80 | 100 |
| Orissa .. | 259.6 | — | 200 | — | 4 |
| Punjab .. | 463.8 | 150 | — | 70 | 4 |
| Uttar Pradesh .. | 983.0 | 40 | 250 | 400 | 61 |
| West Bengal .. | 553.1 | — | 1000 | — | 5 |

Part 'B' States

| | | | | | | |
|-------------------|----|-------|-----|---|---|-----|
| Hyderabad | .. | 624.5 | 200 | — | — | 150 |
| Madhya Bharat | | 168.1 | 92 | — | — | 25 |
| Mysore | .. | 97.5 | 8 | — | — | 5 |
| Pepsu | .. | 170.5 | 80 | — | 7 | 1 |
| Rajasthan | .. | 186.0 | 50 | — | — | 16 |
| Saurashtra | .. | 82.3 | 6 | — | — | 1 |
| Travancore-Cochin | | 131.1 | — | — | — | — |

Part 'C' States

| | | | | | | |
|------------------|----|-------|---|----|-----|---|
| Ajmer | .. | 12.5 | — | — | — | — |
| Bhopal | .. | 103.8 | 6 | — | 4.6 | 4 |
| Bilaspur | .. | 4.7 | — | — | — | — |
| Coorg | .. | 3.0 | — | — | — | — |
| Delhi | .. | 4.5 | — | — | 0.2 | — |
| Himachal Pradesh | | 44.4 | — | — | — | — |
| Kutch | .. | 5.7 | 1 | — | — | 1 |
| Tripura | .. | 2.3 | — | 25 | — | — |
| Vindhya Pradesh | .. | 30.4 | — | — | 1.2 | 3 |

| | | | | | | |
|----------------------------|--|---------------|-------------|-------------|------------|------------|
| Total State Schemes | | 6510.1 | 1258 | 2090 | 700 | 400 |
|----------------------------|--|---------------|-------------|-------------|------------|------------|

| | | | | | | |
|-----------------------|--|----------------|--|--|--|--|
| Supplementary schemes | | <u>1600.0*</u> | | | | |
|-----------------------|--|----------------|--|--|--|--|

| | | | | | | |
|-------------------|--|----------------|--|--|--|--|
| Grand total—gross | | <u>8110.1*</u> | | | | |
|-------------------|--|----------------|--|--|--|--|

Target (Indian Union)

Less on account of diversion to commercial crops

(—) 500.0

Net target

| | | | | | | |
|----------------|--|---------------|-------------|-------------|------------|------------|
| (Indian Union) | | 7610.1 | 1258 | 2090 | 700 | 400 |
|----------------|--|---------------|-------------|-------------|------------|------------|

* Includes 0.5 million tons on account of Community Projects and intensive areas.

The food production targets shown in the statement include the estimated results of supplementary programmes for which provision has been made. These programmes are:

- (1) Community Projects (Rs. 90 crores);
- (2) Additional provision for minor irrigation works (Rs. 30 crores);
- (3) Additional provision for Grow more Food during 1951-52 (Rs. 10 crores);
- (4) Programme for the construction of tube-wells (Rs. 6 crores); and
- (5) National extension organisation (Rs. 3 crores).

Details of the supplementary programmes are to be worked out shortly in consultation with State Governments. Fertiliser programme is expected to be substantially enlarged in the later stages of the Plan. The Plan also provides for agricultural finance on a much larger scale than has been hitherto considered possible.

The food production target of 6.5 million tons from schemes included in State plans (of which 0.5 million tons have been allowed for diversion to commercial crops) is derived as follows:

| | (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 |
| | 6.51 |

Estimates of increased production resulting from the various programmes have been made on a cautious basis. In respect of schemes for the use of improved seeds, manures and fertilisers, although a larger increase in production is possible, it is considered that until these practices have become part of the normal operations of agriculture in any area, there may be

some risk of over-estimation of the possible benefits to be anticipated.

COMMERCIAL CROPS

Production targets for commercial crops have been framed on the assumption that, broadly speaking, the relative prices of foodgrains and other crops will conform to the pattern prevailing when the targets were first worked out. The production of commercial crops is apt to be influenced by price changes to a much greater extent than food production. The Plan, therefore, lays stress on the need to avoid deliberate price incentives of a varying order for different crops. Excessive price stimuli in favour of some crops, either through price changes or through relaxation of controls, may frequently have the effect of jeopardising the achievement of the agricultural targets. The price policy is, therefore, a pre-eminent factor in the fulfilment of the agricultural plan.

The Plan also makes proposals and suggests rough targets of production in relation to food, vegetables, fish, milk and dairy products.

PLANNING FROM VILLAGE UPWARDS

Targets of additional production indicate in a broad way the magnitude of the effort contemplated in the Plan. They are, however, no more than a starting point for the actual planning which has to be done at all levels, from village upwards. The hazards and uncertainties of agricultural production have always to be allowed for. In each State the targets have to be — as they are in the process of being — broken up by districts and by sub-divisions of districts. Detailed agricultural planning will be possible in areas in which intensive development is undertaken, for instance, in Community Project areas, where special stress will be laid on the building up of a village agency for development and on strengthening the co-operative movement.

As a rule, there may not be much to be gained by attempting to fix areas or proportions of individual holdings for particular

crops. On the whole, it is best that each farm and each village should follow the crop plan which will enable it to utilise the available physical resources to the greatest advantage. To the extent individual farms join into co-operatives, crop planning can be developed both as a means of regulation and for securing increased production. In organising an adequate structure for agricultural planning, the first stage may be to carry the targets as far as areas in which intensive work is undertaken. After some years of intensive development and experiment it should become possible to ensure that agricultural targets in each State and for the country as a whole are related, on the one hand, to obligations which individual farms and villages accept and, on the other, to the goals of national agricultural policy.

In addition to the above proposals for agricultural production, the Commission has made specific and detailed recommendations on other allied spheres of agriculture, e.g. soil conservation, agricultural marketing, provision of finance for agriculture, dairying and horticulture, programme for agricultural workers, etc.

"AGRICULTURAL WORKER"

For the large number of agricultural workers who are either labourers or attached workers, the Commission has made certain specific recommendations. These include :

(1) grant of occupancy rights in house sites in existing villages and in village extensions, an effort being also made, wherever possible, to provide small allotments for kitchen gardens.

(2) the movement for gifts of land should be supported through special assistance for landless workers selected for the allotment of gifted land.

(3) labour co-operatives should be organised to the maximum extent possible and they should be the agency for the construction of local irrigation and other works;

(4) blocks of newly reclaimed land as well as culturable waste land should be set apart, wherever possible, for the

settlement on co-operative lines of groups of landless agricultural workers and of holders of small, uneconomic plots of land.

(5) financial assistance should be afforded to co-operative groups of landless workers for such purposes as house building, purchase of bullocks and implements and for ancillary industries for which they receive training;

(6) special assistance by way of educational stipends and for vocational and technical training should also be given, as is already being done in most of the States.

In addition, the Commission says that programmes relating to agricultural production, land reform, reorganisation of the village on co-operative lines; development of village industries and construction of new works will undoubtedly assist agricultural workers to find fuller employment. The substantial provision made in the Plan for the welfare of backward classes will also help them. The Central Government's plan sets aside a sum of Rs. two crores separately for the resettlement scheme and landless agricultural workers.

FINANCE FOR AGRICULTURE

Agricultural production suffers considerably for lack of finance for seed, minor irrigation and soil conservation measures. Specific recommendations have been made by the Commission for providing short-term, medium and long-term credit to agriculturists. By the end of the Plan period, a total amount of Rs. 100 crores per annum is recommended to be made available for the short-term requirements of the cultivators through the co-operative movement and loans from the Government. This involves a little more than trebling of the existing provision. The target for the provision of medium-term finance is set at Rs. 25 crores per annum. For long-term loans, a sum of Rs. 5 crores has been provided.

FISHERIES

For the development of inland fisheries, priority is recommended for measures relating to survey of waters, supply of fish seed for stocking culturable waters and research on artificial spawning of carp. It has been recommended that the agricultural extension organisation should be utilised for development of inland fisheries and pisciculture should form part of agricultural education in agricultural schools and colleges.

For the development of marine fisheries high priority is proposed for measures relating to :

- (1) supply of requisites of fishermen;
- (2) the mechanisation of country craft or introduction of new mechanised boats;
- (3) development of marketing;
- (4) provision of ice and cold storage and transport facilities;
- (5) introduction of mother-ship operations;
- (6) provision for off-shore fishing with larger power vessels such as purse-seiners and trawlers, and

(7) provision of the necessary harbour facilities. Based on these priorities, the Plan provides for mechanisation of 140 country craft and introduction of 14 mechanised boats of multi-purpose type, two vessels for mother-ship operations, two purse-seiners for off-shore fishing and three trawlers for deep sea fishing in the Bay of Bengal and the Arabian Sea. Provision has been made for a dredger for harbour clearance, nine ice factories and cold storage plants and nine insulated road vans for storage and transport of fresh fish.

It is anticipated that as a result of the schemes outlined above, fish production will increase by about 50 per cent from

1 million tons in 1950-51 to 1.5 million tons in 1955-56.

FORESTS

The expansion of the area under regular forests represents a long term plan. Immediate attention has to be given on renovating areas which have been deforested or have not been properly managed including the 40 million acres of Zamindari forests, which have recently vested in State Governments. Effort has to be directed towards afforestation to prevent soil erosion, planting of trees along the banks of canals, roads and railway tracks, and the establishment of the village plantations for fuel and timber.

Along with the development of village plantations for fuel, the use of soft coke has to be encouraged as a cheap form of fuel for household purposes, thus saving cow dung for use of manure.

The total availability of timber is expected to increase from 1.8 million tons to 2.0 million tons by the end of the Plan or by about 11 per cent. The demand for timber has grown rapidly on account of the growth of urban areas and the various development programmes. It is, therefore, important that treated timber should be used, to a much greater extent than before, for structural purposes for telegraph poles, etc. Salai and other perishable species will have to be utilised and the establishment of seasoning kinds and treatment should receive special attention.

Besides supplying timber and fuel, forests are an important source of raw materials for the match-wood, ply-wood and paper industries, and a number of minor forest products like lac, tanning material, gums and resins, medicinal herbs, etc., some of which are also important articles of export. For the expansion of the match industry, the supply of timber from the Andamans is expected to increase by 45,000 tons. As regards ply-wood, the Andamans are expected to supply 30,000 tons of timber and another 20,000 tons are likely to be found by either substituting timber like mango or by arranging for imports.

Long term leases of the remote forest areas directly given to paper mills will facilitate their development for supply of bamboos for paper manufacture.

There is scope for increasing the export of minor forest products such as lac and myrobalans if collection is intensified and grading done.

COMMUNITY DEVELOPMENT AND RURAL EXTENSION

Community Development is the method and Rural Extension the agency through which the Five-Year Plan seeks to initiate a process of transformation of the social and economic life of the villages.

