

C O M M I T T E E "B"
on
SECOND FIVE YEAR PLAN

[Industries, Minerals, Transport and Communications]

SYNOPSIS OF PROCEEDINGS

(11th to 14th & 16th to 18th July, 1956)

Laid on the Tables of Lok Sabha and Rajya Sabha

on

28th & 30th July, 1956, respectively.



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LOK SABHA SECRETARIAT
NEW DELHI
July, 1956

**LIST OF MEMBERS OF COMMITTEE 'B' (INDUSTRIES,
MINERALS, TRANSPORT AND COMMUNICATIONS)**

ON

SECOND FIVE YEAR PLAN

1. Shri R. Venkataraman—*Chairman.*
 2. Dr. Lanka Sundaram
 3. Shri G. D. Somani
- } *Panel of Chairmen.*

LOK SABHA

4. Shri H. V. Kamath
5. Shri Ram Saran
6. Shri N. C. Kasliwal
7. Shri Ram Pratap Garg
8. Shri S. C. Samanta
9. Mulla Abdullahhai
10. Shri Bhakt Darshan
11. Shri Dabendra Nath Sarma
12. Shri P. T. Punnoose
13. Shri C. R. Narasimhan
14. Shri D. P. Dwivedi
15. Shri S. V. Ramaswamy
16. Shri Shantilal G. Parikh
17. Shri Raghunath Singh
18. Shri S. Brahmochaudhury
19. Shri A. M. Thomas
20. Shri Mukund Lal Agrawal
21. Shri R. N. Singh Deo
22. Shrimati Tarkeshwari Sinha
23. Shri Sarju Prasad Misra
24. Shri Brajeswar Prasad
25. Shri Sivamurthi Swami
26. Dr. Ch. V. Rama Rao
27. Shri T. B. Vittal Rao
28. Pandit D. N. Tiwary
29. Shri Mulchand Dube
30. Shri M. D. Joshi
31. Dr. Jayantilal N. Parikh
32. Shri Anirudha Sinha
33. Shri P. Subba Rao

34. Shri N. C. Laskar
35. Shri Jagannath Kolay
36. Shri Bhagwat Jha Azad
37. Shri Bishwanath Roy
38. Ch. Raghbir Singh
39. Shri T. N. Singh
40. Shri U. S. Malliah
41. Shri R. S. Diwan
42. Shri C. R. Basappa
43. Shri S. Nijalingappa
44. Shri Nageshwar Prasad Sinha
45. Shri C. R. Iyyunni
46. Shri S. C. Deb
47. Shri Bhawani Singh
48. Shri V. P. Nayar
49. Shri Frank Anthony
50. Shri G. S. Singh
51. Shri Y. Mukne
52. Shri Sohan Lal Dhusiya
53. Shri Ajit Singh
54. Sardar Teja Singh Akarpuri
55. Shri Shriman Narayan
56. Shri R. P. Nevatia
57. Shri J. K. Bhonsle
58. Sardar Iqbal Singh
59. Shri Rohanlal Chaturvedi
60. Shri C. P. Matthen
61. Shri Radhelal Vyas
62. Shri K. K. Basu
63. Shri S. M. Ghose
64. Shri H. Siddananjappa
65. Shri L. Jogeswar Singh
66. Shri Balwant Sinha Mehta
67. Shri Tek Chand
68. Shri Sinhasan Singh
69. Shri G. L. Bansal
70. Shri N. Ramaseshaiah
71. Shri J. N. Wilson
72. Shri Resham Lal Jangde
73. Shri Ganeshi Lal Chaudhary
74. Shri Piare Lall Kureel 'Talfib'
75. Shri P. V. Raghavaiah
76. Shri Ramji Verma
77. Sardar Amar Singh Saigal

RAJYA SABHA

78. Shri R. P. Sinha
79. Shrimati Savitry Devi Nigam
80. Shrimati Maya Devi Chetty
81. Shri N. C. Sekhar
82. Shri Abdur Rezzak Khan
83. Shri Narayandas K. Daga
84. Pandit Sham Sundar Narain Tankha
85. Shri Akbar Ali Khan
86. Shri R. Thandhlira
87. Shri A. Dharam Das
88. Shri Purna Chandra Sharma
89. Shri Raghbir Singh Panjhazari
90. Shri G. K. Vijaivargiya
91. Shri Sardar Singh
92. Shri Maheshwara Naik
93. Shri K. Madhava Menon
94. Shri Akhtar Hussain
95. Shri Barkatullah Khan
96. Shri Jogesh Chandra Chatterji
97. Thakur Bhanu Pratap Singh
98. Syed Mazhar Imam
99. Shri Ram Sahai
100. Dr. Raghubir Singh
101. Shri B. P. Agarwal
102. Shri D. Y. Pawar
103. Shri T. D. Pustake
104. Shri R. K. Biswas Roy
105. Shri Bhagirathi Mahapatra
106. Shrimati Bedavati Buragohain
107. Shri B. P. Basappa Shetty
108. Shri Pydah Venkata Narayana
109. Shri Amolakh Chand
110. Shri Amar Nath Agarwal
111. Shri R. S. Doogar
112. Shaik Galib
113. Shri Shyam Dhar Misra
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I

FIRST SITTING

[11th July, 1956: 10 A.M. to 1.20 P.M.]

DEVELOPMENT OF MINERAL RESOURCES

The regular proceedings of Committee 'B' on the Second Five Year Plan began at 10 A.M. on Wednesday, the 11th July, 1956, in the Central Hall under the Chairmanship of Shri R. Venkataraman. At the outset, the Chairman briefly acquainted the Members with the procedure that had been decided to be followed at the previous two sittings of the Committee on the 19th and 31st May, 1956, and thereafter the Committee took up discussion of the mineral policy under the Second Plan.

Shri C. R. Narasimhan desired an elucidation from the Planning Commission as to how the Geological Survey and the Bureau of Mines, which had failed to get the requisite momentum for quite a number of years in the First Plan, would be able to cope with the big and ambitious programme now before them and to discharge their obligations. He then observed that the abundant reserves of iron ore in the country should be exploited. Since these could not all be utilised internally for want of sufficient technical arrangements, he suggested an intensification of export drive in a co-ordinated manner so that the benefits were divided among all the States. Apart from earning big foreign exchange, the extensive development of iron-mining industry, he said, would be helpful to the setting up of more iron and steel plants in the country including the South. Further, he suggested that a college of mineralogy should be established in the South in view of certain projects contemplated for that region. Referring to the provision for new research institutes in the Plan, he suggested in the setting up of one for mathematics also for which, he said, there was a lot of talent and scope.

Geological Survey and Bureau of Mines

Intensification of iron-ore Exports

Research Institute for Mathematics

Continuing further, he remarked that the approach to oil exploration and diamond and copper mining in the Plan was cautious and the data available were insufficient. He welcomed the attention that was being given

Copper Oil Exploration and Atomic Research

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in the matter of atomic research and hoped that the research would be pursued with vigour.

State-wise Coal Targets

Shri N. C. Kasliwal pointed out that no increase in coal production had been envisaged in the case of Assam, Orissa and Rajasthan. He indicated that the Palana Coal mines in Rajasthan could raise more coal and the lignite deposits in that area should also be brought into use. He regretted to note that the non-ferrous metals had not received proper attention. Citing the remarks of the Union Minister for Natural Resources that the level of production of the Zawar mines in Udaipur had been "hopelessly below the mark", he desired that the matter should be looked into as Zawar was the only mine in India which could be worked for lead and zinc. He urged for a thorough exploration in the case of copper and zinc which, he said, had not been done so far. He also desired that exports of iron and manganese ores be encouraged as these two commodities were the biggest foreign exchange earners.

Non- ferrous Metals

Export of Iron and Manganese Ores

Mineral Policy

Shri R. P. Sinha welcomed the bold and ambitious programme for the development of mineral resources, but he was sceptical about its success as no systematic detailed investigation and surveys for the quantitative and qualitative assessment of the country's resources of important mineral had been made in the First Plan. It appeared, he said, that only 25 per cent of the country's area had so far been surveyed for mineral resources. Coming to the coal policy, he was of opinion that it should be governed not by the targets of the Second Plan but by the requirements of the subsequent Plan periods. He added that a very bold step had been taken by the Government to increase coal production in the public sector, but he regretted to note that the progress made by the State collieries in the First Plan had not been satisfactory. He was doubtful whether the private sector would be able to raise the additional 10 million tons of coal with the fear of nationalization hanging over its head. The private sector, he stressed, would neither have the necessary incentive nor be able to raise enough money for this purpose. He, therefore, urged for a bolder policy of nationalisation of the coal industry and said that during the Second Plan period at least the coking coal should be nationalised. He was of the view that it would be wrong to rely on the

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private sector, because a lot of coal would be locked up in the border areas of the private-owned collieries and the private-sector would also find great difficulty in the disposal of middlings and rejects. Moreover, they would not find enough stowing materials. He admitted that the cost of raising coal in the public sector might be higher but the country had to choose between a higher cost in the public sector and not having the coking coal altogether.

Shri Sinha pointed out that during the last two decades the ash content of coal in India had risen from 14 to 20 per cent which meant 3 million tons more of coal consumption by the various industries. He emphasised the need for setting up enough washeries in the country to wash all the coal raised, as was being done in most of the advanced countries of the world. Referring to the Report of the Coal Washeries Committee, he said that the Committee scheme involved a Central Marketing Agency having a monopoly control. He suggested that the distribution of coal should be brought under the public sector. He was in favour of adopting in full the Report of this Committee.

**Coal
Washeries**

Dr. Ghosh at this stage explained that 16·5m. tons of coking coal would be raised and washed during the Plan period and that attempts were being made to reduce the ash content from 22 per cent to 15 per cent. He explained that a washery needed a thermal station to make profitable use of the middlings. As regards washing of the non-coking coal, he said that the required technical knowledge at the present time was not available, but investigations were going on though no definite results had yet been achieved. Secondly, assuming that coking coal could be washed with success, thermal power stations would have to be set up at the sites of washeries to use the middlings. Incidentally, he added that personally he was in favour of bringing all metallurgical coal under one authority. This matter was still under consideration of the Government and any opinion which might be expressed in the Committee would be taken due note of by the Government, he concluded.

Proceeding with his speech, **Shri Sinha** observed that the technical data must be collected so that India, like other countries, could go ahead with the washing of non-coking coal. With regard to middlings and rejects, he

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suggested that the import of boilers should be restricted to such as could consume coal with a 35 per cent ash content. He reiterated that the washing of all varieties of coal would result in savings, both in the cost of fuel and in the cost of haulage.