The lessons drawn from the experience of rural development in the past have been brought together in the conception and concrete formulation of the community development programme which has been launched during 1952. For each community project as at present planned there will be approximately 300 villages with a total area of about 450 to 500 square miles, a cultivated area of about 150,000 acres and a population of about 200,000. The project area is conceived as being divided into 3 development blocks, each consisting of about 100 villages and a population of about 60,000 to 70,000. The development block is, in turn, divided into groups of 5 villages each, each group being the field of operation for a village level worker. The programme begun in 1952 covers a population of about 15 million. The main lines of activity which will be undertaken in a Community Project are as follows: agriculture and related matters; communications; education; health; supplementary employment; housing; training; social welfare.

The participation of the people is of the very essence of the programme. There will be a Project Advisory Committee representative of all the non-official elements within the project area, which will assist the Project Executive Officer in the planning and execution of the programme. The Bharat Sewak Samaj, which is likely to be set up in project areas, will assist in

securing participation of the villagers in the execution of the programme. The pattern of the project as drawn up includes major items of work normally implemented through government agencies. This is bound to involve higher expenditure through elaborate administrative staff, middlemen's fees, etc. If the people are to be trained to be builders of the future, the works have to be entrusted to the people themselves through their representative agencies, the governmental organisation furnishing the technical assistance. It is intended that a qualifying scale of voluntary contribution, either in the form of money or of labour, should be laid down. In respect of backward areas and areas predominantly populated by scheduled castes and scheduled tribes, the villagers will be asked to contribute by way of labour effort required for executing the works programme under various heads.

The estimated expenditure on a basic type of a rural Community Project, i.e., a project without the provision for an urban unit, is Rs. 65 lakhs over a period of 3 years. Of this amount, about Rs. 58.47 lakhs will be rupee expenditure and Rs. 6.53 lakhs will be dollar expenditure. The estimated cost of a composite type of project, i.e., one with an urban unit (which it is intended to provide in a few projects) is Rs. 111 lakhs.

The Community Development Programme imposes financial obligations on the Centre as well as on the State Governments. Broadly, the proportions which have been fixed are 75 per cent for the centre and 25 per cent for the State in respect of non-recurring expenditure, and 50 per cent each for Centre and States in respect of recurring expenditure. Loans for self-financing schemes will be given by the Central Government. It is expected that the expenses will be borne entirely by the State Governments after the third year.

National Extension Service

The Grow More Food Enquiry Committee has proposed the establishment of a national extension organisation for intensive rural work which could reach every farmer and assist in the co-ordinated development of rural life as a whole. The pro-

gramme envisaged by the Committee is that the Central Government should assist State Governments in establishing extension organisations so as to bring their entire area under extensive development within a period of about ten years. During the period of the Plan, a total of about 120,000 villages are to be brought within the operations of the extension, that is, nearly one-fourth of the rural population. The Central and State Governments will frame detailed programmes for reorganising the existing extension services, arranging for further recruitment and preparing training programmes. The implementation of these proposals will give a powerful momentum to all rural work and, in particular, to the programme for increased agricultural production.

FOOD POLICY

A well-defined food policy is an essential condition for the successful implementation of the Plan. Foodgrains occupy a pivotal place in the price structure because if their prices rise, this leads directly to a rise in the cost of living and in production costs all around. Besides, although control of food originated because of abnormal conditions of war-time scarcity, in a planned economy it has certain positive functions, such as safeguarding the minimum consumption standards of the poorer classes, preventing excessive or ostentatious consumption by the well-to-do and facilitating the country's programme of direct utilisation of unemployed manpower for investment.

It is not possible, the Commission says, to assess directly on the basis of estimates of production and requirements—the 'deficit' the country must provide for. The fact, however, remains that the country has, on an average, imported about 3 million tons of foodgrains in recent years. The total cost of foodgrains imported since 1948 has been of the order of Rs. 750 crores.

Aim of Policy

The aim of food policy, the Commission observes, for the period of the Plan must be to increase domestic production to

secure an increase in marketable surplus, to distribute the same as equitably as possible and to eliminate by stages the need to import foodgrains. In view of the fact that the efforts to increase food production will show full results only after a time, the policy must be based on the assumption of a continuance of relative scarcity and strain, especially as the Plan envisages a high level of investment. Rationing and procurement, together with certain minimum imports must be regarded during the Plan period as the key to the maintenance of a stable system of food controls.

Food policy has also a direct bearing on the investment programme because the larger the available supplies of food and more effectively it is mobilised, the greater is the investment effort the community can put forth, for food constitutes the wherewithal for sustaining the labour force employed in construction and in the production of capital goods and equipment. The extent to which deficit financing can be undertaken for the development plan is also dependent to no small extent on a proper food policy. What limits the measure of deficit financing that can be undertaken is not finance as such but the danger of larger money incomes generating inflationary pressures which might affect adversely the economy as a whole. Only to the extent that these latter are controlled and the supply and distribution of foodgrains and other essential commodities at reasonable prices arranged can deficit financing for fuller employment be safely proceeded with.

NEED FOR CONTROLS

In view of the above factors it is considered that the basic structure of food controls must be kept intact during the period of the Plan. Our considered view is until the domestic production of foodgrains has been stepped up to the extent of 7.5 million tons or so as envisaged in the Plan the country cannot be considered to have an adequate and assured food supply to meet its reasonable requirements. Controls might be relaxed or their form altered after the target of additional production has been achieved and adequate transport facilities have been created to ensure the expeditious movement of foodgrains from

one part of the country to another. To what extent such relaxation or changes could be made will depend upon the investment targets then in view.

Cities and towns above a certain size, which may vary from State to State, must be statutorily rationed and the needs of highly deficit areas like Travancore-Cochin must be similarly looked after. A system of controlled distribution through non-statutory rationing should normally be adequate for other areas. The system of procurement may be either monopoly system or levy, according to suitability under local conditions, and arrangements should be made to secure increased flow of grains from surplus States.

Food control should be executed as an all-India policy. While there is room for differences in the details of administrative arrangements in the States, the objective of policy must be to secure from each surplus State the maximum it can make available to the common pool and to organise the procurement and distribution of grains in each deficit State so as to restrict its drawings from the Central pool to the minimum necessary. The responsibility for fixing procurement and issue prices and for co-ordinating the control policy of the States must remain with the Centre. Efficient administrative arrangements for maintenance of the system of controls are essential and the existing machinery should be improved.

CHANGE IN FOOD HABITS

Finally, considering the world shortage of rice and the high price that has to be paid for its imports, a change in the food habits of the people is highly desirable. The shortfall in the country's rice production is not more than 2 or 3 per cent of the total needs and it should not be difficult to make good this deficiency by substituting wheat or supplementary foods to a moderate extent in the customary diet of the people for rice.

LAND POLICY

The future of land ownership and cultivation is perhaps the most fundamental issue of national development. The pattern of economic and social organisation will depend upon the manner in which the land problem is resolved.

It is necessary, on the one hand, to achieve agricultural targets in the Five-Year Plan and on the other, the land policy should be such as will reduce disparities in wealth and income, eliminate exploitation, provide security for the tenant and the worker, and finally, promise equality of status and opportunity to different sections of rural population. The achievement of these aims is an essential part of the purpose of the Five-Year Plan.

Proposals for land reform in the Plan are made with reference to the principal interests involved, namely (1) intermediaries, (2) large owners, (3) small and middle owners, (4) tenants-at-will and (5) landless workers. Intermediary rights have been abolished or are in the process of abolition in States in which they exist. Administrative arrangements for areas formerly under zamindari need special attention and, in particular, in these areas, a good system of village records should be organised.

As the information at present available concerning the ownership and cultivation of land is extremely incomplete and defective, it is proposed that during 1953 all States in India should co-operate in undertaking a special census of land holding and cultivation.

LAND OWNERSHIP

On the ownership of land the Commission has made some very important recommendations. These aim primarily at (a) the fixation of an upper limit to land holdings, (b) provision of facilities to large owners who do cultivation themselves, (c) enactment of legislation to maintain cultivation at a certain level of efficiency and (d) encouragement of co-operative methods for cultivation by small and middle owners. These recommend-

ations are intended, first, to reduce the existing disparity in land holdings and, secondly, to ensure that necessary conditions are created for efficient agricultural production.

FIXATION OF UPPER LIMIT

The Commission has suggested that there should be an upper limit to the amount of land that an individual may hold. The upper limit suggested by the Commission should apply to resumption of land for personal cultivation as well as for future acquisition. The Commission says: In relation to land (as also in other sectors of the economy) individual property in excess of any norm that may be proposed has to be justified in terms of public interest and not merely on grounds of individual rights or claims.

The criteria which should determine this limit may be various, including the valuation of land revenue, of the gross or the net produce of the land or the lease value of the land. One of the methods suggested is to consider multiples of a family-holding as a determining factor. A family-holding may be defined briefly as being equivalent, according to the local conditions, either to a plough unit or to a work unit for a family of average size working with such assistance as is customary in agricultural operations. While the limit which may be appropriate has to be determined by each State in the light of its own circumstances, broadly speaking, three times the family-holding would appear to be "a fair limit."

SUBSTANTIAL HOLDERS

The Commission has made separate recommendations regarding land holdings by substantial owners and small and middle owners. In regard to substantial owners, that is, those who own large areas of land, the Commission's suggestions are that where land belonging to a substantial owner is cultivated by tenants-at-will, the general policy should be that in areas in excess of this limit the tenant should be encouraged to become the owner.

Where land is managed directly by substantial owners, two broad principles should be followed:

- (1) There should be an absolute limit to the amount of land which any individual may hold. This limit should be fixed by each State in the light of its own agrarian history and present problems. The census of land holding and cultivation proposed to be held during 1953 will furnish the data relevant to this decision.
- (2) The cultivation and management of land held by any individual owner should conform to standards of efficiency determined by law.

Each State should enact suitable land management legislation, laying down standards of cultivation and management and imposing specific obligations.

Substantial farms under individual management may be divided into two groups, those which are so efficiently managed that their break-up would lead to a fall in production and those which do not meet this test. For the second category, the land management legislation should give to the appropriate authority the power to take over for the purpose of management the entire farm, or such portion of it as might be in excess of the limit for resumption of personal cultivation, and secondly, the right to arrange for cultivation of the land so taken over. For the cultivation of such lands, preference should be given to co-operative groups and to workers employed on lands which pass into the control of the land management authority.

SMALL AND MIDDLE OWNERS

As regards small and middle owners, the general aim of policy should be to encourage and assist small and middle owners to develop their production and to organize themselves, as far as possible, in co-operatives.

For small farmers it is of special importance that every State should have a programme for the consolidation of holdings

and, secondly, it should fix a minimum holding below which sub-division is not permitted.

TENANTS

The right to resume land for personal cultivation should be given only to those owners who wish to cultivate either themselves or through members of their families. A period may be prescribed—five years for instance—during which an owner may resume for personal cultivation. Failing this, the tenant should have the right to buy the land he cultivates on terms similar to those suggested for the tenants of the larger land-holders.

Tenants-at-will should ordinarily hold tenancies periods varying from five to ten years and tenancies should be renewable, resumption being permitted only if the owner himself wishes to cultivate.