Mineral Oil

Speaking on mineral oil, he observed that the Government must be prepared to spend much more than Rs. 11 crores in order to explore and strike oil. He also desired to know from the Planning Commission as to why no targets for the production of oil in India itself had been fixed when a proven reserves of 20m. tons of oil had been found in Assam as late as 1954. He demanded an explanation from the Government as to why this oil had not been exploited during this period. Had it been done, he added, the country could have made an effective saving.

Dr. Ghosh at this point explained that the reserves in Assam had not yet been definitely proved. The causes of delay in effecting a contract with the Assam Oil Company, he said, were the question of deciding the location of refinery and the legal and technical difficulties involved in this proposed joint venture. He also mentioned that it was considered that transport of oil to the centre of consumption by the rivers in East Pakistan would be cheaper than by land all over the territory. On this, **Shri Sinha** emphatically declared that oil was strategic material and hence India should not come to any terms or agreement with Pakistan for the distribution or passage of this oil through Pakistan territory. He then remarked that the prevalent and correct method of locating the refinery was at the centre of consumption. He preferred having a pipe-line to any other means of transport as in times of international trouble it was easier to disturb the railways than a pipe-line. He hoped that the Government would take a policy decision swayed not merely by considerations of economy and the views of experts but on strategy also.

Geological Survey

Shri S. C. Deb, referring to the present position of geological survey of the country, suggested that a time-limit should be set for surveying or exploring the whole country for mineral resources. He particularly mentioned the case of Assam and stated that he was not aware of any concerted scheme for exploring that area for every kind of mineral resources. He felt that the Government and the Planning Commission were shy of further exploring

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the coal deposits in the Garo Hills. He, therefore urged them to explore the mineral resources of Assam for the benefit of not only Assam but the whole country.

In regard to oil exploration, he suggested that the exploration and drilling should be taken up by the Government themselves without depending upon a company because of any agreement with it. He felt that the present attempt to have a rupee company would fail. He also referred to a strong feeling in Assam that there should be a refinery there. He urged that Railway and Transport Ministries should be given adequate funds to remove the transport bottlenecks in the country, specially with regard to Assam.

**Oil ex-
ploration**

Shri G. K. Vijaivargiya stated that the geological survey made in Madhya Bharat during the British days had been a neglected thing, and, hence, a better survey was called for. He suggested that more attention should be given to the survey and prospecting of the iron ore located in Gwalior and of the manganese in Madhya Bharat and Madhya Pradesh.

**Geological
Survey**

He suggested that oil industry should be run entirely by the Government after terminating the agreements with foreign oil companies, with whom it was experiencing difficulty in having even 51% of these shares. He added that apart from coal, iron and oil, attempt should also be made to find out the position about other minerals in the country, specially copper. He stressed that the ingredients of explosives must be found in India so that all armaments could be manufactured internally.

**Oil indus-
try and
copper**

Dr. Lanka Sundaram said that he would put only a few questions regarding oil, the available data about which was not comprehensive or conclusive. He, therefore, requested the Planning Commission for the supply of some specific documents regarding the agreement with the Assam Oil Company, the trading results of the same company and the manner of operation of the International Oil Pool. Regarding the three oil refineries, he found that up to the present moment only one company was going on well. He stated that without more concrete information regarding the marketing arrangements for the distribution of the products of the three oil refineries, it was not

**Oil Com-
panies and
Refineries**

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possible to give any guidance to the Government in regard to oil policy.

**National
approach
to mineral
survey**

Shri T. N. Singh stated that the question of investigation and exploitation of the mineral resources in a particular region should be looked at from a national angle. He pointed out that an overall consideration of the availability of the ingredients, skill and power in any particular region should be made before pressing for any particular mineral or oil exploration in a particular state.

**Gulf Parity
Price for
Oil and Oil
Exploration**

Regarding oil prices, he referred to the Gulf Parity price system. He stated that the entire international oil companies were all grouped together and the price fixed was the price of oil in the Mexican Gulf plus the transport cost from the Gulf. He called this an international racket. He referred to the origin of the agreements with various oil companies and the legal complications involved therein and suggested that the Government should consider all these factors in connection with the policy about future licences. He advised the Government to be very cautious before committing itself to any international concern in the matter of exploitation of oil resources.

**Pipelines
for Oil
Transport**

He strongly urged that the possibility of pipelines as a means of transporting oil should be seriously explored. He admitted that it might be costly initially but he felt that ultimately it would be cheaper and it would also lessen the strain on the railways. He referred to a previous war-time plan for a pipeline from Bombay upto the interior in Nagpur and suggested that such a scheme should find a place in the Second Five Year Plan. He disclosed that the international combine was strongly opposed to this question of pipelines. These foreign companies, he said, would prefer to bring box wagons right from their own place and were pressing for their own tank wagons. He, therefore, suggested that we must press for pipelines from Bombay, from Madras and from Digboi and from any other centres where we could discover oil.

**No concentration of
industrial
development**

He said that Assam was a mineral centre and, if oil and coal were developed there, industry could grow. He suggested that every State should have its share in respect of development of its possibility and there should not be a concentration of particular industry in particular places. This might not however, be possible, he said, in case of minerals which was located in certain regions only.

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In regard to coal washeries, he felt that the Planning Commission's view was generally sound. What was required, he said, was the better conservation of high-grade coal, as at present there was a lot of wastage, especially in the steel industry where it was being indiscriminately used. Incidentally, he advocated for better allocation for the Bhadravati Iron and Steel Works which should concentrate on the production of the much needed high-grade steel for which it was best fitted and where charcoal, because of its highest carbon content, was being used. He disclosed that at present the Mysore Works was an uneconomic unit, and suggested that attempts must be made to make it an economic and feasible proposition. Regarding the export of iron ore, he advised the Government to go slow in the matter because of the transport limitations.

Coal and Steel

In the matter of utilisation of the services of the personnel belonging to the Geological Survey and the Indian Bureau of Mines he felt that proper attention was not being paid to this question. He suggested that all graduates coming from the geological and mining faculties of our Universities and other institutes should be put through an apprenticeship course in various places and fields so that they could learn the field work and get experience in their actual line of work. He found it deplorable that even out of the limited number of geologists available in the country some were trying for other jobs.

Personnel for Geological Survey

He strongly advocated for a more concentrated survey of sulphur, which, he said, was a thing of great national importance. He also emphasised that apart from iron, manganese etc. more exploitation and research in regard to the non-ferrous metals should be undertaken.

Survey for sulphur and non-ferrous metals

Shri N. C. Sekhar stated that he was not aware whether the Planning Commission had done anything to make a thorough geological survey of the quantity and quality of lignite deposits available in Travancore-Cochin and Malabar. He referred to memoirs submitted by Dr. M. S. Krishnan and also to an official manual to show that huge quantities of lignite deposits were available in his State. He urged that the lignite in Travancore-Cochin should be exploited. Referring to the availability of graphite in many taluks of his State, he invited the attention of the Planning Commission to a survey instituted in 1917-18. He felt that the question of exploiting graphite had been neglected. He added that the large quantities of

Exploitations of lignite, graphite and other minerals in Travancore-Cochin

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monozite sands available in Travancore-Cochin were now being utilized only for extraction of ilmenite and thorium. Instead of exporting the monozite sands, he desired that attempts should be made to exploit other valuable minerals which could be extracted from it for the purpose of industrial progress in the State. He felt that the provision of Rs. 25 lakhs to expand the China clay industry was not enough. He found that no steps had been taken in the direction of utilising China clay for manufacture of heavy electrical equipment. He pointed out that nothing worth mentioning had been done to exploit zircon, ortho-silicate and similar other minerals available in the State. He felt that a thorough survey of gold deposits in Travancore-Cochin had not been made so far. He concluded by saying that during the Second Five Year Plan a thorough survey of the various minerals available in his State should be made and they should be exploited for the industrial development of the region.

**Develop-
ment of
Minor
Minerals**

Dr. Raghubir Sinh stated that he had already circulated a note and would only emphasise certain points raised therein. He suggested that a compilation of all available information from the district Gazetteers specially of areas that were going to be taken up for geological survey in the immediate future should be made as that would be very useful. He found that much attention was being paid only to the major minerals or the major mineral belts by ignoring the development of the minor minerals, which had special possibilities of being utilised in small scale projects. He particularly mentioned the case of bauxite, which could be found all over the country, clay and red ochre soil, which could be utilised for taking out its colour. He added that sulphur was said to exist in places having small iron-ore deposits. He felt that in places where the minor or subsidiary minerals were available in large quantities it was possible to develop them on a large scale and have a major mineral project there.

**Survey of
backward
and Un-
explored
areas**

He pointed out that adequate attention had not been paid to the backward areas because they had not been properly investigated. Referring to the development of sillimanite mining industry in Assam, he stated that such deposits were also available in the former Rewa State and he felt that if due attention was paid to the backward and unexplored areas, much could be done to meet the export requirements of the country. He asked the Geological

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Survey to also take up a thorough survey of ash deposits found on the banks of Chambal river.

Shri G. D. Somani, referring to the allocation of additional coal production during the Second Five Year Plan between the private and the public sectors, said that the additional target for the public sector was an over-ambitious programme. He expressed doubts in the ability of the public sector to take up this additional load of 12 million tons of coal production. He could not understand why the private sector should not be allowed to increase coal production beyond 10 million tons. He wanted a little bit of flexibility, so far as the private sector was concerned, and suggested that the target for the private sector should be expanded to the extent to which they were capable of achieving it. In reply to Shri R. P. Sinha's intervention on this point, he stated that some indication should be given in the Plan itself that if the private sector wanted they could go ahead and achieve their target beyond the allocated limit.

Allocation of coal production between public and private sectors

In regard to some Members' interpretation of Dr. Ghosh's statement about coking coal, he felt that Dr. Ghosh only indicated that there should be some sort of a unified and centralised control over the production and distribution of coking coal and that was possible even without nationalisation. He suggested that both from the national as well as regional point of view it was necessary to utilise and develop the resources of lignite, copper, lead, and zinc in Rajasthan at the earliest possible opportunity. He urged that adequate provision should be made in the Second Plan for the utilisation of these resources and was sorry to see that no specific funds had been made available to ensure proper utilisation of these resources.

Control of Coking coal and development of other minerals

Shri Bhakt Darshan contended that the progress made by the Geological Survey of India had been very disappointing and that much remained to be done in the matter of exploring the mineral wealth of the country. As regards mapping, he pointed out that only 25 per cent of the surface area had so far been covered. In this connection he also mentioned that the allocations made for the Geological Survey and the Bureau of Mines, under the First Five Year Plan, could only be partially utilised and he had serious doubts whether the monetary allotment, which in the Second Plan had been raised almost ten

Geological Survey.

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times, would be expended. He felt that geology was not given its proper place in the curricula of the Universities and suggested that the subject should be popularised even if it meant the granting of scholarships.

Non-ferrous Metals

Further, he pointed out that non-ferrous metals had not been given due and proper attention in the Second Plan, particularly copper. In this connection, with special reference to U.P. he remarked that the provision made in the State plans for mineral development was very meagre. Copper, he observed, was raised in large quantities in U.P. in the pre-British days and also during the British regime. He desired to know as to why nothing was being done to exploit copper from that State especially when the Geological Survey expected to find in that region this metal of good quality and in sufficient quantity.

Ilmenite and Titanium

Shri C. P. Matthen observed that ilmenite at the cheapest possible price was available in abundance in Travancore-Cochin State. This raw material, he said, was being exported to the U.K. and the U.S.A. where it was being used to produce titanium—a metal stronger than steel and lighter than aluminium. He admitted that it was very expensive to have a titanium factory but nevertheless, he desired the Government to seriously consider the development of this industry.

Titanium

Dr. J. C. Ghosh, Member, Planning Commission replying to the points raised by the various Members, indicated that ilmenite dioxide paint was at present being manufactured from ilmenite and said that the question of manufacturing titanium in India was a very difficult proposition. He acquainted the Members with the two processes in vogue for the manufacture of titanium and observed that India was trying to find out whether there was some better method to obtain that metal from ilmenite. He admitted that much of the information dealing with the problem was not available and said that titanium was being handled by the Atomic Energy Department.

Geological Survey

With regard to the criticisms levelled against the Geological Survey of India, he said that there had been a steady progress during the First Plan period which was expected to be still greater under the Second Plan. He observed that geological survey was different from mineralogical survey and that high priority in geological mapping was given to those places where there was good prospect for

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minerals. With regard to the proposal that some of the backward areas should be given special consideration in the matter of geological survey, he informed the Members that orders had been passed for a complete geological survey of the Garro Hills in Assam which should be completed by March 1957. He added that the Railway Board had also agreed to survey this region in order to find out the possibility of constructing a railway line there. Further, he said, that the Government of India were of the view that deposits of strategic minerals like sillimanite and kyanite should be very carefully explored.

As regards the lignite deposits in Rajasthan, he observed that high priority in the Second Five Year Plan had been given to the complete exploration of these deposits as well as those in Travancore-Cochin. The view of the Government, he said, was that every possible step would be taken to utilise the fuel resources which were available in regions far away from the existing coal fields. The Indian Bureau of Mines had been asked not only to carry out the surveys but also the drilling operations and give all the technical data. **Lignite in Rajasthan.**

His personal view regarding the coking coal was that there ought to be a unified conservation, production and distribution of that coal. The public sector had been entrusted with the development of virgin coal fields and hence there would practically be no increase in production for the first three years in the Plan period. A target of 12 million tons of coal would probably be realised in 1960. He added that it should not be difficult for the private sector to reach the target of the additional 10 million tons by 1959. If the adjustment in the role of the public sector vis-a-vis the private sector was considered desirable, it might be given effect to in 1958-59. **Coal**

With regard to mineral oil, he said that the Government were anxious for a speedy and thorough exploration of all possible oil-fields in the country and for that purpose they would like to take help from only such countries, in the matter of technical personnel or technical equipment, as were not imbued with the profit motive and were desirous of helping India with the technical knowledge at their command. **Mineral Oil**

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Zawar Mines

Referring to the zinc and lead mines in Zawar, he said that, if it was felt that the progress there was not sufficient, the Government and the Industrial Finance Corporation had powers to modify the arrangements with the Corporation operating those mines. Further, he added that the target of export of iron ore in the Second Five Year Plan was 2 million tons a year which was considered to be the maximum that could be handled in 1960-61. With regard to the once contemplated scheme of linking the Bastar area, where great iron ore deposits had been discovered, with the port of Visakhapatnam by a railway line, he remarked that the Government felt that in view of the demands from other directions it was not possible before 1960-61.

Export of Iron Ore

Atomic Energy

When a note on Atomic Energy was asked for by a Member, Dr. Ghosh said that the gist of discussion would be conveyed to Dr. Bhaba so that something definite might be given.



II

SECOND SITTING

[July 12, 1956: 10 A.M. to 1 P.M.]

COTTAGE AND SMALL-SCALE INDUSTRIES

Shrimati Savitri Devi Nigam initiating the discussion on the programme for Cottage and Small-scale Industries in the Second Plan, said that industrialization of the country would result in unemployment without raising the purchasing power of the people. She was glad to note that the development of these industries had now been accepted by the Planning Commission as an integral part of the country's economy. Comparing the job potential of small industries with Transport and Communications, she observed that an outlay of Rs. 200 crores in them was expected to give employment to 4.50 lakhs of people and raise the national product by 30 per cent. in comparison with 1.80 lakhs and 23 per cent. against an outlay of Rs. 1,385 crores in Transport etc. She pleaded on this score for a higher allocation for Cottage and Small-scale industries.

Industrialization and Unemployment

Employment Potential of Small and Cottage Industries

Proceeding further, she observed that the major responsibility for the allocations of funds fell upon the various Boards e.g. the Khadi Board, Gramodyog Board, the National Jute Board, Silk Board etc. These Boards were working under great hardships such as delay in financial sanction and actual payment, lack of confidence in official circles in handmade goods, drawbacks in the export and import policy of the Government. The last factor, she said, resulted in artificial creation of scarcity in certain commodities by the existence of virtual monopoly. Unless these difficulties were removed, she said, the targets would not be achieved.

Difficulties of the Boards

She urged for the removal of monopolistic trend in the import and export trade and desired a reorientation of the policy. Further, she suggested that an export risk corporation and export credit societies on commercial basis should be set up; that representatives of the various Boards should be appointed on the Export and

Suggestions for improvement

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Import Committees; and that there should be a survey of village and small-scale industries. She pointed out that lack of proper publicity and the indifferent and antagonistic attitude of the officials were other hindrances in the way. The administration of small industries was left in the hands of those who believed in industrialization. She suggested that refresher courses on small industries should be given to the officials concerned, and, as an alternative, she suggested that a separate Ministry for village and small industries should be set up, manned by those who have had long experience connected with these industries.

Continuing, she suggested that four research institutes should be set up entrusted with the task of introduction of small power-driven machinery in a decentralised way, improvement in the quality of goods produced and their packing etc. Representatives of the Boards should be sent abroad to study the foreign markets and the Embassies should be asked to organise emporia and exhibitions.

Regarding Government-purchases, she suggested that there should be representatives of the village and small industries in the Store Purchase Department, and that the Government should purchase 75 per cent. of their requirements from this sector. In this connection she mentioned the case of paper. She concluded her speech by observing that the rising spiral of prices must be checked.

Need for Economy and Preferential Purchase

Shri Ram Sahai pointed out the need for economy and said that wastage must be checked. Secondly, he said, the Government should give preference to hand-made goods and purchase them even at a higher price. He desired that a definite policy in this direction should be laid down which should be binding on all Departments. His view was that unless the Government gave preference to these goods and helped the village and small-scale industries in marketing their goods, no success would be achieved and the problem of unemployment would not be solved.

Restricted Imports of Building Materials

He suggested that the import of goods, especially building materials, should be restricted. In the construction of buildings, he suggested the use of lime for cement

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and stone for iron. This would not only result in saving of foreign exchange but also give employment to the people of the land, he said.

Dr. Rama Rao contended that the best way of helping the handloom weavers was to provide cheap yarn; and in this connection he suggested that the State should have its own spinning mills and reservation should be widened a little further for the handloom. He said that he was not opposed to the use of mechanised implements to save human labour. At the same time, he felt, that the power loom should not throw the poor weavers out of employment.

**Cheap
Yarn for
Hand-
looms**

Dealing with the leather goods industry, he referred to his suggestion made during the Budget discussion that the State should undertake the manufacture of leather goods not in competition with the existing units—cottage or organised—but for special export purposes. With regard to the recent Russian order, he said that orders from abroad for leather goods should be fairly distributed among the various units of production. He further desired the Government to see that a good share of the profits, particularly of the foreign orders, went to the workers and not the middle-men. Moreover, he suggested that the cottage industry must be so standardised and well-organised that it ran like a mechanised industry. He also remarked that village tanning was also backward and suggested that the proposed tanning institute should be set up at a number of places. He was against exporting hides and skins which, he said, should be utilised in the manufacture of articles for internal consumption or for export.

**Leather
Industry**

As regards the allotment of Rs. 5 crores made for the hand-pounded rice, he observed that in the name of developing cottage industries money should not be squandered away as he was sceptic of this sum being properly utilised. According to him, the proper solution was the mill-huller as most of the people had a prejudice against the hand-pounded rice.

**Hand-
pounded
Rice**

Shri Ram Saran referred to the change in the policy of the Planning Commission regarding village and small-scale industries. At the plan frame stage, these industries were regarded as a make-shift arrangement to

**Handloom
Industry
and Tech-
nological
Unemploy-
ment**

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provide employment to the unemployed but now they were rightly considered as an integral part of the economic structure of the country. Referring to the four objectives of the Plan, he stated that in the rural economy unemployment or under-employment could be removed only through village or small-scale industries. He quoted the opinion of the "Economist" that technological improvements led to technological unemployment. Where unemployment existed in vast proportions, he argued, the primary consideration should be to avoid unemployment at all costs. Therefore, technological improvements should be utilised only to the extent that did not result in further unemployment. In this connection he criticized the policy of replacing handlooms by powerlooms. For the Second Five Year Plan, he said, the Karve Committee made certain recommendations to encourage village and small-scale industries. The basis of its recommendations was to avoid technological unemployment, to provide increase in employment and a basis for the structure of an essentially decentralised society. With these ends in view, the Committee suggested the development of village and other small scale industries in different parts of the country. The Karve Committee further recommended that the future increase in the demand of cloth, which was assessed to be 1,700 million yards, should be entirely met from the handloom sector. But the Government unfortunately did not act on this recommendation.

Hand- pounded Rice

He opined that hand-pounding of rice also deserved encouragement by the State. The recommendations of the Rice Milling Committee to restrict the opening of rice mills and restriction in their hours of work and a cess of 6 to 8 annas on the produce of rice mills to encourage hand-pounded rice deserved earnest attention of the Government. If these recommendations were acted upon, many people would find sources of employment. He also suggested reservation of the production of edible oils for hand crushers.

Common Price Pro- gramme

Along with programmes of common production, he suggested that there should be a common price programme, similar to steel and cement, in textiles also so that the handloom cloth could sell favourably in comparison with the mill-made cloth. Some Members at this stage felt that this might adversely affect the poor consumers.

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But Shri Ram Saran failed to understand why a slight increase in the price of cloth should be resented when that might result in giving employment to millions of unemployed and under-employed persons in our country.

He also referred to the brass-ware industry at Moradabad and complained that this world famous industry was suffering on account of competition from a few factories which were recently started there, depriving manual workers and artisans of their traditional employments.