In fixing the rent of land the main consideration is that, having regard to the expenses of cultivation and other risks, a fair wage remains for the cultivator. Rents have been already reduced in a number of States to the extent of being one-third or one-fourth of the produce. It is suggested that over the great part of the country a rate of rent exceeding one-fourth or one-fifth of the produce could well be regarded as requiring special justification.

LANDLESS WORKERS

Schemes of land distribution confer benefits primarily on those who are already cultivating as tenants. The movement for securing gifts of land has, therefore, special value, for a gift to the landless worker gives an opportunity not otherwise easily available to him.

It will be difficult to maintain a system in which, because of accidents of birth or circumstances, certain individuals are denied the opportunity of rising in the social scale by becoming cultivators and owners of land. The problem has, therefore, to be approached in terms of institutional changes. In

particular, it is necessary to work out a co-operative system of management in which the land and other resources of a village can be managed and developed so as to increase and diversify production and to provide employment to all those who are able and willing to work.

CO-OPERATIVE FARMING

Small and uneconomic holdings are at the root of many of the difficulties in the way of agricultural development. With the growing pressure on land, their number is increasing. It is, therefore, important that small and middle farmers, in particular, should be encouraged and assisted to group themselves voluntarily into co-operative farming societies. Suggestions for promoting development on this basis are set out in the Plan.

CO-OPERATIVE VILLAGE MANAGEMENT

The expansion of co-operative farming and co-operative activities generally will do much to develop the social and economic life of the village and will benefit small and middle farmers. It is, however, necessary to conceive of the scope of the rural reorganisation in wider terms. At the village level there is need for an organisation deriving its authority from the village community and charged with the main responsibility for undertaking programmes of village development. The village panchayat has an important role, for there are certain problems which none but the panchayat can deal with. These relate, for instance, to the enforcement of tenancy legislation, safeguarding the interests of landless tenants, provision of minimum holdings for small owners, selection of persons to be settled on lands taken over from the larger land-holders and the cultivation of village waste lands. It is suggested that the village panchayat should become the agency for land management and land reform in the village. Leasing of land to the extent permitted by law should be done, not directly, but through the village panchayat.

The primary object of co-operative village management is to ensure that the land and other resources of the village can

be organised and developed from the standpoint of the village community as a whole. Questions, such as rights of ownership, the basis of compensation or the rate of rent or ownership dividend to be allowed, would be determined by the prevailing laws of the State. Land management legislation would merely enable a village community to manage its entire land as if it were a single farm. The actual cultivation could be, according to what might be feasible, in family holdings, through small groups or through a combination of different methods. As techniques develop and occupations other than farming offer greater employment, an increasing number of operations could be undertaken co-operatively. There has to be a great deal of trial and experiment before the most suitable patterns of village organisation are evolved. It is important, however, to work towards a concept of co-operative village management, so that the village may become a vital progressive and largely self-governing base of the structure of national planning and the existing social and economic disparities resulting from property, caste and status may be obliterated.

CENTRAL ORGANISATION FOR LAND REFORMS

The establishment by the Central Government of a land reforms organisation which will be concerned with the evaluation of land reform programmes, investigations into land problems, study of the experience of co-operative farming in different parts of the country, collection of accurate data and the maintenance of a continuous record of information concerning the progress of the land reforms programmes adopted by the States, is recommended in the Plan.

IRRIGATION AND POWER

The Commission's recommendations regarding irrigation and power projects involve the utilisation of both surface water as well as sub-soil water. The programme covers multi-purpose irrigation projects, minor irrigation works, tubewell construction and, on the hydro-electric side, generation of power from water resources.

Examination of the new irrigation and power projects that are under construction or under investigation or even only under consideration throughout the country shows that it will cost about Rs. 2,000 crores to construct all those projects which will add 40 to 45 million acres to the area now under irrigation and create additional power generation capacity of about 7 million kwts. "We are convinced", the Commission says, "that it is only by the implementation of a programme of this magnitude and by intensive measures for improving the standard of agricultural practice and for the promotion of cottage and small-scale industries in addition to large-scale industries that an appreciable rise in the standard of living in the country can be achieved."

While the optimum requirements should be clear enough, the minimum programme necessarily has to be drawn up to suit the resources available for the purpose. Already, a large number of irrigation schemes are on hand. The first Five-Year Plan, therefore, aims mainly at the completion of the projects under construction in 1951. By the end of March 31, 1951, an amount of Rs. 153 crores has already been spent on these projects.

NEW PROJECTS INCLUDED

As regards new projects it is not possible, the Commission says, to take up any of them in the first three years of Plan. But during the latter period of the Plan, it is necessary to take up some of them as, unless new works are taken up, it will not be possible to utilise to the full the technical and other resources built over a number of years. Therefore, although the new projects now included in the Plan would cost a total of 40 crores during the Plan period, their inclusion in the Plan will secure continuity of development from the first to the second Five-Year Plan.

These new projects are the Kosi, Koyna, Krishna, Chambal and Rihand. The stages which will be taken up and the other

details are given in the statement below:

| Name of Project | Area served | Total estimated cost (Rs. lakhs) | Ultimate benefits | |
|---------------------------------|---------------------------|-------------------------------------|-------------------------|-----------------------------|
| | | | Irrigation 000 acres | Power Kw installed |
| Kosi (Stage I) | Bihar & Nepal | 66,00 | 2,620 | 40 also flood control |
| Koyna (Stage I) | Bombay | 33,00 | — | 240 |
| Krishna (scope not yet defined) | Madras & Hyderabad | Not available | | Not available |
| Chambal (Stage I) | Madhya Bharat & Rajasthan | 33,75 | 12,00 | 80 |
| Rihand | Uttar Pradesh | 35,00 | — | 240 |

The total costs of these projects will be over Rs. 200 crores, out of which it might be possible to spend Rs. 40 crores during the period of the Plan.

PROJECTS ON HAND

The First Five-Year Plan aims mainly at the completion of projects already under construction. These are estimated to cost, on completion, Rs. 765 crores. Upto March 31, 1951, an expenditure of Rs. 153 crores had already been incurred on them. During the Plan period, it is proposed to spend, in all, a sum of Rs. 558 crores on them.

These are calculated to irrigate an additional area of 8.5 million acres in the last year of the Plan and to generate 1.08 million kwts. of additional power. After completion and the full development of these projects, the total addition to the area irrigated will be 16.7 million acres and to power 1.4 million kwts. The annual expenditure and the likely benefits from all the

projects year by year would be as follows:

| Year | Expenditure (Rs. crores) | Additional (acres | Irrigation Progressive) | Additional Power (Kw.) Total over 1950-51) |
|------------|-----------------------------|----------------------|----------------------------|---|
| 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 Scheme | 40 | | | |

MINOR IRRIGATION WORKS

In the sphere of minor irrigation works, the Commission has suggested considerable addition. Minor irrigation works for agricultural development were estimated to cost Rs. 47 crores and to irrigate an area of 11 million acres by 1955-56. The Commission has now recommended that another Rs. 30 crores should be spent on minor and medium irrigation works.

NATIONAL POLICY

In matters concerning irrigation and power, the Commission emphasises the need for following a national policy on an all-India basis. In the first place, it is not in all parts of India that facilities exist for irrigation but where they exist they should be fully developed in the interest of the food requirements of the nation as a whole. Secondly, to tackle the more difficult engineering and other problems connected with multi-purpose works, it is necessary to pool the best talent and resources available in the country. Thirdly, river valleys are not confined to State boundaries and therefore the development schemes have to be properly co-ordinated. Finally, the huge financial outlay which each project calls for is clearly beyond the resources of particular States and can be taken up only if Central assistance is made available.

* Excludes benefit from new schemes.

WATER RATES

As regards water rates, the Commission analyses all the various forms of charges at present made by the State Governments and makes the following suggestions: Where the demand for irrigation fluctuates from year to year and the available supplies are not always fully utilised, the levy of an irrigation cess is justified. Where water rates were determined many years ago and there has since been a considerable increase in the value of crops produced there is justification for an increase in these rates. In fact, it would be a sound practice to fix water rates on a sliding scale as a definite relation to the value, from time to time, of the out-turn from irrigated crops.

BETTERMENT LEVY

The Commission recommends that from all areas brought under irrigation a betterment contribution should be levied. This should represent a portion of the addition to the market value resulting from the provision of irrigation facilities. There is, in its view, a strong case for the State to share in the unearned increment.

IRRIGATION FUND

The Commission further suggests the creation of an Irrigation Development (Ways and Means) Fund, by each State Government into which a definite sum of money could be paid every year either from general revenues or from loans or savings and to which should be added loans and grants, if any, from the Central Government and the proceeds of betterment levy, increase of water rates, etc. This Fund should be a non-lapsable one and all expenditure on irrigation and power projects should be met from it. This would enable other projects to be taken up after full investigation and executed according to a definite programme.

For new irrigation or power projects, the Commission has suggested a special procedure under which priorities should be given to them on an all-India basis by a Special Committee, the personnel of which is indicated in its Report.

PUBLIC CO-OPERATION

The role of public co-operation in connection with the construction of major irrigation projects has been specially emphasised by the Commission. It has stressed that the people in every area should be made to feel that the project is included in the Plan for their own improvement and they should make special sacrifices for getting it completed. It has been suggested that the work of excavating canals should be done on a system of co-operatives by the villagers working on the canals in their own villages and not on the basis of work being let to contractors, thereby eliminating middlemen's profits.

INDUSTRIAL DEVELOPMENT AND POLICY

Although agricultural development, including the building up of the necessary basic services like irrigation and power, has the highest priority in the Five-Year Plan, this does not mean that Industrial development as such is less important. Improvement in agriculture itself cannot proceed beyond a point unless the surplus working force on the land is progressively diverted to industries and services. The productivity of labour in industry is much higher than in agriculture and this also points to the need for rapid industrial development. Further, in an underdeveloped country the surpluses created in the industrial sector are likely to be available for investment more easily than surpluses in the agricultural sector. There is need over a period for an increasing diversification of the occupational structure through development of industry, trade and transport.

INDUSTRIAL POLICY

Government's policy in the sphere of industrial development has been stated in the industrial policy resolution of April, 1948. Certain industries, like arms and ammunition, the production and control of atomic energy and railways are reserved exclusively for the Central Government. In the case of certain others such as coal, iron and steel, aircraft manufacture, ship-building, telephone, telegraph and wireless apparatus and mineral oils, further development has to be the responsibility

of the State except to the extent that co-operation of private enterprise is felt to be necessary. The rest of the industrial field is left to private enterprise, individual and co-operative, but Central regulation and control are envisaged for certain specified industries which are of special importance from the point of view of the investment and technical skills involved.

The scope and need for industrial development are so great that it is best for the public sector to concentrate at this stage on the development of those industries in which private enterprise is unwilling or unable to put up the resources required and to undertake the necessary risks. Nationalisation of existing enterprises is of little advantage as most of the purposes in view can be served by judicious regulation.

The principal object of the Industries (Development and Regulation) Act 1951 is to enable Government to implement its policy for the development and regulation of industries along the lines stated above. The suggestions made by the Planning Commission with reference to the Bill which was under consideration last year have been incorporated in the Act. The Act applies to 37 industries.