Brass-ware Industry

Proceeding further, he referred to the question of imparting technical training to workers in village and small scale industries. He suggested that in view of the increased need of skilled personnel during the Second Five Year Plan, it should be made compulsory for all industrial institutions to impart technical training for skilled and semi-skilled workers in their establishments.

Training of Workers

Shri R. L. Jangde welcomed the increased allotment made in the Second Five Year Plan to the village and small-scale industries. But he complained that the recommendations of most of the Committees set up by the Government to encourage village and small-scale industries were not always acted upon by the Central and State Governments. He particularly referred, in this connection, to the Karve Committee and the Rice Milling Committee.

Non-acceptance of Committees' Recommendations by Government

He felt that poverty was increasing in the countryside, as most of the sources of employment were being taken away from the people. He referred to the plight of silk weavers in face of competition from imported Japanese silk. He also referred to the increase of unemployment in the 'tusser' industries. He suggested that Ghani and bullock-carts should be protected from the encroachment of oil-mills and motor trucks since the number of persons engaged in these occupations was very large. He felt that cottage and small-scale industries were not being properly treated and unless special efforts were made to help them, they would perish. He complained that large-scale industries were gradually swallowing the small units and unless steps were taken to demarcate the spheres of operation, the latter could

Neglect of Cottage Industries

Demarcation of Spheres

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never prosper. In connection with textiles, he was of the opinion that mills should be permitted to produce only that quality of cloth which could not be manufactured by the cottage industries. He was critical of the Government for not finalising its policy about *Ambar Charkha* and for giving permission to mills to instal new spindles.

Leather Industry

Making special reference to the leather goods industry, he observed that it was deteriorating, *inter alia*, on account of the inroads made by plastic goods. Leather industry was the fourth in order of importance among the cottage industries, he said, and unless proper attention was paid to it by the Government, the dream of giving employment to large number of people would never materialise.

National Extension Service and Community Projects

He was also critical of the activities of the Community Projects and the National Extension Services where, he alleged, sufficient emphasis was not laid on small-scale industries. He thought that these agencies had done nothing of lasting value for the rural areas and only led to an increase in officialdom.

Large-scale Vs. Cottage Industries

Shri G. L. Bansal referred to the controversy between cottage and large-scale industries and was of the opinion that the conflict between the two was not so wide as it was made out to be. In fact, it was confined to a very limited sphere, he said. Referring to the points raised in connection with technological unemployment, he said that the Planning Commission had rightly laid emphasis on the need for improving the technological efficiency of the small-scale and cottage industries. Proceeding he stated that he would go still further and say that the *Ambar Charkha* represented nothing but a technological improvement over the ordinary charkha. He said that technological improvement had to go hand in hand with the other steps that were being taken to raise the level of employment and the standard of living in the country. Making a reference to the *ghani* industry, he

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observed that its revival was perhaps not possible and the problem had to be studied in its wider ramifications.

He referred to the shortage of cement and agreed to the suggestion that limestone industry in the country should be encouraged so that the dependence on cement for house-building activities might be reduced. He also referred to the lack of brick burning coal for brick kilns. In this connection, he suggested that lignite mines should be explored so that briquettes, to relieve the shortage of burning coal and firewood, might be made.

Shortage of Cement

With regard to the rising spiral of prices, he observed that the hand-sector could never hope to meet the increasing demand in the country for certain types of consumer goods, especially the immediate spurt in demand. If it was left to small scale and cottage industries to meet this demand, he said, the inflationary tendencies would not be checked.

Problem of Inflation

He remarked that the charge of indifference on the part of Government was without any foundation, as a large number of steps during the last two years has been taken to help or develop the small-scale industries. But he added that there was a shortage of personnel of the right type and it was with the greatest difficulty that such personnel could be procured for the development of these industries. He said that adequate steps would have to be taken to ensure proper types of personnel in sufficient number so that rapid development of small-scale and cottage industries might be assured.

Shortage of Personnel

He further stated that whenever there was any scheme for the establishment of any industrial institute or an industrial estate, it should be seen that they were properly dispersed throughout the country so that decentralisation of industries was secured.

Decentralisation of Industries

Shri Shivamurthi Swami advocating the cause of cottage industries said that not much was being done for them. He was critical of the policy followed by the Government in regard to the handloom industry. He thought that the installation of 35,000 power looms, as announced by the Government, would deal a severe blow to the hand-loom industry and aggravate unemployment in the country, as one power loom, according to the Kanungo Committee, replaced 20 hand-looms. He was

Handloom Industry

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opposed to the Report of this Committee and said that, if its recommendations to replace, by 1960, the hand-looms in entirety by the power looms was implemented, it would result in unprecedented unemployment.

Supply of Cheap Yarn and Reservation of Market

He was confident that the additional target of 1,700 million yards of cloth could be produced by the existing two million hand-looms, if properly worked. For this, he said, the supply of cheap yarn was essential. To ensure this supply to the weavers, he advocated either the nationalisation of cotton-spinning mills or the setting up of co-operative mills in the cotton-growing areas. He also suggested reservation of market for the hand-loom industry.

His general contention was that the establishment of large industries was anti-national. He suggested equal allotment for small-scale and large-scale industries and said that Khadi should be given as much importance as agriculture. He criticised the Government for delay in finalising a definite policy about *Ambar Charkha* and called for an immediate decision.

Leather Goods Industry

He also suggested encouragement of manual workers in the leather industry and was against the establishment of big enterprises like the Bata. He was in favour of reserving some market exclusively for the small-scale sector, as for example the manufacture of *chappals*. He suggested that raw materials should be supplied through the village co-operatives to the workers. They were being exploited, he said, and this exploitation should be ended.

Edible Oils

He suggested that the production of edible oils should be reserved for the hand sector and the non-edible oils earmarked for the mill sector.

He pointed out the difficulties and delays caused in the implementation of the Central Government policies through the State Governments with the result that in some cases even 50 per cent. of the allotments planned for a particular scheme were not spent. Necessary directives in this direction should be issued by the Central Government, he said.

Shri Raghunath Singh advocated the cause of three industries of Eastern U.P. which had failed to receive pro-

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per attention from the Planning Commission although they brought at least Rs. 9 crores to the Government in the shape of foreign exchange. These were the woollen carpet industry, Banaras Silk Industry and the Brass Mesh Industry. He suggested that special steps should be taken to encourage the declining woollen carpet industry in India which produced the cheapest carpets in comparison with Iran, China and Belgium. He also suggested proper steps for the development and protection of Banaras Silk Industry which brought Rs. 3 crores in the shape of foreign exchange every year. In this connection he mentioned that in spite of protection for ten year given to the Bangalore Silk Industry that industry was not able to supply proper silk yarn to Banaras Silk weavers. Therefore, he advocated large imports of silk yarn in order to protect the 20,000 hand-loomers of Banaras, and in this connection he emphasized that the machinery for the distribution of imported yarn also needed rectification.

**Woollen
Carpet
Industry**

**Banaras
Silk Indus-
try**

He also referred to the deplorable condition of the Brass Wire or Meshing industry in Eastern U.P., where the prices fell from 150 rupees per bundle to ten rupees per bundle due to Japanese competition. He advocated protective duty for this purpose. Otherwise, this industry would perish, he added.

**Brass-
mesh
Industry**

Shri J. M. Wilson advocated the cause of the Banaras silk industry and Mirzapur woollen carpet industry wherein about 25,000 workers were engaged. These industries suffered on account of the lack of protection from the Government against foreign competition. He also referred to the shellac industry of Mirzapur which once brought crores but was now nearly ruined. He pleaded for special measures to protect all these industries.

**Woollen
Carpet and
Shellac**

Sardar Iqbal Singh felt that if the standard of living of the people in the rural areas was to be increased, special emphasis had to be laid on cottage industry. If a socialist pattern of society was to be established, large-scale industry should be nationalised and the sphere of small-scale and cottage industries should be extended, he added. He also suggested the revival of such industries which once flourished in India but were ruined due to foreign competition engineered by the British. He suggested that the four research institutes that were to be established for the deve-

**Expansion
of the
Sphere of
Cottage and
Small-scale
Industries**

Synopsis of Proceedings

Location of Research Institutes
Management of Cottage Industries on district level.

lopment of cottage industry should be located in different places on a decentralised basis. He was critical of the official management and handling of the cottage industries, and suggested their development on a separate basis, preferably on district levels. He particularly mentioned the bangle industry and carpet making industry which could well stand on their feet by even a limited protection from the Government. He referred to certain small scale industries like cutlery, cycle parts and sewing machines which competed well with organised big industries. In the end he suggested proper development of marketing facilities for these industries. Given proper backing, these industries could very well compete with large-scale producers and in some cases might surpass them, he added.

Need for protection to small-scale and village industries

Shri S. C. Deb expressed doubts whether cottage and small-scale industries, without State protection, would ever have an economic footing in the country and whether they would completely solve the problem of unemployment. He wondered how far the Government could continue to give protection to them.

Reconciliation of Programmes

He wanted to know how the divergent programmes for the development of village and small-scale industries under the various Ministries, namely, the Rehabilitation Ministry, the Production Ministry and the Commerce and Industry Ministry, could be reconciled.

Inadequate Attention to small-scale Industries

Shri Purna Chandra Sharma said that the Planning Commission had not given adequate attention to the small-scale industries and had failed to place before the country statistics about the unemployment and underemployment. Expressing the view that probably 50 per cent. of the total number of families in the country were unemployed, he said that the Planning Commission had not made a long-term programme for the provision of employment for these people. In fact, he said, this problem had not been dealt with at all. The Planning Commission had further not thought of in terms of vagrant labour which could be put on some sort of cottage industries. He was of the view that the 'only solution for unemployment in this country lay in the development of cottage industries. It was true, he said, that large-scale industries had a place in the economy of the country but over-emphasis on them would increase the number of unemployed. He said

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that the Plan should primarily have the interests of the common man in view.

Shri C. R. Narasimhan said that there was no pro-gramme for bee-keeping in the Plan but only a passing reference. At present this industry was unorganised. With a little organisation he said, it could be made a good profitable proposition and he invited the attention of the Planning Commission to look into this aspect. The object of cottage industry was, he said, to improve rural conditions. He recalled that sometime back there was a talk about cow dung stove and wind mills. If they were properly developed, they would be of immense help to villagers to enable them to lead some kind of better life, he added.



III

THIRD SITTING

[July 13, 1956: 10 A.M. to 1 P.M. and 3-30 P.M. to 6 P.M.]