The following general order of priorities has been suggested:

- (a) Fuller utilisation of existing capacity in producer goods industries like jute and plywood and consumer goods industries like cotton textiles, sugar, soap, and vanaspati;
- (b) Expansion of capacity in capital and producer goods industries like iron and steel, aluminium, cement, fertiliser, heavy chemicals, machine tools, etc.;
- (c) Completion of industrial units on which considerable capital expenditure has already been incurred; and
- (d) Establishment of new plants for industries like the manufacture of sulphur from gypsum, or pulp for rayon or scrap for non-ferrous metals so as to increase the supply of key materials vital for industry.

This scheme of priorities indicates the broad lines along which available resources have to be directed during the period of the Plan. There will undoubtedly be further factors to be taken into account in deciding particular cases. The licensing procedure prescribed in the Industries (Development & Regulation) Act 1951, will, it is hoped, ensure a careful and unbiased consideration of the issues involved in the establishment of any new undertakings or substantial expansion of the existing ones.

DEVELOPMENT IN THE PUBLIC SECTOR

The Plan provides for an expenditure of Rs. 94 crores on industrial projects under the Central and State Governments. The projects already under implementation in the public sector will be completed and provision has been made for a new iron and steel project estimated to cost Rs. 30 crores up to 1955-56 and Rs. 80 crores in all over a period of six years. Towards this project, Government will provide Rs. 15 crores and the rest will be secured through participation of indigenous and external capital. Most of the industrial projects in the public sector relate to the manufacture of capital goods or of intermediate products of vital importance from the point of view of immediate needs as also in terms of future economic development. In addition to this expenditure of Rs. 94 crores, the Plan provides a sum of Rs. 50 crores for the development of basic industries, including ancillary transport facilities.

MANAGEMENT OF PUBLIC ENTERPRISES

The standards of performance expected of public enterprises have to be even more rigorous than those applied to enterprises run by private agencies. The aim should be to secure in public enterprises the flexibility in operation which characterises private enterprise together with greater technical efficiency and responsiveness to public need.

DEVELOPMENTS IN THE PRIVATE SECTOR

The initiative and responsibility for securing the necessary expansion over the bulk of the field of industry rest with private

enterprise. The Commission has worked out detailed programmes for 42 organised industries in close consultation with representatives of the industries concerned.

The total capital investment necessary for industrial expansion in the private sector is estimated at Rs. 233 crores. About 80 per cent of this investment would be in respect of capital goods and producer goods industries. The major ones among these are iron and steel which is estimated to take up about Rs. 43 crores, petroleum refineries which will involve an expenditure of Rs. 64 crores, cement estimated to cost Rs. 13 crores, aluminium expected to take up Rs. 9 crores, fertilisers, heavy chemicals and power alcohol estimated to cost about Rs. 12 crores. In the case of consumer goods industries, the emphasis is mainly on increased production through fuller utilisation of the existing capacity. Considerable investment is, however, envisaged in certain new lines such as rayon, paper and drugs and pharmaceuticals. Moderate expansion of capacity in respect of cotton and woollen yarn is also envisaged. Additional electric power generation in the private sector will involve an expenditure of Rs. 16 crores in the five-year period.

INDUSTRIAL DEVELOPMENT 1951-56: A RESUME

The total investment for financing the expansion in the public and the private sectors is estimated at Rs. 327 crores, Rs. 94 crores for the public sector and Rs. 233 crores for the private sector. In addition, expenditure on replacement and modernisation might amount to something like Rs. 150 crores. Taking into account the investment needed by way of working capital and certain other items, the overall requirements of finance amount to about Rs. 707 crores.

The targets for the industrial programme worked out by the Commission are as follows:

| | Production in 1950-51 | Production aimed at in 1955-56 |
|-------------------------------|--------------------------|-----------------------------------|
| Iron and Steel | | (In lakhs of tons) |
| Pig iron | 15.7 | 19.5 |
| Finished steel | 9.8 | 12.8 |
| Cement | 26.9 | 45.0 |
| Aluminium | 3.7 | 12.0 |
| Fertilisers | | |
| Ammonium sulphate | 46,500 tons | 450,000 tons |
| Superphosphate | 58,100 " | 180,000 " |
| Locomotives | — | 170 |
| Machine tools | 1,100 | 4,600 " |
| Petroleum refining | | |
| Liquid petroleum | N. A. | 430 million gallons |
| Bitumen | N. A. | 37,500 tons |
| Cotton Manufactures | | |
| Yarn | 1176 million lbs. | 1640 million lbs. |
| Mill cloth | 3708 million yards | 4700 million yards |
| Handloom | 810 million yards | 1700 million yards |
| Jute manufactures | 892,000 tons | 1200,000 tons |
| Agricultural machinery | | |
| (a) Pumps, powerdriven | 34,300 | 85,000 |
| (b) Diesel engines | 5,500 | 50,000 |
| Bicycles | 99,000 | 530,000 |
| Power Alcohol | 5 million gallons | 18 million gallons |

The fulfilment of the targets set forth above will depend to a great extent on the ability of the private sector to implement the programmes scheduled. This in turn depends mainly on the availability of finance. Since there are large demands on the limited savings available in the country, it will be necessary during the period of the Plan to canalise available capital into high priority lines through control of capital issues. Licensing of industrial undertakings will also assist in directing in-

vestment along desired lines. These controls are apt to operate somewhat negatively and will need to be supplemented by a system of incentives, fiscal and others, to encourage expansion in defined lines.

FOREIGN CAPITAL

Government's policy in regard to foreign capital already contains assurances as to non-discrimination, reasonable facilities for transfer of profits and repatriation of capital and of fair and equitable compensation in the event of nationalisation. It is desirable that foreign investment coming into the country is channelled into fields of high priority. The broad principle to be followed is that foreign investment should be permitted in spheres where new lines of production are to be developed or where special type of experience and technical skill are required or where the volume of domestic production is small in relation to demand, and there is no reasonable expectation of the indigenous industry being able to expand at the desired rate. Agreements for joint-participation between foreign and Indian concerns should be subject to the approval of Government.

VILLAGE INDUSTRIES

The main approach towards the development programme of village industries is that such programmes must develop a great deal of local initiative and co-operation and an economic environment should be created in which they have reasonable chance of succeeding. Secondly, the various factors that have led to the decay of village industries in the past should be examined and the programme must ensure that these causes are removed, as far as possible.

Village industries can develop if they become the concern of the village community functioning as an organised group. So long as villages worked as self-sufficient units, goods and services were mutually exchanged but with the development of large-scale industries and the availability of imported goods, the demand of the products of the local artisans has been stea-

dily reduced. The village organisation has, therefore, to be remodelled to suit the changed conditions. What exact pattern this organisation shall take can only be determined after a series of experiments has been made. Government should assist in carrying out such experiments with a view to evolving a pattern of organisation which should be capable of discharging the obligation of providing employment to all the workers in the village.

Other useful methods are organisation of industrial co-operatives and supply of assistance to public institutions which have long records of valuable work and experience in the field of village industries.

CENTRAL ORGANISATION

In the Central sphere there is need for an organisation which will give close attention to the problems of village industries and help to create favourable conditions for action by the State Government, constructive organisations and village co-operatives. Such an organisation should be a board outside the departmental machinery of the Government and composed of experienced workers in the field of khadi and village industries and a few representatives of the Central Government. The Central Government is shortly constituting a Khadi and Village Industries Board for executing programmes of khadi and village industries. In the States also, there should be similar organisations for working in collaboration with the Central Organisation.

STATE POLICY

The primary objective of State policy should be to provide for a field within which each cottage industry may be able to organise itself. Wherever a large-scale industry competes with a cottage industry, the appropriate course should be to formulate a common production programme taking into consideration factors such as efficiency of production, the social aspect and the employment aspect.

The principal elements in a common production programme are :

- (1) reservation of spheres of production;
- (2) non-expansion of the capacity of large-scale industry;
- (3) imposition of a cess on large-scale industry;
- (4) arrangements for the supply of raw materials, and
- (5) co-ordination of research, training, etc.

The common production programme for an industry necessarily implies a measure of control by the Government especially over the organised side of the industry.

Some of the other important recommendations in the sphere of State policy are :

- (a) extension of the reserved field of handloom industry;
- (b) reservation of the production of edible oils through village industry and non-edible oils through oil mills;
- (c) non-expansion of the capacity of large-scale processing industries, except under certain conditions;
- (d) gradual elimination of rice mills of the huller type;
- (e) imposition of a small cess on mill cloth and mill oil for the development of khadi and handloom industries and village oil industries.

SUPPLY OF RAW MATERIALS

The Government should assure the supply of controlled raw materials to cottage industries. For the supply of uncontrolled raw materials to cottage industries, Government should supply finance and even resort to requisition, if need be.

RESEARCH

Research and training in village industries is of utmost importance. As a first step in this direction, it will be necessary to bring to light problems, on which research is most needed.

In view of the prospect of rural electrification in several parts of the country during the next few years, there is need for evolving machines worked by power suitable for small-scale operations.

A Central Institute for Research on problems of village industries should be set up. This should be worked out by the proposed Khadi and Village Industries Development Board in consultation with other agencies concerned. A high priority should be given to this Institute in the provision of funds. For training village artisans in improved techniques, production-cum-training centres and rural workshops adopted in U.P. may be organised by State Governments.

A provision of Rs. 15 crores has been made for the improvement of village industries and other small industries. The problem of finance should be viewed as one inseparable from finance for agriculture. Given the necessary organisation, Government should assist co-operative societies which lend money by guarantees and in other ways. With the establishment of industrial finance corporations in different States—a process which itself should be hastened—it may be possible for Government to render much greater assistance to village industries than hitherto.

Detailed development programmes for the following 10 village industries have been drawn up in consultation with experts:

1. Village oil industry,
2. Soap-making with neem oil,
3. Paddy husking,
4. Palm gur,
5. Gur and Khandsari,
6. Leather,
7. Woollen blankets,
8. High-grade hand-made paper,
9. Bee-keeping and
10. Match.

The Khadi and Village Industries Board should take further action on these programmes in consultation with the State Governments and other organisations engaged in the field of village industries.

SMALL INDUSTRIES AND HANDICRAFTS

The field of employment being limited both in public service and large-scale industries and allied fields, the development of smaller industries will afford opportunities for trained and educated persons to engage themselves in some useful occupation. The planned development of small industry is a task of immense magnitude and importance and the Central Government has, as a first step, undertaken to prepare programmes for a few industries such as manufacture of woollen goods, sports goods, agricultural implements, brassware and bell metal, cycle parts, etc. It is suggested that definite programmes for the principal small industries may be worked out in co-operation between the Centre and the State Governments. Along with measures to create or maintain demand for the products of small industries, the need to change methods of production and organisation has also to be emphasised.

HANDICRAFTS

In addition to meeting luxury demands for artistic wares, the utility possibilities of handicrafts should be developed as fully as possible. If the artisan is to become less dependent on middlemen and technical knowledge and guidance are to be carried to him, the two lines of advancement have to be, in the view of the Commission, (a) formation of co-operatives and (b) formation of associations in each established handicraft centre with co-operatives as well as individual workers. The Central Government should consider the establishment of a separate institute for research in handicrafts to work in co-operation with arts and crafts schools, institutions like the Santineketan and the industries departments in the States.