**Karve
Committee
Report :
Allocation
of Funds**

Dr. J. C. Ghosh, in his reply to the debate on the cottage and small-scale industries, stated that the Government had agreed ultimately to accept, in general principle, the broad approach of the Karve Committee and also the recommendations regarding rural electrification, licensing of the small-scale industries and the allocation of funds for the development of these industries. He indicated that the allocation was not merely Rs. 200 crores but would be nearabout Rs. 260 crores as some provisions had also been made in the Rehabilitation Ministry Budget and the Community Project Administration. He added that allocation of funds in excess of this might be too much of a strain on the administrative machinery and might possibly lower the efficiency of the work of the administration.

**All-India
Khadi and
Village
Industries
Board**

The question of a new Ministry for small-scale and village industries was receiving consideration by the Government, he said. He added that a decision had been practically taken to constitute the All-India Khadi and Village Industries Board into a statutory organisation, so that it might exercise full powers in all matters coming within its purview.

**Technique
Improve-
ment**

He observed that considerable stress was laid on the need for improving the technique of these industries and on the need for training people in these improved techniques. The small-scale industrial organisations, he added, had been established in different parts of India and the Second Five Year Plan envisaged that every State in India would have its own service and research institutes for small-scale industries. He remarked that four research institutes for the development and improvement of the technique of village industries were going to be organized and they would be located in the various parts of India, of which one would be in Assam. It would have a regional research and industrial laboratory for studying the raw

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materials of Assam under the auspices of the Council of Scientific and Industrial Research.

An industrial research service for small-scale industries had been decided, he said. There was a provision for the training of technical labour in the Ministry of Labour and some portion of Rs. 30 crores allotted for this purpose might be available for the training of artisans on the village level. The Rehabilitation Ministry also had a programme of training-cum-production at the cost of Rs. 12 crores.

**Industrial
Research
Service**

The National Small-Scale Industries Development Corporation had also been started by the Government with the principal object of providing marketing facilities for purchase of raw material, scale of products, giving loans for purchase of machinery and for encouraging the development of small-scale industries, in order to bring them up to the best possible efficiency. On a point being raised that the capital of this Corporation was small, he replied that there was no limit to the capital available for this purpose and the new banking system, over which the Government had very considerable control, would supplement it, when necessary.

**National
Small-
Scale In-
dustries
Develop-
ment Cor-
poration**

He apprised the Members that a Conference on the subject of obviating delay caused in the implementation of the schemes had recently been held in the Ministry of Production and as a result, a procedure had been laid down to streamline the methods of implementation. According to this new scheme, the State Governments would furnish their schemes to the Central Government by the middle of October at the latest, and the latter would communicate the tentative allocation of funds to the former by the middle of December. In December or January of every year, there would be a discussion between the Central Government and State Governments and the parties concerned on the scheme submitted with a view to final approval or otherwise. He indicated that the final sanction would be issued as early as possible, preferably by April of every year, after the Budget had been approved by Parliament.

**New Pro-
cedure for
Financial
Sanctions**

When a doubt was expressed by Shri T. N. Singh about the success of the new procedure, Dr. Ghosh said that as soon as the joint decisions were arrived at, and given final approval, no further delay on account of finance could take place.

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Four-fold Methods of Deve- lopment

He enunciated the methods employed by Government for developing the small-scale and village industries: (i) restriction on the production of large-scale industries; (ii) preferential excise duties; (iii) the rebate on small-scale and village industries products; and (iv) a preferential purchase of small-scale and village industries products by the Central and the State Governments. He also informed the Members that the Stores Purchase Committee of the Government of India had recommended that certain varieties of stores should be preferred and purchased through the small-scale and village industries and that that recommendation had been accepted by the Government. He also added that a committee consisting of the Director-General of Supplies and Disposals and the representatives of the Ministry of Production was meeting to find out and review regularly the kinds of article that should be preferentially purchased. He felt sure that as a result of this, more and more such articles would be purchased preferentially from this sector.

At this stage Shri T. N. Singh pointed out that specifications had become more rigid than before and desired their relaxation. To this, Dr. Ghosh said that he would bring this to the notice of the Indian Standards Institution and suggest relaxation of specifications in the case of the products of the small-scale and village industries.

Price Differential Policy

When a clarification was sought by Shri Bansal whether a distinction was made in the products of the cottage industries and the small-scale industries in connection with the price differential policy, Dr. Ghosh replied in the negative and said that the two were lumped together.

Textile Policy

With a view to removing the doubts expressed about the textile industry, Dr. Ghosh read out the resolution of the Government on the subject which ran as under:

"A per capita consumption of 18·5 yards of cloth by the end of the Second Plan period is accepted as a basis. But this will be reviewed after a year or so, when the details of consumption becomes clear.....As against the estimated gap of 1700 million yards, the allotment proposed by the Ministries and broadly agreed to is, 700 million yards would be produced in the handloom industry every year; 300 million yards for the handloom from the Ambar Charkha, 200

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million yards for the introduction of power-looms in the handloom sector and 350 million yards for the expansion of the mill sector for the purposes of export leaving a balance, an unallotted balance of 150 million yards."

In this connection he observed that the production of the handloom products would increase by 50 per cent and the production of the handloom articles by the *Ambar Charkha* and *Khadi* would increase by another 300 million yards. He pointed out that a rebate to the handloom industry was given, but not to the powerloom, and so the contention that the interests of the handloom industry over the powerloom were not being safeguarded by Government did not appear to be sound. He also pointed out that the extra production of 350 million yards from the automatic looms would be produced only for the purpose of export. He also indicated that recently the Government of India had approved of the idea of having one or two spinning mills as a matter of principle and said that the necessary details would be worked out in the near future. Possibly there would be a comprehensive scheme, he said, for starting spinning mills either in the co-operative sector or in the public to meet the demands of the handloom industry.

The additional production in the footwear or tanning industry, he said, would be confined to the village and small-scale industries. The Government was aware of the existence of a great deal of exploitation by the middlemen and so the protection of the workers would be the special responsibility of the Handloom and Small-scale Industries Organisation and the Corporation. With respect to the Russian order, he indicated that it had been distributed on pro-rata basis and capacity all over India and that no monopoly had been given to the Agra manufacturers.

Leather Industry

As regards *ghani* oil, he said that attempts might be made for the introduction of power drilling equipment as part of the process which was already being carried on, subject, however, to two provisions: that such equipment could be operated by self-employed individuals on a decentralised basis and that its introduction did not cause unemployment.

Ghani oil

He disclosed that the Government policy was that no additional rice mills or hullers should be permitted to be installed during the Second Plan and the expected increase should be met from the hand sector.

Hand-pounded Rice

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Woollen Carpets

On the whole, export in woollen carpets and rugs had not gone down, he said, though there might be difficulties in particular localities which should be looked into.

Silk In- dustry

With regard to the difficulties experienced by the workers in Banaras, Dr. Ghosh said that an industrial co-operative association in U.P. was responsible for the distribution of imported silk; and the difficulties pointed out by the Member might be taken up with the local Government.

In this connection he indicated that there was no difficulty in importing more silk if a case was made out for it to the Silk Board. He also indicated that the Government of India had accepted the general principle that, whenever import duty operated on an industrial article, and if that article was exported, the producers would get a rebate corresponding to the excise duty or import duty.

Unemploy- ment and Underem- ployment

Dr. Ghosh said that the solution of the question of unemployment and under-employment was rather difficult and that full employment could not be achieved even with Rs. 6,100 crores. The cottage and small-scale industries, he said, were mainly intended to tackle the problem of under-employment. Because of the income accruing to the people in the Second Plan, the community as a whole, he added, might be able to bear the strain of unemployment better. He, however, concluded with the observation that, for many years to come, the small-scale industries were on the whole the key to the problem of unemployment.

Shellac Industry

With regard to the difficulties pointed out in the case of shellac industry, Dr. Ghosh observed that there was an autonomous Commodity Committee dealing with the subject and the grievances, if any, might be forwarded to that body which was responsible for the sales, improvement in technique, collection and export etc. of this industry.

At this stage, the Chairman observed that if any points required clarification, questions might be put to the Minister for Planning who was there. Accordingly, a question was put whether the granting of licence for additional spindlage in the mills was in consonance with the policy of the Planning Commission regarding the encouragement of cottage industries.

Increase in Spindlage

Shri Gulzarilal Lal Nanda, Minister for Planning, while referring to the new declaration of policy in respect of the

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programme for the production of cotton yarn and cloth, remarked that it was evident that there was a great deal of apprehension, and, to an extent, misunderstanding of the position that had arisen. He said that the spindlage position had not been altered except in a marginal way. There were licences outstanding to the extent of about 1·8 or 1·9 million spindles and the addition that had been made was only for certain specific purposes, he said. The slight addition, he added, did not involve any question of principle.

With respect to *Ambar Charkha*, he informed the House that there was no controversy about its place, and its position had not been affected. It was merely the question of the implementation of the *Ambar Charkha* programme, he added.

In view of the different assessments made regarding the capacity of the handlooms, by the protagonists of the industry and the Ministry of Commerce and Industry, he said that the progress of the country could not be stopped. As yet the handloom industry had to prove that it could produce more. There was a large field left uncovered even on the basis of a *per capita* consumption of 18·5 yards of cloth by the end of the Second Plan period, as the Commerce and Industry Ministry was of the view that it was inadequate and more would be required. In that case, the handloom industry could prove their case and step in. But at present, the handloom producers, on the other hand, said that they would not produce more because they were not getting enough yarn.

He concluded his observations with the remarks that it was now for the Handloom Board and the representatives of the industry to come forward and show that a wrong view had been taken and that the decision should be changed.

In reply to another question whether the Kanungo Committee's Report had been accepted *in toto*, or at least that part which said that handlooms should be replaced by powerlooms, he replied that it was not so in that general manner.

Thereafter, the Committee took up discussion of the industrial development programme.

PROGRAMME OF INDUSTRIAL DEVELOPMENT

Dr. Rama Rao concentrated on the dangers of foreign investment. He did not oppose foreign loans. He cited the examples of Anglo-Iranian Oil Company, United Fruit Company of Guatemala, Kolar Gold Fields and Madras Tramways, to emphasize that foreign exploitation of national resources was politically dangerous. He also cited the production figures of soap produced by Lever Brothers and the products of Glaxo Laboratories to show how the foreign companies competed with Indian products. Such foreign companies, he stated, bypass tariffs and other restrictions by establishing factories in India, and claiming the facilities which were meant for Indian manufacturers. Unless steps were taken to eliminate foreign capital, Indian industries would not develop.

He further observed that there was a definite increase in foreign investment in India. Therefore, according to him, the first step should be to take over these foreign investments without giving them fancy compensation. While welcoming the taking over the distribution of cement by the State Trading Corporation, he posed a question as to why it should be necessary to import cement from abroad. and asked for immediate starting of about a dozen or two factories to produce large quantities of cement for use both in the public and private sectors. He concluded by reminding the Planning Commission of the dangers of foreign investment, and asked them to go more boldly in taking assistance from countries which were prepared to give assistance to India without any financial interest, without any strings whatsoever.

Location Industry

Shri T. N. Singh: speaking on the problem of location of industries remarked that the basic industries would have to be concentrated where the raw material, power and necessary skill were available. But the consumer industries, which depended for their well-being mostly. On ready market, could be dispersed more easily and rationally. These, he continued, might be spread and dispersed all over the country.

He further observed that labour in India was one of the cheapest, and, in efficiency, compared quite favourably with the western labour. He emphasised that all the industries, that were being planned and envisaged, should not be

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criminally assisted. Whenever allocations were made for the private sector, or even the public sector, it was not the Government alone, he said, who should have a say but also the tax-payers. He, therefore, suggested that a machinery should be evolved which could work out all the details in the matter of starting new industries. A more direct parliamentary authority should be exercised in such matters, he said.

**Greater
Parliamentary
Authority
Needed**

With regard to the general working of the private sector, Shri Singh observed that there could not be any case for giving grants to the private sector. All assistance must be in the form of loans with interest, which was reasonable, taking into account the price at which the Government themselves had to take loans.

As regards public sector, Shri Singh observed that the State should have full control over all heavy and basic industries. Some of the consumer industries would also have to be run by the public sector with a view to dispersing of industries. Referring to the allotment to mills, for export purposes, from automatic looms, he expressed doubts as to whether this compartmentalisation of the products of the textile industry on the basis of the looms would work successfully. In spite of the, controls at mills, at the godowns and everywhere, there were likely to be evasions. According to Shri Singh, there was no scheme in the Plan for the creation and training of the right type and adequate number of personnel. He expressed surprise that even the available personnel could not be made use of. The foreign technical personnel that came to India, he remarked, had a tendency to hang on the job as long as possible, and, therefore, it was necessary to put certain limit in this matter in our agreements with other countries.

**State Control
over
Heavy and
Basic Industries**

Shri Singh concluded by remarking that wherever a particular country appeared to be getting a preponderance in industrial assistance to India, that should not be allowed.

Shri S. C. Deb expressed satisfaction at the heavy programme of basic industries in the Second Five Year Plan. He, however, stated that along with the heavy industries like iron and steel, there must also be a programme for heavy machineries, and regretted its absence in the Plan. Citing the example of China, he stated that in her plans

**Need for a
definite
pro-
gramme
for heavy
machinery
industry**

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there was a definite programme to produce every year a complete set of iron smelting, steel making rolling mill and coke-oven equipment for integrated iron and steel production of 1.6 million tons. He urged that India should have a concentrated and bold programme for heavy machinery industry, so that, after a few years, the country would have technicians and could make a start itself.

Modernization of the Equipment of Jute, cotton sugar and tea industries

He invited the attention of the Planning Commission to the need for modernisation of the equipment of the important national industries, like jute and cotton textiles, sugar and tea industries. Referring to the tea industry particularly, he said that it had deteriorated and suggested that it should be given as much attention as was now being paid to the jute industry.

Need for a Separate Wing in the Planning Commi-

Shri Bansal was in full agreement with the Planning Commission that the greater emphasis should now be laid on the development of heavy industries. He stated that during the First Five Year Plan very little had been done about them because of certain limitations, specially the shortage of food-stuffs. He, however, agreed with Shri S. C. Deb that there was a lacuna in our planning. He was very critical of the present tendency of too much dependence on foreign countries. He agreed that there was a need for foreign aid, but remarked that too much dependence on it was harmful. He endorsed the view that the establishment of steel plants should be accompanied by the development of necessary plant-manufacturing industry. He suggested that the Planning Commission should have a separate wing to thrash out all these problems, so that we might not have to depend on foreign countries indefinitely.

Foreign Participation and heavy royalties

Regarding the question of foreign participation, he pointed out that the view of private enterprise was that foreign participation should not be more than 25 to 30 percent. He particularly referred to the heavy royalties that were now being paid to foreign technicians for their technical know-how. He pointed out that it was for the Government to see whether royalties could be more advantageous to the country than financial collaboration. He stated that it was high time for the Government of India to devise a particular pattern of foreign participation both for the public and private sectors. He added that though some sort of a pattern was already there for the

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public sector, in regard to the private sector also there must be a blue-print indicating the lines on which the foreign participation should be allowed.

On the question of agreements with foreign companies, Shri Bansal fully agreed with the recommendations of the Estimates Committee that the Government must now pool all the information available in the various Ministries in regard to foreign collaborations. He admitted that perhaps a standard form would not be possible in view of the fact that the nature of various industries and the terms of participation therein were likely to differ, but still the possibility of devising some common form should be explored.

**Agreement
with Foreign
Companies**

He referred to the particular case of an oil refining company, which had recently refused to collaborate with the Government of India in regard to the utilisation of one of the by-products of that industry. He stated that this was a very serious situation in regard to foreign participation.

**Non-Collaboration of
foreign companies**

Shri Bansal was critical of the present tendency both in private and public sector, that orders for everything were placed abroad even for machinery manufactured here. He referred to a number of cases where the various Ministries of the Government of India showed their preference for foreign articles without due scrutiny or exploration of the possibility of getting them manufactured in the country. He particularly pointed out the possibilities of manufacturing a number of small machines in our Ordnance Factories, the capacity of which was lying idle now.

**Preference
for foreign
articles**

Regarding the import of foreign technicians, he pointed out that the Government should find out whether some kind of a cadre of consultants could be developed in the country itself. He could understand the necessity of getting foreign technical experts for industries to be newly developed, but failed to do so in the case of those industries which were well established in the country. He requested the Planning Commission to give serious consideration to this particular question of building up a cadre of technical consultants within a short time.

**Development of a
Cadre of
Technical
Consultants**

He welcomed the flexible approach in regard to industrial development and the Plan as a whole. He suggested

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Necessity of Establishing a large number of machinery & machinery manufacturing Plants that the Government of India should rely more on the idea of taking possession of the strategic heights of the country's economy than on nationalization on a large scale. In this connection, he referred to the necessity of establishing a large number of machineries, manufacturing plants, like foundries, casting and forging shops etc. He stated that it was likely that the Government would put up one or two heavy plants, but besides that, there was also the necessity of establishing a number of small and medium plants. He suggested that in case of small and medium plants there should be no ban on the private sector if they come forward to set up such plants within a reasonable period of time.

Encouragement to limestone utilization Shri Bansal hoped that the Planning Commission would explore the possibility of utilisation of limestone as a substitute for cement in the rural areas. He said that, if the Government encouraged this industry in the rural areas a lot of difficulty with regard to cement would be avoided.

Mills for Utilizing Scrap He suggested that the possibility of banning export of any variety of scrap should be explored and the Government should not be hesitant to give permission to anybody who came forward to put up a rolling mill or a smelting mill to convert scrap, both indigenous and imported, in order to produce steel in the country.

Research of the Private Sector Shri G. D. Somand pointed out that the private sector should be enabled to have the necessary resources at its disposal in order to discharge the responsibilities assigned to it in the Second Five Year Plan. He hoped that the Planning Commission would devote some more time and energy to see how far these resources could be made available to the private sector. He pointed out that no subsidies or grants were being made available to the private sector for any of the industries. He stated that whatever subsidies were now available to the private sector, the benefit of that was passed on directly to the labour and not to the industrialist. He further stated that the present policy of taxation and other measures in the economic sphere had made it difficult for any company to raise any capital for the floatation of any new projects. His main point was to draw attention to the existing availability of resources for the private sector. Referring to his memorandum already circulated, he stated that the entire question had not been properly analysed by the

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Planning Commission and, whatever details had been given were based on certain assumptions about which certain steps would have to be taken. Regarding the estimate of about Rs. 300 crores to be raised internally by the existing companies, he stated that it would depend upon the taxation and price policy to be followed by the Government of India. He pointed out that, once certain responsibilities had been assigned to the private sector, it was the duty of the Government and the Planning Commission to so formulate the taxation and other policies that the required resources were left into the hands of that sector in order to fulfil its responsibilities.

Regarding the possibility of increasing cement production in the country, he stated that the industry was in a position to fulfil whatever role was assigned to it, provided there was no difficulty about the necessary transport facilities. In this connection, he was critical of the Government of U. P., who had chosen to entrust the running of the cement factory to a firm of foreign consultants in spite of the availability of well-experienced technicians in the country. In reply to a reference to the possibility of black marketing in cement, Shri Somani stated that there was no scope for any factory to conceal its production and to pass it on without being properly accounted for.

**Cement
Production**

He stated that, in view of the expansion of our steel production, it was desirable that adequate provision should be made for the production of billets. He also suggested that the target of fertiliser production should be increased.

Referring to the possible advantages of locating a fertiliser factory in Rajasthan, he requested the Planning Commission to consider the possibility of including the fourth factory in the Second Five Year Plan and of locating the same in Rajasthan.

**Billet and
fertilizer
production**

Regarding cotton textiles, he observed that there was no scope for diverting the production from additional spindlage to the internal market without paying the penal excise duty. As regards the uncovered 150 million yards, he suggested that this additional capacity should be allotted to the deficient zones like Punjab, Rajasthan or Assam, and elsewhere so that the capacity of the uneco-

**Textile
Policy**

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conomic units there could be increased with the result that the prices of cloth might be kept low.

Industrial Development Corporations

Shri Somani suggested that the Government should give attention to the activities and the nature of functions of various industrial development corporations, so that their schemes for making loans for the rehabilitation of textile and jute industries could be implemented satisfactorily. Referring to the current negotiations of the Handloom Industrial Development Corporation with some foreign manufacturers, Shri Somani pointed out that every precaution should be taken to ensure that our own technical know-how was not neglected.

Foreign Investment and Control of Oil Prices

Regarding the policy about foreign investment, he suggested that, wherever indigenous capital was available, the Government should not in any circumstances allow any foreign party to come into that industry. He referred to the difficulties of indigenous manufacturers of soap, matches, etc., and suggested that it should be the policy of the Government to strictly ensure that wherever indigenous capital was willing or was in the position to come into the industry, no foreigners were allowed to make any investment. He wanted the Planning Commission to give due attention to the present oil pricing policy as controlled by some international organisations. He suggested that the price of both oil and coal should be competitive, so that the foreign oil concerns could not make very exorbitant profits. He stated that the Government of India had at present no voice or control over the oil prices. He also requested the Planning Commission to study the implications of the present policy of the international oil pool, so that the indigenous industry might be enabled to have the benefit of as cheap a price as possible for the supply of the fuel oil.

Perspective Planning

Shri R. P. Sinha welcomed the emphasis laid on heavy industries in the Second Plan, but he had his doubts whether the targets would be achieved because the necessary preliminary steps had not been taken earlier. Therefore, he desired the Planning Commission to plan with a long perspective and prepare the broad outline of the Third Plan, so that arrangements could be made beforehand and national waste might be avoided.