HANDLOOM INDUSTRY

Small industries may be divided into three groups, viz. (1) those which are not affected by large-scale industry, (2)

those which are supplementary to a large-scale industry and (3) those which are competitive to a large-scale industry. Of the third type, the best example is the handloom industry. Although the entire subject of protection for this industry is being reviewed by a committee appointed by the Central Government, as an interim measure for relief, certain lines of production have been reserved for the handloom weaver.

The Commission also suggests that the Central Government should arrange for the early consideration of how the principle of common production programmes should be applied in detail to different industries so that, in turn, the development of small-scale industries can be pursued on a planned basis.

The demand for products of small industries could be developed by (1) stores purchase and (2) replacement of imports.

The most important method of developing small-scale industries is to establish either small new townships or to extend existing towns and provide sites, services, power, etc. With the funds provided in the Plan for Community Projects and under other heads, it would be possible to create a number of centres for small industries.

RESEARCH

For improving the technique of small industries of the modern type, it is suggested that the Central Government should arrange, in consultation with the State Governments, for the opening of special research sections for the small industries in research institutes associated with individual large-scale industries.

FINANCE

From the point of view of some States having small resources, it is suggested that the Central Government should consider the possibility of making regional arrangements for the establishment of industrial finance corporation to provide finance for small and medium industries.

COMMERCIAL POLICY

Commercial policy has to be adjusted in such a way as to serve the ends of the Plan. The policy, the Commission says, must have the following objectives:

- (a) It must help to fulfil the production and consumption targets in the Plan;
- (b) The accent of policy throughout must be on maintaining a high level of exports;
- (c) The deficits in balance of payments must be kept within the foreign exchange resources at the disposal of the country in any given period;
- (d) The composition of exports as well as of imports must, as far as possible, fit in with the fiscal and price policies which have to be followed for the implementation of the Plan; and
- (e) There must be, to the extent practicable, a measure of continuity in policy so that trade relations with other countries in respect of exports and imports and the plans of domestic industry and trade are not frequently disturbed.

EFFECT ON TRADE

The effects of Partition and post-war developments on India's foreign trade have already set certain patterns in the volume, composition and direction of foreign trade. These are the contraction in the volume of exports, increased dependence on imports of food and raw material, lag in replacements of machinery and capital equipment, excessive reliance on a few markets partly on account of insufficient diversification of exports, and the imbalance in the trade with the dollar area. While the existence of these trends naturally restricts in the initial stages the scope for making any radical changes in policy, the Plan itself is designed to meet some of these problems to a cer-

tain extent. The higher production of agricultural raw materials like jute and cotton provided for in the Plan will reduce the dependence on imports and increase the exportable surplus of jute goods and cotton textiles.

VOLUME OF TRADE

It has been estimated that the volume of India's exports is likely to increase by nearly 30 per cent by 1955-56 as compared to 1948-49 and by over 10 per cent as compared to 1950-51, which was a boom year for exports. The volume of imports for 1955-56 will, on the other hand, be about 18 per cent more than in 1950-51, when imports were on a somewhat smaller scale than usual on account of international conditions, but only 3 per cent more than in 1948-49 when the Open General Licence for imports was in full operation. The relatively smaller increase envisaged in the case of imports is a measure of the rigorous import controls on consumer goods that have been assumed in the estimates, the Commission observes.

EXPORTS

The increase in exports is expected to take place mainly in cotton piecegoods, jute yarns and manufactures, manganese ore, oils, coal and coke, black pepper, tobacco, coir manufactures and woollen manufactures. In addition, there are a number of newly developing lines of exports which are expected to show significant progress in the five-year period, e.g., sewing machines, textile machinery, electric fans, bicycles, storage batteries, small machine tools, dry cells, soaps, chemicals, matches, cement, and paper and paper boards. To encourage this diversification of exports, particularly of unmanufactured articles, it would be desirable to simplify and extend, as far as possible, the system of granting rebates of import duty on raw materials used in manufactures.

Efforts will have to be made to increase the volume of exports not only to the dollar area but also to other countries which are in a position to supply the imports required for the implementation of the Plan. The objectives of commer-

cial policy must be to maximise, in step with other countries, the volume of world trade. As long as conditions are not favourable for multilateral trading to achieve this, the objective will have to be pursued as best as is possible by mutual agreement as between groups of countries for expanding the volume of trade between them, and commercial policy in the Plan period will have to be adjusted accordingly.

Thus, apart from the possibility of having to maintain and enter into bilateral or zonal agreements, it would be necessary also in the period of the Plan to have a close regulation of imports and exports. While continuity of policy is essential in the administration of import and export controls, it cannot be gainsaid, the Commission observes, that without controls in a vital sector like foreign trade the country will not be able to utilise to the maximum advantage the resources available to it for development.

EXTERNAL ASSISTANCE AND COMMERCIAL POLICY

In this broad pattern of foreign trade that is likely to emerge as a result of the Plan, it is necessary to stress that if external resources are not forthcoming to supplement the normal foreign exchange earnings of the country and the agreed releases from the sterling balances, the balancing of extrnal accounts will be placed under strain in the Plan period. This will inevitably have its repercussions on commercial policy and, in fact, on every aspect of the economy. If, on the other hand, supplementary external resources become available, responsibility of another kind will be placed on the conduct of commercial policy. By appropriate adjustments in exports and imports, it will be the function of commercial policy to ensure the most effective utilisation of such resources without adversely affecting either the domestic industries or the country's export prospects in the future.

LABOUR

Labour problems should be approached from two angles: the welfare of the working class and the country's economic

stability and progress. The basic needs of the worker for food, clothing and shelter must be satisfied. He should also enjoy improved health services, wider provision of social security, better educational opportunities and increased recreational and cultural facilities. The conditions of work should be such as to safeguard his health and protect him against occupational and other hazards. He should be treated with consideration by the management and he should have access to impartial machinery, if he fails to get a fair deal. Finally, he should have freedom to organize and adopt lawful means to promote his rights and interests.

Most of these rights have been recognized and have found a place in the Constitution. The Central and State Governments are alive to them. Some of the laws relating to factories, trade unions and compensation for injury and death have existed for a long time; but the pace of progress has quickened since the achievement of Independence and many measures for the welfare of workers have been introduced. Mention may be made of Coal Mines Provident Fund and Bonus Scheme Act, the Minimum Wages Act, the Employees' State Insurance Act of 1948, the Plantation Labour Act 1951, the Mines Act and the Provident Fund Act of 1952. In addition to the funds allotted to housing and to the resettlement schemes for landless agricultural workers, over 6.74 crores of rupees are intended to be spent on labour welfare during the period of the Plan, both by the Central and State Governments.

The recommendations made in regard to labour fall under the following heads:

- (i) Industrial Relations,
- (ii) Wages & Social Security,
- (iii) Working Conditions,
- (iv) Employment & Training,
- (v) Productivity.

INDUSTRIAL RELATIONS

Private sector—The targets of the Plan in the industrial sector require harmonious relations between capital and labour. Economic progress, in other words, is bound up with industrial peace. Industrial relations must be so developed as to enable the worker to take a greater share in the working of the industry. The worker's right to association, organisation and collective bargaining should also be accepted as fundamental to the mutual relations of labour and capital. Trade unions should, therefore, be welcomed and helped as part and parcel of the industrial system. When differences arise, they should be settled in a spirit of reasonable compromise, keeping the good of industry and the welfare of the community in view. As a last measure, differences should be resolved by impartial investigations and arbitration. There should be no appeal from decisions of an industrial court or tribunal barring the very exceptional case of a decision which may be found to be perverse or against the principles of natural justice.

Avoidance of disputes—In order to avoid disputes, the duties and responsibilities of employers and workers should be laid down in specific terms. Every industrial undertaking should, therefore, have a manual of instructions for different classes of operatives. A procedure should be laid down to enable workers to approach the authorities at different levels for the redress of their grievances. They should also be kept in touch with the state of the industry and the affairs of the establishment in which they work. Similarly, they should be informed of any change that may affect their interests. The employees must also be able to indicate their desire for a change in the conditions of work. This will prevent precipitate action. Direct action on either side, which violates this obligation, should be punishable by law.

Settlement of disputes—Work committees should be set up for settlement of differences on the spot, while joint committees should function for a centre and for the industry as a whole to tackle questions of wider import.

Collective bargaining can be successful only if the workers have organised strength and the employers a genuine desire for settlement. Should a dispute continue, the State must step in with an offer of conciliation. In major issues, it may be necessary to appoint *ad hoc* or standing conciliation boards. Panels may be formed of non-official conciliators also.

Role of trade unions and employers' associations—For the successful execution of the Plan, the co-operation of the trade unions and employers is indispensable. Such co-operation can take several forms. For instance, by discussing the Plan with the unions and employers, enthusiasm for the Plan can be created among them. Again, the unions can help in the maintenance of industrial peace, and in avoiding interruption of work and in increasing production while the Plan is being executed. The employers can also consult the workers on the employment of new machinery, methods of production and reduction in the costs of production.

WAGES AND SOCIAL SECURITY

Wages—In recent years prices have risen rapidly. Industrial profits have also increased considerably and organised labour has obtained substantial increases in wages. To check inflation, however, profits and wages will need to be controlled to some extent during the period of the Plan.

Concerning the wage policy which should guide the wage boards or tribunals, the principle should be to reduce disparities of income. The worker must have his due share in the national income; and the standardisation of wages should be accelerated and extended. The differences in wages between various jobs should be ironed out as far as possible, except when they are justified by differences in skill, training and experience, mental and physical requirements, attendant hazards, etc. Furthermore, a scientific assessment should be attempted of the relative work-load in different occupations and industries. Full and effective implementation of the minimum wage legislation is to be secured during the five-year period. Depressed areas are to receive prior attention. In view of paucity of data and

administrative difficulties, a limited beginning should be made with regard to the fixation of minimum wages for the agricultural workers and the scope extended as the experience is gained. At the same time, the question of profit sharing and bonuses should be studied with the help of experts from foreign countries and organisations. The payment of bonuses in cash should be restricted and the balance should go towards the workers' savings.

Finally, the constitution of permanent wage boards on a tripartite basis is visualised at the Centre and in the States to deal with wage problems, collect data and review the position from time to time for purposes of wage adjustments.

The Workmen's Compensation Act and Maternity Benefits Acts of the various State Governments cover some of the risks to which the worker is exposed. The Employees' State Insurance Act is a more comprehensive measure and insures risks of sickness, maternity and injury during employment. In view of its novelty and the administrative and other difficulties, efforts should be directed during the period of the Plan simply to the proper implementation of this Act and to putting it on a sound and sure foundation.

The Provident Fund Act, 1952 is another measure which provides for the future of the workers and it applies at present to six major industries. A programme for its extension to all the industries employing 50 or more persons should be drawn up.

WORKING CONDITIONS

The working conditions in factories require to be improved considerably. On the legislative side the Factories Act, 1948, the Plantation Labour Act 1951, and the proposed legislation to regulate work in shops and establishments, and motor transport services are sufficient for the purpose.