Integration of Targets

In order to avoid lopsidedness in development, he suggested that the targets should be properly integrated. In

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this connection, he felt that the capacity for structural fabrication was rather low. Similarly, heavy foundry-cum-forge shops appeared to be short in the light of the demand likely to arise during the Second and Third Plans. He also pointed out that the target for the ship-building industry was low.

Further, he observed that there was an acute shortage of trained and technical personnel in the country. The Report of the Planning Commission had recommended the enlargement of training facilities in the country, he said, and so, immediate action in that direction should be taken as otherwise the entire Plan would fail. He invited the attention of the Members to a memorandum of the All India Manufacturers' Association wherein it was suggested that a suitable law for compulsory apprenticeship should be enacted. He recommended that Planning Commission to examine the scheme so that necessary legislation should be passed without any loss of time.

**Shortage of
Technical
Personnel**

He regretted the absence of any mention of a synthetic petrol factory in the Second Plan. He desired that in the interest of saving foreign exchange and of the country's defence needs, India should go ahead during the Plan period with the provision for such a factory.

**Synthetic
Oil Indus-
try**

Although India was the second largest country in the film industry, he regretted to note that no provision had been made for putting up a raw film industry.

**Raw Film
Industry**

Shri Bhagwat Jha Azad, referring to the controversy about foreign investment, said that India required foreign collaboration but a definite policy should be laid down, as the way, in which the country was importing foreign experts, was really disappointing.

**Foreign
Investment**

In the name of regional economic development, he said, definite and apparent advantages in locating a certain industry in a particular zone should not be sacrificed.

**Location of
Industry**

He maintained that the relationship between the public and the private sectors should be like that of a senior and a junior partner. What was desired, he said, was not only the demarcation of industries between the two sectors and the allocation of responsibilities and funds, but also a strict control over the private sector. At a later stage, he emphasised that the control should not only

**Public and
Private
Sectors**

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apply to distribution but also to production and the delivery of the goods into the market.

Technical Personnel He was of the view that the Plan did not say much about developing the technical personnel required for the fulfilment of the targets. He urged that a cadre of consultants and technical personnel should be developed.

Perspective Planning He deplored the fact that the Planning Commission had never peeped into the future requirements of the country. In this connection, he observed that an industrially-biased plan with no heavy machinery plant was a strange phenomenon.

Employment Potential of Heavy Industry He desired the Planning Commission to state the potential employment value of the heavy industries.

Location of Industry Dr. J. N. Parikh, taking up the issue of location of industry, said that there were certain industries where economic considerations regarding location did not play a very important part, for instance, chemical industries.

New Capital Issues He indicated that the controller of capital issues, in granting permission for new capital requirements of existing concerns, insisted on charging a premium on the shares. He was of the opinion that this method required careful consideration as it was necessary that an atmosphere of confidence should be created in the mind of investing public.

He also suggested that the possibilities of floating and raising foreign loans as well as supply of machinery on easy instalment terms should be explored as also the procurement of funds for the private sector through the International Bank for Reconstruction and Development under Government guarantee.

Better Ministerial Co-ordination He desired that there should be a better co-ordination between the industrial enterprises of the various Ministries. At present, he added, there was lack of co-ordination and of exchange of resources and technical know-how.

Textile Industry He felt that, the blanket ban on the import of looms and spindles was not at all desirable, in view of the fact that the textile machinery was wearing out and modernisation would have to be done.

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He opened that there was a good scope for expansion of sugar industry; that the plan for setting up a second paper unit in the public sector should be examined; that the possibility of starting new rubber factories should be examined quickly as the existing units could not be expected to cope with the increasing demand; that fish, canning and salt industries should be developed; that manufacture of anti-biotics should be undertaken; and that the Government should take up the manufacture of raw films in order to save foreign exchange.

**Expansion
of Industries**

He was also of the view that a second ship-yard should be built and immediate negotiations should be started with some foreign firm to build it either in collaboration with Indian capital or on its own account.

He observed that closing down of some of the defence industries was not in keeping with the country's industrial development plan. He desired that a proper survey should be made and these industries should also be switched over to manufacture consumer goods.

**Defence
Industries**

He further remarked that a comprehensive plan should be evolved for the development of thermo-nuclear and atomic energy.

**Atomic
Energy**

He suggested that the results of the various research laboratories should be co-ordinated and made easily available.

**Research
Laboratories**

For increasing technical personnel in the country, he suggested the grant of scholarships to the trainees and the setting up of training facilities in the design and plan work.

**Technical
Personnel**

He suggested that a cell in the development wing of the Ministry of Commerce and Industry should be created to assess the possibility of starting new industries in public and private sectors. In this connection, he desired the Planning Commission to conduct a survey of the existing raw materials. Planning was a continuous process and therefore more and more thought should be given to future progress, he observed.

**Development
Wing**

Shri S. M. Ghosh pointed out that the targets of the Plan were based on certain calculations of the cost of materials, wages, etc., but in view of the sudden rise in

**Problem of
Rising prices & Wages**

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prices of certain commodities and in wages, the problem of achieving the targets had become so complicated that he wanted the Planning Commission to elucidate how they were going to tackle it.

Improve- ment in the Adminis- trative Machinery

He invited the attention of the Government to the existing defects in the administrative machinery. He felt that unless the very root of the whole problem was tackled, there was little likelihood of implementing the Plan as desired. He therefore wanted the Planning Commission to give serious thought to the question of improving the country's administrative machinery.

Gap in Transport Arrange- ment

Regarding transport, Shri Ghosh stated that the successful implementation of the whole Plan was equally dependent on sufficient transport arrangements in the country. He referred to the Transport Ministry's Report to the effect that there was a gap of 20 per cent. and stated that he was not aware of any proposal to fill up the gap.

Foreign Aid & In- vestment

Regarding foreign investment, Shri Ghosh stated that, at the present moment, there was no option for the country but to accept foreign aid, and put up with some foreign investments. Efforts should, however, be made to do away with these as early as possible, he said.

Services of of our Ex- perts & Bu- siness Magnates

He suggested that the possibility of utilising the experts in India for the development of industry, especially cement, should be explored, and the Government should request the big business magnates to come forward and lend their services for the nationalised industries.

Question of the paucity of Techni- cal Person- nel

Dr. Raghubir Singh wanted to know how the Planning Commission was going to meet the requirements of technical man-power for working out the Second Five Year Plan. He stated that the new hands that were going to be trained at the new technical institutions, still to be opened, would be useful only for the Third or more definitely for the Fourth Five Year Plan. Referring to the recent census of technical personnel available in the country, he believed that in spite of all talk about paucity there were quite a few scores of technical personnel who were still unemployed in the country, mainly because of inexperience and incomplete training. He, therefore, suggested that some definite steps should be taken to make

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these mal-trained or inexperienced technical personnel suitable for work in the Second Five Year Plan.

In respect of industrial cooperatives and industrial estates, which were something like the community projects in the rural areas, Dr. Sinh wanted to have details as to what exactly the conception of these industrial estates was. He stated that though the establishment of such industrial co-operatives and estates in the suburb of big cities was a very praise-worthy idea, this measure was not going to fulfil the requirements of smaller industrial establishments in rural areas.

**Industrial
Co-operatives & Estates**

Coming to the question of rural electrification, he suggested that, where the grid lines had to pass through long tracts of rural areas, small units or projects should be set up which could profitably be utilised for small-scale industries. He asked the Planning Commission to give some thought to that suggestion and think out a way in which small-scale industries could be developed in the heart of the country, where as yet there was neither electric power nor any small-scale industries.

Rural Electrification

Shri A. M. Thomas pointed out that though the Planning Commission claimed that a beginning had been made in the Second Five Year Plan for balanced regional development, an analysis of the various schemes would show that nothing had been done in that direction and there was a good deal of truth in the feeling that the South had been neglected in this respect. He emphasised that, where the considerations of finance and other natural resources were not over-riding, there should be a proper dispersion of industries. He added that the licencing policy of the Government should be so utilised that industries got established in areas where there was a good deal of labour available, and where ample scope for industrialisation existed.

**Balanced
Regional
Development and
Location of
Industry**

Proceeding further, he stated that there was a good case for setting up a fertilizer factory in the South. He also pointed out that very little attention had been paid to the plantation industry and wanted the Planning Commission to develop it in the South, especially in view of the potential employment capacity in that industry.

He mentioned that there was an overwhelming case for starting a rubber factory in the South. He urged that,

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if no private industrialist was prepared to come forward, the residuary authority under the Industrial Policy Resolution should be exercised and the State should step in.

**Large-Scale
vs. Small-
Scale In-
dustries**

In regard to the suggestion that some regions should be satisfied with small-scale and cottage industries, his contention was that these could never be a substitute for heavy and large-scale industries, in view of the fact that the scope for tertiary and subsidiary occupations was greater in the heavy industries.

**Power and
Industry**

Referring to the intimate connection between the establishment of new industries and power production, he stressed that, wherever there was possibility of producing power, it should be developed and the other things would automatically follow.

**Foreign
and Tech-
nical Know
how**

If the industrial development of the country was desired, it was necessary to have foreign aid and technical know-how, he added.

**Scope of
Private
Sector**

In regard to the so-called conflict between the public and the private sector, he referred to a pamphlet containing the recent speech of the President of Indian Merchants' Association which had pointed out that there was plenty of scope for the private sector within the framework of the Industrial Policy Resolution.

**Location of
Industry**

Shrimati Savitri Devi Nigam, speaking about the location of industry, observed that although natural resources played an important part in the location of industrial units, they should not be the sole criterion. She desired that there should be proper regional distribution and that no region should remain industrially backward.

**Textile
Industry:
Scarcity
of Cloth**

She was afraid that the much advertised cloth shortage was a figment of imagination or, in the alternative, the Government had failed to foresee this shortage. According to her, there was a desire to oblige the big capitalists by giving them licences for new spindles and the power-looms were being introduced through the back-door. She reiterated her contention that the power-looms would spread unemployment by wiping out the handlooms which had just started standing on their legs.

**Foreign
Capital:
Survey &
Control**

As regards foreign capital, she did not anticipate any great danger, because, she observed, many other advanced countries had allowed foreign capital to develop their economy. But in order to insulate against the inherent

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risks in foreign investments, she emphasized the need for an up-to-date survey of foreign capital in India and a strict control on its operation, particularly with regard to profits.

She expressed herself in favour of allowing enough **Private Sector** scope to private enterprise, provided it did not compete with and destroy cottage industries.

She also stressed the need for toning up the administrative machinery of the Government by putting time-limits on the disposal of files and by initiating 'Quick and Speedy Work Campaign' as they did in Finland. **Administrative Machinery**



IV

FOURTH SITTING

[14th July, 1956: 10 A.M. to 1 P.M.]