EMPLOYMENT AND TRAINING

The proper utilisation of manpower is a question of utmost national importance, because production depends upon a steady

flow of labour of requisite skill in required quantities. Although some progress has been made in this direction by the organisation of an employment service and provision of more facilities for training of workers, still much remains to be done. Recruiting arrangements need to be improved; an enquiry should be conducted in regard to the exchange organisation in order to put the system on a sounder footing; a beginning should be made in conducting manpower surveys; and better co-ordination of the training facilities should be brought about and proper tests and standards for technical training should be laid down.

In order to reduce costs of production, rationalisation in industries where labour is surplus to requirements should be carried out subject to certain safeguards in the interests of workers. The main safeguards necessary are: musters should be standardised and work-loads should be fixed on a scientific basis; surplus workers should be given employment in other departments; gratuity should be offered as an inducement to retire voluntarily; the workers should be offered facilities for retraining for other occupations, the Government bearing the cost of training and the management undertaking responsibility for the workers' maintenance. As far as possible, surplus labour should be utilised in the various Government projects. The gains of rationalisation should be shared between workers and employers.

TRANSPORT AND COMMUNICATIONS

Railways

In the programme for Transport and Communications, a little less than four-fifths of the total outlay is on railways.

The most serious problem facing the Indian railways today is the task of rehabilitation and provision of adequate equipment. When the railways were just emerging in 1937 from the effects of the economic depression of the thirties and were attempting to overtake the arrears of maintenance and development, the second world war intervened and interrupted this process. During the war, abnormal arrears of renewals and re-

placements accumulated and internal facilities for rehabilitation were appreciably curtailed. The Commission estimates that the total stock which will have reached the normal age for replacement by March 31, 1956 will, therefore, be 2,092 locomotives, 8,535 coaches and 47,533 wagons. In addition, the condition of the track has also deteriorated during the last two decades and this has to be rehabilitated.

With a view to eliminating dependence on external sources of supply, the Central Government has set up a workshop for the construction of locomotives at Chittaranjan at an estimated cost of about Rs. 15 crores. Although the eventual production target in this workshop is 120 locomotives and 50 spare boilers per annum; the Commission expects that during the period of the Plan, 300 locomotives will only be manufactured. The Government has extended financial assistance to the Tata Locomotive Engineering Company by participating in its capital structure to the extent of about Rs. 2 crores. About 200 locomotives are expected to be supplied by this firm during the Plan period.

In order to deal with the accumulated arrears of maintenance and rehabilitation and to provide for an immediate programme of development for meeting the minimum obligations of the railways as a public utility concern the Commission considers it necessary that the Railway Plan for the five-year period should provide for an average expenditure of not less than Rs. 80 crores a year or Rs. 400 crores in the aggregate. This will enable the railways to handle efficiently passenger and goods traffic at around present levels. In addition, a provision of Rs. 50 crores made by the Commission for basic industries and transport will also help the Railway development programme as a substantial part of this amount will be utilised on Railways.

Of the total expenditure of Rs. 400 crores, the contribution from the Central Revenues will be Rs. 80 crores and the balance of Rs. 320 crores will be raised by the Railways from their own resources.

SHIPPING

The development programme for shipping will increase the total gross registered tonnage in the coastal and overseas trade to about 600,000 by 1955-56. The Commission has recommended an amount of Rs. 15 crores as Central loan to shipping companies for purchase of ships. It also hopes that some assistance will be forthcoming from the International Bank for Reconstruction and Development for acquisition of additional tonnage, specially in view of the importance of carrying food.

PORT DEVELOPMENT

The present capacity of the five major ports of Calcutta, Bombay, Madras, Cochin and Visakhapatnam to handle cargo is about 20 million tons per annum excluding petroleum, country-craft and bunkers. This capacity is not sufficient to meet the demands of each traffic. Again, port development is necessary for the following other reasons:

(i) The need for rectifying the consequences of Partition and providing a natural outlet for traffic previously catered for by Karachi.

(ii) A large part of the equipment of ports is now antiquated and obsolete.

(iii) The Central Government has undertaken to provide port facilities for the petroleum refineries proposed to be set up at Bombay.

The above requirements have been kept in view by the Planning Commission in making its recommendations. For the Kandla port which would take over the traffic formerly handled by Karachi the cost during the Plan period is estimated at Rs. 12.05 crores. A sum of Rs. 8 crores is recommended to be spent for creation of port facilities for oil refineries and of alternative facilities for the existing establishments on the Butcher Island. For the modernisation and development of the five existing major ports—Bombay, Calcutta, Madras, Vishakhapat-

nam and Cochin—the Commission has recommended that the Government should advance loans to the extent of Rs. 12 crores during the plan period. This loan would be supplemented by the resources of the port authorities which have been estimated at Rs. 15.5 crores during the same period.

ROADS

The Five-Year Plan for the development of national highways provides for the completion of the work in hand and construction of 450 miles of new roads and 43 very large bridges besides a large number of small bridges. In addition, about 2,200 miles of roads will be improved. It is expected that about two-thirds of this work will be completed by 1955-56 and the rest will be in progress.

A sum of Rs. 27 crores over a period of five years has been provided in the Central Government's plan for the development of national highways. A separate provision of Rs. 4 crores has also been made in the Central Sector for the development of certain selected roads (other than national highways) for which financial liability has already been accepted by the Centre. Further, a sum of Rs. 21.15 lakhs will be spent on the Central Road Research Institute.

The total provision for road development in the Plan of the States is Rs. 73.54 crores, out of which Part 'A' States account for Rs. 50.59 crores, and Part 'B' States for Rs. 16.68 crores, the balance being for Part 'C' States.

CIVIL AVIATION

Civil aviation is another new line of development. It has been found that, under the present conditions of traffic load and intensity of operations, the existing air transport companies cannot work on an economic basis and that, to ensure such working, they should merge into a single unit. The Plan provides for a sum of Rs. 9.5 crores for the payment of compensation to the existing air companies, and for the purchase of new aircrafts.

POSTS & TELEGRAPHS AND TELEPHONES

A Rs. 50-crore development programme for posts, telegraphs and telephones has been recommended by the Commission. The main emphasis in this programme is on the provision of one post office for every village with a population of 2,000 or over and extension of facilities for telephones in the larger cities.

SOCIAL WELFARE

Social welfare programmes in the Plan deal with some of the major social problems. Vital sections of the community — such as women, children and youth as also the physically, mentally and socially handicapped sections of the population—have come in for consideration.

To combat trafficking in women and children and to abolish prostitution, the Plan recommends adequate legislation at the Central level with effective machinery for its enforcement to work in co-ordination with voluntary welfare agencies working in the field.

In regard to child welfare, reference is made of the need for specialised institutions to educate feeble-minded children, of child guidance clinics to guide problem children and of organising a large number of creches to look after children of working mothers. Another important recommendation in this respect is that of creating children's centres providing well equipped playground, library of juvenile literature, a theatre and facilities for developing child arts and crafts.

To deal with the major problem of delinquency a radical change from penal to correctional approach has been recommended. A progressive Children's Act should be sponsored throughout the country and institutions and personnel required for its implementation should be provided for. Some of the children's organisations of national character need to be strengthened to undertake more and better activities.

In view of the importance of family as the basic unit of the community, the Plan stresses the need for organising family welfare services, particularly amongst those sections of the population where the strain is felt most.

In respect of youth welfare it is proposed to promote a well-co-ordinated and powerful youth movement functioning through a national council of affiliated youth organisations. Encouragement to Scouts Movement is also indicated. These movements are now intended to be orientated towards the all-round development of youth as also towards mobilising their services for constructive nation-building activities.

A notable feature of the social welfare programme is that of national physical fitness. It is envisaged that an expert committee should evolve national standards of physical fitness for various age groups and for different climatic regions.

In the field of prevention and treatment of crime, a change in the current policies and programmes is advocated in accordance with the requirements of modern science of correctional administration. There is scope for adjustments in the existing penal administration but it is considered advisable to institute a national probation and after-care service which would be cheaper in cost and ensure the rehabilitation of the criminals.

While it is envisaged that within its limited resources the State will strive to undertake more direct responsibility in respect of social welfare than hitherto, the voluntary agencies will have to share the major burden in this matter. In order to strengthen, improve and extend the nature and scope of voluntary welfare activities a sum of Rs. 4 crores has been provided in the Plan. For the administration of this fund, the setting up of an independent Social Welfare Board has been suggested.

One of the important methods of bringing about progressive social change is social legislation. An appropriate machinery should be set up to examine the existing legislation and to suggest such new legislation as may be necessary.

BACKWARD CLASSES

In conformity with the letter and spirit of the Constitution of India, comprehensive programmes for the amelioration of scheduled tribes, scheduled castes and other backward classes have been suggested. Under Article 275 of the Constitution, a special financial grant is provided for the development of scheduled areas and welfare of scheduled tribes. In all, between the States and the Centre there is a budgetary provision of Rs. 37 crores for the all-round advancement of the backward communities.

A Backward Classes Commission is shortly to be appointed which may review the conditions of backward classes whether or not they have been scheduled, and make specific recommendations. The findings of this Commission are further likely to progress the current plan for the welfare of backward classes.

EDUCATION

The allotment for educational development in the Plan is Rs. 155.66 crores, which is 46 per cent of the total provision made on Social Services and 7 per cent of the total expenditure on the Plan.

Of this total provision, Rs. 39.02 crores relate to the programmes of the Central Government which will be carried out in co-operation with the State Governments. The amounts are proposed to be spent on higher education, especially in the field of technical education and on the all-India aspects of the problem of basic and social education, which need considerable experimental and research work to be done. In the field of technical education the emphasis is on the development of facilities for post graduate study and research; the consolidation of work at the under-graduate level; the provision of facilities for the study of certain special subjects like Printing Technology, Wool Technology, Silk Technology, etc. at the under-graduate level; facilities for Architecture and Town Planning; etc. Provision

has also been made for strengthening the study of humanities in universities. The establishment of a National Central Library at New Delhi is also under consideration.

In the field of basic education, it is contemplated to set up in each State at least one complete unit of basic education, from the pre-basic school to the post-graduate basic training college. The aim will be to carry on research in educational methods, prepare literature, etc. In the field of social education the special features are the development of school-cum-community centres, Janata Collegès for training of social education workers, production of literature and audio-visual aids.

PROGRAMMES OF THE STATES

The States programme involves an expenditure of Rs. 115.93 crores or Rs. 23.20 crores annually, which represents an increase of 27 per cent over the development expenditure of Rs. 18.31 crores in 1950-51. As the Central Government's provision is also to be spent mostly in the States it will go to augment the States' resources.

Most of the expenditure will be incurred for purposes of expansion at different levels. The results will be as follows in the various fields:

Primary Education—The number of primary schools will increase by 17 per cent and the number of pupils by 25 per cent. The corresponding increase in the Junior Basic Schools would be 22 per cent and 81 per cent. The number of pupils between the age group of 6-11 attending Primary and Junior Basis Schools will be 55.7 per cent as against 44.5 per cent in 1950-51.

Secondary Education—Secondary schools are estimated to increase by 18 per cent and the number of pupils by 32 per cent. The percentage of the age-group 11-17 being provided for will increase from 10.8 per cent in 1950-51 to 13.3 per cent in 1955-56.

Technical and Vocational Education—(Other than Industrial Schools)—The percentage increase will be 57 per cent in the case of institutions and 63 per cent in the number trained annually.

HEALTH

The health programme included in the Five-year Plan has the following priorities :

- (i) Provision of water-supply and sanitation,
- (ii) Control of Malaria,
- (iii) Preventive health care of the rural population through health units and mobile units,
- (iv) Health services for mothers and children,
- (v) Education and training and health education,
- (vi) Self-sufficiency in drugs and equipment, and
- (vii) Family planning and population control.

The medical and public health plans of the Central and State Governments amount to Rs. 97.6 crores of which the Centre's share is about Rs. 17.87 crores. The Centre will aid the States in higher education and research and in certain specific schemes.

Out of the total expenditure on medical programmes of Rs. 47.28 crores, more than 50 per cent will be on hospitals and dispensaries and nearly 40% will be for medical education and training. Schemes for medical education and training cover, in addition to the establishment of the All-India Medical Institute, the completion of new medical colleges in Assam, Bombay, Madras, Madhya Pradesh, West Bengal and Travancore-Cochin, upgrading of existing medical schools and provision of training for auxiliary medical personnel like nurses, mid-wives and compounders.

The execution of the schemes is expected to increase the total number of personnel trained as below:

| | Number trained | | Percentage of increase |
|--------------------|----------------|----------------|------------------------|
| | During 1950-51 | Ending 1955-56 | |
| Doctors | 2504 | 2782 | 11.1 |
| Compounders | 894 | 1621 | 81.3 |
| Nurses | 2212 | 3000 | 35.6 |
| Midwives | 1407 | 1932 | 37.3 |
| Vaidyas and Hakims | 914 | 1117 | 22.2 |

The increase in the number of hospitals and dispensaries and the number of beds in them, is anticipated to be as follows :

| | During 1950-51 | By 1955-56 | Percentage of increase |
|--------------------------------|----------------|------------|------------------------|
| Number of hospitals | 201 | 2062 | 2.4 |
| Number of dispensaries | | | |
| (urban) | 1358 | 1695 | 24.8 |
| (rural) | 5229 | 5840 | 11.6 |
| Number of beds in hospitals | 106478 | 117222 | 10.1 |
| Number of beds in dispensaries | | | |
| (urban) | 2013 | 2233 | 11.4 |
| (rural) | 5066 | 5582 | 10.2 |

The expenditure on public health programmes undertaken by the Central and State Governments is Rs. 50.38 crores. Water supply and drainage and anti-Malaria schemes account for the bulk of the expenditure. The development expenditure in 1950-51 will be increased nearly four times every year in the plan period.

Malaria is the most important public health problem in India and its control should be assigned topmost priority. An amount of Rs. 17.04 crores has been provided in the Plan for malaria control, of which Rs. 7.04 crores are earmarked for the State and Rs. 10 crores for the Centre. The operational programme in the malaria plan is based on the use of insecticidal residual spraying measures in rural areas protecting 200 million people and treatment with anti-malaria drugs. The plan also includes the construction of two

D.T.T. plants in order to ensure sufficient supply of D. D. T. at reduced costs. Financing of the project is to be the joint responsibility of the Central and the State Governments.

Tuberculosis is a major public health problem, next in importance only to malaria. The schemes generally relate to the provision of sanatoria, hospitals and clinics, increase in the bed strength and B. C. G. vaccination teams. Compared with 1950-51, the plan envisages the following increase by 1955-56:

| | 1950-51 | | 1955-56 | |
|-----------|------------------------|----------------|------------------------|----------------|
| | Number of institutions | Number of beds | Number of institutions | Number of beds |
| Sanatoria | 37 | 4,161 | 46 | 5,656 |
| 48 | 48 | 3,077 | 50 | 4,814 |
| Clinics | 127 | 2,323 | 180 | 2,562 |

Specific recommendations have also been made for control of venereal diseases, maternity and child welfare, medical education, research, etc.

The recent increase in the population of India and the pressure exercised on the limited resources of the country have brought to the forefront the urgency of the problem of Family Planning and population control. Family limitation is necessary and desirable in order to secure better health for the mother and better care and upbringing of the children. The Plan makes a provision of Rs. 65 lakhs for family planning measures. It suggests constitution of Policy and Research Committees and a Population Commission at a later date.

FAMILY PLANNING

The rapid increase in population and the pressure on the limited resources available have brought to the forefront the urgency of family planning. The application of family planning on general grounds has not been familiar. The main appeal for family planning is, however, based on considerations of health and welfare of the family. Family limitation or spacing of the children is necessary

and desirable in order to secure better health for the mother and better care and upbringing of children. Measures directed to this end should, therefore, form part of the public health programme.

All progress in this field depends first on creating a sufficiently strong motivation in favour of family planning in the minds of the public and, next, on providing the necessary advice and service based on acceptable, efficient, harmless and economic method or methods. But these presuppose (1) intensive studies about the attitudes and motivation affecting family size and techniques and procedures for the education of the public on family planning, and (2) field experiments on different methods of family planning as well as medical and technical research.

The programmes for family limitation and population control should:

- (a) obtain an accurate picture of the factors contributing to the rapid population increase in India;
- (b) discover suitable techniques of family planning and devise methods by which knowledge of these techniques can be widely disseminated; and
- (c) make advice, on family planning, an integral part of the service of Government hospitals and public health agencies.

A sum of Rs. 65 lakhs has been allocated by the Central Government in the Plan of the Ministry of Health for a family planning programme.

REHABILITATION

The present plan of rehabilitation is expected to cost Rs. 85 crores, the bulk of the expenditure being incurred during the period

1951-52 to 1953-54. The main details of the programme are shown in the statement below :

| | (Rs. crores) | | | Total |
|---|--------------|---------|---------|-------|
| | 1951-52 | 1952-53 | 1953-54 | |
| Rural Resettlement ... | 3.88 | 4.02 | 7.14 | 15.04 |
| Urban Housing ... | 16.11 | 13.62 | | |
| Urban Loans (other than Rehabilitation Finance Administration ... | 2.42 | 3.36 | 14.90 | 50.41 |
| Loans by Rehabilitation Finance Administration | 1.25 | 2.05 | 2.00 | 5.30 |
| Technical Training, Education and other schemes | 4.88 | 3.53 | 3.46 | 11.87 |
| Miscellaneous ... | ... | ... | 2.38 | 2.38 |
| | 28.54 | 26.58 | 29.88 | 85.00 |

The formulation of rehabilitation programmes has been beset with considerable difficulties owing to the lack of accurate data about the occupational distribution of the displaced persons, their aptitude for absorption in different sectors of the national economy after suitable training, and the capacity of organisations, both official and non-official. In regard to the programmes for displaced persons from East Pakistan, a further complicating fact is the continued uncertainty regarding the size and character of the problem due to continuous movement of people in either direction. This has necessitated some difference in approach to the problem of displaced persons from West Pakistan and East Pakistan. The report gives the progress made in the rehabilitation of displaced persons both from West and East Pakistan, in rural and urban sector. In the case of displaced persons from West Pakistan, the rehabilitation programme can be determined with certainty; in the case of those from East Pakistan the position is still fluid as migrations are continuing on a large scale. The recommendations in regard to these displaced persons, therefore, are subject to review.

The rehabilitation of displaced persons should not, however, be viewed as depending entirely on these programmes for which specific provision has been made in the Plan. With the progress of the Plan in other sectors an expanding economy will automatically offer scope for the absorption of a substantial number of

displaced persons who show a spirit of enterprise and a will to re-establish themselves. It will, however, be necessary to keep rehabilitation programmes under constant review so as to integrate them as closely as possible with development programmes.

HOUSING

The Commission has made certain special recommendations on the housing problem covering housing policy, housing standards and estimates of cost, slum clearance, town and country planning, rural housing, housing research and such legislations as have to be undertaken for the implementation of the Commission's recommendations.

A total provision of Rs. 48.69 crores has been made by the Commission for housing in the Five-Year Plan. Of this, the Central expenditure will amount to Rs. 38.5 crores and of States Rs. 10.19 crores.

In house-building, the Commission's first priority is for the building of houses in industrial centres where congestion and shortage are very acute. In this sphere the Central Government would assist while the State Governments should concentrate their attention in the rural areas.

In addition to the subsidy and loan to the State Governments, the Central Government should also accommodate employers of labour and co-operative housing societies of industrial workers. In these cases, the extent of subsidy may be 25% of the total cost of construction including land. In addition, loans upto 37½% of the actual cost of construction may be allowed at a reasonable rate of interest. The repayment of these loans will be over a period of 15 years. The basis of the payment of loans and subsidies in all cases is the estimated cost of construction of single-storeyed tenements which is Rs. 2,700 and of units of multi-storeyed tenements which is Rs. 4,500.

The Commission suggests the establishment of a National Building Organisation for co-ordinating the results of all researches in building technique and their implementation by all building agencies. It also suggests the constitution of a Central Housing Board

together with Regional Housing Boards for implementing housing programmes. These boards should be statutory autonomous bodies with independent sources of income in addition to the grants of subsidies which may be available from the Central and State exchequers from time to time.

In the sphere of legislation the Commission has suggested legislation for national town and country planning. It has also suggested that suitable modifications should be made in the Land Acquisition Act of 1894 with a view to permitting the acquisition of slum areas and virgin lands required for construction of new houses.

MINERAL RESOURCES

The plan provides for systematic and detailed investigation and surveys by the Geological Survey of India, the Bureau of Mines and the National Laboratories for the quantitative and qualitative assessment of the country's reserves of important minerals.

Till recently, the exploitation of minerals in India was largely meant for purposes of export; they were not regarded as a source of national wealth, the working and utilisation of which should be planned on sound economic principles in the best interests of the country. As minerals form the basis of modern industry in peace and in war, it is necessary to have a rational policy for their working and utilisation, the key-note of which should be conservation and economic working. The essentials of such a policy, the Commission recommends, should include:

(1) Assessment of resources—Systematic exploration to ascertain the extent and value of different mineral deposits.

(2) Proper conduct of mining operations—This should cover employment of qualified technical personnel for conducting mining operations, stoppage of selective mining of high grade minerals alone, recovery of valuable minerals from waste dumps, laying down of economic units for different classes of minerals and concurrence of the Central Government to leases of important minerals like iron ore, manganese ore, chromite and bauxite.

(3) Investigation of all deposits of strategic minerals like sulphur, tungsten, tin ores, etc., so that they may be developed in times of emergency.

(4) Assessment of reserves of low grade ores and research into problems of mineral dressing and processing.

(5) Conversion of minerals into finished or semi-finished products for purposes of exports, and

(6) Empowering the Indian Bureau of Mines to collect statistics relating to the economics of mineral industry.

The Commission lays down a programme based on the above principles and arranged in order of priority. It has also made specific recommendations for the development of some of the major minerals including coal, iron ore, manganese ore, mica, gypsum, sulphur, non-ferrous metals, chromite, bauxite, etc.

TECHNICAL CO-ORDINATION COMMITTEE

In order to carry out the work in connection with the estimation of reserves, their quality, improvement of mining and research on the beneficiation and utilisation of minerals, it is necessary, the Commission says, that the work of the Government organisations mainly concerned in the execution of this programme—the Geological Survey of India, the Indian Bureau of Mines and the National Laboratories (Fuel Research Institute, the National Metallurgical Laboratory and the Central Glass and Ceramic Institute)—should be co-ordinated. The Commission suggests the setting up of a Technical Co-ordination Committee.

REFORM OF PUBLIC ADMINISTRATION

The Five-Year Plan attempts to translate the goals of social and economic policy prescribed in the Constitution into a national programme based upon the quality of the public administration, the efficiency with which it works and the co-operation which it evokes.

Leadership will be needed in every field of activity if rapid economic and social development is to be achieved through democratic means..

In the democratic State the political leadership which forms the government and public services which carry out the administration have complementary functions. The political executive has to assess what the public desires, what its essential needs are, and how they may be met. It has, therefore, to give special attention to the formulation of principles and policies in each field of activity and to ensure that these are followed faithfully. The main role of the public services is to implement and to administer policies approved by the Government.

During the past few years, the work falling to the administration has considerably increased, the strength of experienced personnel in the public services has been depleted and key personnel everywhere work under considerable strain and pressure. The present generation of public servants in the country and specially those in the higher ranks, the Planning Commission says, have the opportunity, and upon them rests the responsibility, which is both collective and individual, of helping to establish a structure of administration and tradition of services which will be capable of fulfilling the national programme and will provide a sound basis for future advance.

The principal objectives to be achieved in public administration are integrity, efficiency, economy and public co-operation. These aims are closely inter-related and, to some extent, inter-dependent. Measures designed to secure any one of the objectives help to achieve others as well.

Failure to ensure integrity in every branch of public activity tends to undermine the structure of administration and the confidence of the public in the administration. There has, therefore, to be a continuous war against every species of corruption within the administration as well as in public life.

Some measures to ensure standards in public life when official positions are grossly abused are necessary in the interest of democratic government itself. Some machinery in for this purpose should be devised in order to enquire into cases of alleged misconduct on the part of persons who hold any office, political or others.

The People's Raj Supplement

The following are among the suggestions offered in the Plan for raising the standards of integrity in public administration:

- (i) The question of extending the existing legislation relating to corruption to cases in which a public servant's near relations may have been found to have become suddenly rich should be considered.
- (ii) The suggestion that public servants should be required to furnish a return each year concerning not only immovable property but also movable assets acquired by them or their near relations should be examined.
- (iii) Officials who do not enjoy a reputation for honesty should not be placed in positions in which there is considerable scope for discretion.
- (iv) The Central Government's Special Police Establishment should be equipped not only to investigate offences at the Centre but also important cases in the States where local agencies need assistance or have to be supplemented.
- (v) Those holding responsible positions, whether political or administrative, should so arrange their social relations that the public should always have absolute confidence in their disinterestedness and impartiality.

The measures suggested above will help to maintain the conditions under which the State can enforce a high level of integrity. The main attack on corruption must, however, be through ensuring efficiency in every branch of the administration. From this aspect the suggestions offered are:

Heads of departments should keep under constant review possibilities of corruption which current policies or procedures may provide and lay clear directions and principles.

- (ii) Delay in the disposal of cases or applications is one of the most important sources of corruption. The reasons for delay in the transaction of business in any organisation should be examined and dealt with.

- (iii) In positions in which there is greater scope for corruption, special care should be exercised in the choice of officials, and
- (iv) Positive measures to reward honest and good work should be devised along with others for penalising inefficiency and dishonesty.

It is necessary also to rouse public opinion to the importance of eliminating corruption and to secure the co-operation of the public in maintaining integrity in administration.

EFFICIENCY

If the administrative machine is to be equal to this task, many changes in methods of work and organisation and an outlook for innovation will be needed.

With the expansion in the functions of Governments, arrangements regarding the existing personnel need to be supplemented in respect of

- (i) work in the field of economic policy and administration;
- (ii) management of government industrial undertakings. (The problem of finding the necessary personnel is at present under consideration) and
- (iii) work connected with district development programmes, land reform and food administration. In the main, these responsibilities have to be undertaken in the district.

For the first category, the problem is to ensure that the administrative services should have a sufficient number of officers with the necessary economic experience and background. With this view,

it is suggested that

- (i) individuals with high academic qualifications or special experience in the economic field should be drawn into the administrative service;
- (ii) a proportion of junior officers of the administrative service should be selected at an early stage in their careers and given intensive training in the economic field, and
- (iii) for senior positions, whenever necessary, individuals with special experience and knowledge from other fields such as universities, banking and finance and industry should be secured by the Government.

TRAINING AND METHODS

Various aspects of recruitment, training, methods of transacting business and arrangements for supervision and inspection are reviewed in the Plan and suggestions offered to bring about the necessary improvement. The Plan also refers to the importance of financial control and economy especially in view of the large public expenditure which has been envisaged. Further, a number of suggestions are offered for increasing the incentives towards good work. The importance of systematic evaluation and assessment of results in all branches of public activity has also been stressed.

PERSONNEL FOR DEVELOPMENT IN THE STATES

The implementation of the Plan calls for well-organised development services in the States, some of which are not at all well-placed in this respect. It is proposed that in consultation with the States which may desire to participate, the Central Government should investigate the possibilities of establishing Central develop-

ment cadres in important fields such as agriculture, engineering, forests and public health. Such co-operative arrangements for the establishment of joint cadres will help maintain the supply of qualified personnel for development in the States.

ADMINISTRATION OF PUBLIC ENTERPRISES

The steady expansion of the public sector is inherent in the development programme envisaged in the Five-Year Plan. It is, therefore, important for future development that public enterprises should be efficient and well-run and should succeed. In addition to separate boards of directors for individual industrial undertakings there is need for a Central Board which could give detailed attention and advise the Government in respect of questions of general importance for the public sector as a whole, such as personnel for industrial management, financing and accounting problems, price policies, investment programme, etc. The early establishment of a single central board for the consideration of such common questions of policy, management and organisation is, therefore, recommended.

DISTRICT DEVELOPMENT PROGRAMMES

For the administration of the district development programmes, the Commission has made a number of important recommendations. These relate to the organisation of the district administration for implementation of the development programmes, the role of village panchayats, of local self-governing bodies and of social service organisations, etc.

An important suggestion made is on the formation of village agencies representing the community as a whole which can assume responsibility and provide the leadership for development of resour-

ces in the village. As regards local bodies, the Commission suggests that programmes for local development should be conceived as joint enterprise to be carried out in close co-operation by the agencies of the State Governments and the representatives of the people elected to the local bodies.

PUBLIC CO-OPERATION IN NATIONAL DEVELOPMENT

Public co-operation and public opinion constitute the principal force and sanction behind planning. It is vital to the success of the Plan that action by the agencies of the Government should be inspired by an understanding of the role of the people and supported by practical steps to enlist their enthusiastic participation.

Public co-operation as envisaged in the Plan transcends differences of party. What makes democratic planning real is confidence in the community that the national plan aims at achieving a social order in which economic disparities will be greatly reduced and an equal opportunity afforded to all. The interests of parties are thus relegated to the background and the common objectives of the nation regarded as a unity are the sole consideration.

A widespread understanding of the Plan is an essential stage in its fulfilment. This has to be achieved with the co-operation of the Press and the assistance of creative writers and artists and through radio, films, songs and dramas. It will be necessary to express the Plan in terms of the common needs and problems of the people and to provide literature and information in simple language. The process of breaking up of the National and State plans into local units based on district, town and village, which has been already begun, should be completed speedily. It is only in terms of local programmes that local leadership and enthusiasm can play

their part. The Plan can then become a medium and a focus of constructive activity in every part of the country and can be further strengthened and developed by the effort of the people themselves. Thus, the people become partners in the Plan and are associated closely with its formulation as well as its implementation from stage to stage.

The role of the administration in seeking public co-operation has already been stressed. Those engaged in administration can make an immense contribution towards creating the conditions in which public co-operation can grow if they approach the people as comrades in the same cause and with eagerness to learn and to help. There must also be the desire to take the utmost advantage of the assistance of the people and to provide for voluntary community action over as large a field as may be possible.

For each project in progress, the arrangements which now exist for securing public co-operation and participation should be reviewed by the administrative authorities concerned and the people brought closer to it. For other projects in the Plan, adequate arrangements for enlisting such co-operation and association should be made from the very beginning. Careful consideration of how best public co-operation can be secured should be regarded as much a part of a scheme as the estimate of expenditure or the schedule of work or the statement of benefits which are anticipated. In almost every sphere, participation of the people in framing and fulfilling programmes and targets constitute the crux of development. Indeed, the field of public co-operation is co-terminus with that of national development.

VOLUNTARY ORGANISATIONS

The Commission indicates the field in which various agencies of public co-operation can help in the implementation of the Plan.

In this sphere, voluntary organisations engaged in social work can greatly help. In particular, they may attempt to develop fields of constructive work for women, youth and teachers in schools. These three groups have a vital part to play and their potential for creative activity still remains far from being realised. The Plan provides Rs. 4 crores for assistance by the Central Government for voluntary organisations and Rs. one crore for youth camps and labour service for students. As voluntary action develops, an increasing number of functions can be entrusted to voluntary agencies. Extension of voluntary work would not only make for economy but would also enable State personnel to give greater attention to other tasks.

NATIONAL COMMITTEE FOR PUBLIC CO-OPERATION

Two important agencies have arisen in recent months for organising public co-operation on a nation-wide basis, namely, the National Advisory Committee for Public Co-operation and the Bharat Sevak Samaj.

The National Advisory Committee, which is representative of different sections of opinion in the country, is expected to:

- (1) review and assess the programmes of public co-operation in relation to national development;
- (2) advise the Planning Commission from time to time regarding the progress of public co-operation in relation to the fulfilment of the National Plan;
- (3) receive reports from the Central Board of the Bharat Sevak Samaj and consider such specific matters as may be referred to it for advice by the Central Board; and
- (4) make suggestions and recommendations to the Control Board of the Bharat Sevak Samaj on matters of policy and on programme relating to the public co-operation.

BHARAT SEVAK SAMAJ

The Bharat Sevak Samaj has been conceived as a non-political and non-official national platform for constructive work. The primary objects of the Samaj are:

- (1) to find and develop avenues of voluntary service for the citizens of India to—
 - (a) promote national sufficiency and build up the economic strength of the country,
 - (b) to promote the social well-being of the community and to mitigate the privations and hardships of its less favoured sections; and
- (2) to draw out the available unused time, energy and other resources of the people and direct them into various fields of social and economic activity.

The Bharat Sewak Samaj provides a common platform for all who wish to give their share of time and energy to develop people's own effort in relation to National Plan and, at the same time, it is intended to assist in the development of existing voluntary organisations.

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