Foreign Capital and Repatria- tion of Foreign Concerns

Dr. J. C. Ghosh replying to the points raised in the debate on industrial development programme in the Second Plan, assured the foreign concerns in India that there would be fair deal without any discrimination. As regards repatriation and replacement of foreign capital, he observed that the Government felt that new capital could better be utilised in developing new industries than in acquiring existing concerns. He added that the Government was very anxious that the senior technical and supervisory personnel in foreign concerns should, as far as possible, be quickly Indianised and that the recent income-tax on perquisites had hastened the process of Indianisation. With respect to foreign capital, he remarked that the Government was strong enough not to be afraid of inviting it on their own terms for developing the country. He informed the Members that the experience of various Ministries in regard to their negotiations with foreign concerns and capitalists was being pooled together in the Ministry of Commerce and Industry and the contracts would, in future, be far more favourable than what they had been in the past.

Location Industry

Principles governing the location of industry, he said, were laid down in the Industrial Policy Resolution. Further, he added, the large expansion of existing industries or the location of new industries in new regions should be scrutinised by the Licencing Committee under the aegis of the Ministry of Commerce and Industry. As regards facilities for transport he said that this Committee, in consultation with the Railway Board, took into consideration the economic viability of a unit in the future competitive market. The recommendations of this Committee were, however, subject to the review of another Committee in which Members of Parliament were adequately represented.

As regards the location of heavy industries, he was of the view that it was desirable that there should be at

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least one heavy industry on a very modest scale located in each part of India to give an opportunity to the people of the locality to be trained in the manufacturing processes of that industry. The skill created in that way, he said, was worth having, though the cost of production might be higher than if the industry was more favourably located. In this connection, he added, steps had to be taken to promote greater mobility of labour. In reply to a question whether a time-limit was envisaged for stopping the subsidy to the weaker units in industry as a matter of policy, he said that there was no fixed date but attempts were made to expand and reconstruct these industries in such a way that the subsidy would become less and less.

With respect to the suggestion for the diversification of consumer goods industries, he observed that it was generally felt that such goods were possibly best produced at the centres of consumption which, moreover, gave considerable relief to the transport system. The new spinning mills were accordingly intended to be located in areas where the demand for yarn was at present very much in excess of the supply.

As regards the demand for industrial development of the South, he mentioned the various projects for that region and added that it had been recognised that future expansion of the sugar industry should be in the South and the Planning Commission was also anxious that the utmost encouragement should be given to the growth of light engineering industries there.

He explained that heavy industries were responsible only for the indirect creation of employment in the secondary sector and the uniformity of steel prices had taken away the advantage for creating such employment from the areas where the steel plants were located.

The Government and the Planning Commission, he said, attached the greatest importance to the problem of technical personnel in the country. The targets fixed in this connection were likely to be raised. He indicated that the subject was being discussed by a representative body of the All-India Council of Technical Education and its recommendations were awaited with interest. He added that the real bottleneck was the scarcity of teachers and appealed to the industrialists to release some of their senior engineers and technologists for two or three years

**Industrial
Develop-
ment of the
South**

**Employ-
ment Po-
tential of
Heavy
Industries]**

**Technical
Personnel**

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for this purpose. He regarded the decision of the All-India Manufacturers' Association to provide apprenticeships on a large scale in existing industries as a forward step of vital significance. With regard to the higher supervisory staff, he stated that much of it would have to be imported for the present, but he hoped that in the new set-up they would not hang on unnecessarily for an indefinite period, as every foreign expert would be required to train one or two Indian under-studies. The question of the lack of designing and consulting engineers in the country, he said, was receiving the serious attention of the Government and a step had recently been taken in this direction for starting private consultants for the steel industry. Further, the Government had decided to have a pool of managerial service in the country which would take into its cadre business administrators, cost accountants, industrial engineers and so on. With a view to training business administrators, he said, schemes and projects had been set up at Calcutta, Delhi, Bangalore and Madras in accordance with the most up-to-date knowledge available on the subject.

Perspective Planning About perspective planning, he said that the country was still a novice in that field. Certain ideas were being formed which were in the nature of speculations as much depended on the success in achieving the targets under the Second Plan.

National Industrial Development Corporation With regard to the criticism levelled against the slow progress of the National Industrial Development Corporation, he detailed the work done by that body and the projects in hand with it. Regarding the structural fabrication, he explained that the real bottleneck in its development was the lack of steel and that by 1960-61 the production was likely to rise four-fold.

Pharmaceuticals Industry In connection with the pharmaceuticals industry, he informed the Members that large-scale developments were anticipated, both in the private as well as the public sector. A loan of Rs. 3 crores had been sanctioned to a private concern and the loan was intended to develop the intermediates required for the manufacture of pharmaceuticals. Moreover, the Ministry of Commerce and Industry was examining a proposal for investing Rs. 24 crores in a synthetic plant for intermediates and essential drugs which could achieve a production whose present

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value, according to import prices, was of the order of about Rs. 27 crores.

In reply to a demand made for a rubber factory in T.C. State, he said that a licence had been given for the establishment of an automobile tyre and tube factory to a private party in South India; but the location of the site for that factory had not yet been selected. He added that, if the development of this industry by private efforts did not materialise, there was no reason why the Travancore-Cochin Government should not themselves go ahead with that enterprise.

**Rubber
Industry**

With regard to the questions raised about the help which the Government of India would like to give to the private industry in order that they might be able to discharge the responsibilities laid on them, he indicated that the recent thinking was that instead of giving loans to industrial concerns, Government might rather participate in the equity capital of the concerns to which they had given financial assistance.

**State aid
to the
Private
Sector**

To the criticism that not much had been done to develop the synthetic petrol industry, he remarked that until the country had exhausted the possibility of raising mineral oil from within its borders, a large-scale investment in synthetic petrol would not be desirable. If at any time, he added, it was felt that the natural resources of India were not adequate for the purpose in view, the question of manufacture of synthetic petrol would be given due consideration. The subject had not altogether been dropped out of the cognisance of the Government, he continued, as the manufacture of synthetic petrol and diesel oil as a by-product of the soft coke industry was receiving attention of the Government.

**Synthetic
Petrol**

He informed the Members that the question of raw film industry was being re-examined and a decision was expected to be taken at a very early date to bring into existence this industry in India.

**Raw Film
Industry**

According to the Tariff Commission, he said, there was in India, at the present time, a prejudice factor against Indian-made goods which might be calculated at 20 per cent. of the cost of production. He hoped for the revival of the *Swadeshi* spirit, as otherwise it would be difficult

**Prejudice
Against
Swadeshi
Goods**

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for the Government to give protection to every kind of industry, as it involved a good deal of administrative inconvenience.

Problem of Inflation

The Second Five Year Plan was formulated on the basis that the price structure of the necessities of life prevalent in 1955-56 would remain the same during the Plan period, and the Report also made it clear that otherwise the implementation of the Plan would become problematical. The Planning Commission had, therefore, been bringing pressure on the Food and Agricultural Ministry, he said, to increase production of cereals by 40 per cent. in order that the inflationary position might be under control at the end of the Second Plan. The Government's textile policy was also mainly guided by the consideration of increased production and not by any kind of doctrinaire approach. For the present, the Food Ministry had agreed to raise the production of foodstuffs by 25 per cent. and the tentative view of the Government was that the present allocation might be sufficient to cope with this increased production.

To a question, whether the recent rise in the price of wheat by 16 per cent. was due to inflation in the country or due to shortage and how the Planning Commission was thinking of achieving a stable agricultural economy, he replied that the Ministry of Food and Agriculture considered that a rise by Rs. 2 per maund in the price of wheat was the economic price to encourage people to produce more wheat. In reply to another question whether the Planning Commission was also thinking of fiscal and physical controls as a measure of combating inflation, he said that the Government was averse to resorting to physical control, especially when the object in view could be achieved by increased production. As regards fiscal measures, he said that the Reserve Bank, the State Bank and also the scheduled banks had been asked not to give advances against hoardings of foodstuffs.

Shri Bansal desired clarification about locational development of industries, in view of the remarks of Dr. Ghosh that the consumer goods industries should be located at the centres of consumption; and he suggested that in respect of these industries certain backward areas should be marked out. To this, Dr. Ghosh replied that regional

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disparities must be removed by proper allocation of more units and the Government was very much interested in the development of decentralised units of production. He added that industries should be located away from the places where there was a concentration of production.

To another question of Shri Bansal that, in view of the new factor of increasing demand, some thought should be given to increasing the targets of certain industries, he said that the targets fixed in the Second Plan must not normally be considered rigid and that they were minimum and would be reviewed every year.

When a clarification was sought about the position of rerolling industry in steel, he said that the installed capacity of the 143 rerolls in India on a single shift basis was about 700,000 tons of finished steel. Due to shortage of raw materials these could produce at present only about 115,000 tons of saleable finished steel. With the coming of the new steel plants into operation, the lack of raw materials would be remedied.

In reply to a query, Shri B. B. Saksena, Joint Secretary, Ministry of Commerce and Industry, said that the royalty ceiling was at 5 per cent., including income-tax and other taxes. Deducting these taxes, the net amount payable to the foreign companies was about 3.6 per cent.

Thereafter, the Committee took up discussion of the transport policy in the Second Plan.

TRANSPORT POLICY

Shri Raghunath Singh initiating the discussion on transport policy, drew pointed attention to two aspects of shipping, viz. economy and security. He pointed out a discrepancy in the figures: at one place the allotment for shipping was shown as Rs. 48 crores and at another place as Rs. 45 crores. Taking into consideration Rs. 8 crores, which had not been spent under this head in the First Plan, the net allotment for shipping in the Second Plan, he said, was only Rs. 37 crores. He calculated the shipping requirements of the country in various directions, and showed that the planned targets for shipping fell very much short of these requirements. The percentage share of Indian shipping in the sea-borne trade of the country was extremely low, he added, as compared to other advanced countries.

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He observed that shipping brought to India Rs. 160 crores per year, and urged that at least Rs. 80 crores. should be spent on its development during the Second Plan period.

He pointed to the paucity of passenger ships and tankers, and said that in view of the new refineries to be opened in India, the need for tankers would become increasingly pressing.

Second Shipyard Necessary

He referred to the defence point of view and stressed the necessity for a second shipyard, and suggested that it should be constructed in Travancore-Cochin. He also added that instead of importing engines, boilers, etc. for shipbuilding, they should be manufactured in the newly constructed steel plants. The shipyards, he concluded should also be developed with foreign help, to build cruisers, mine-sweepers, destroyers, etc.

Inland Water Transport

Shri S. V. Ramaswamy observed that the Planning Commission had virtually lost sight of inland water transport as an alternative means of transport to reduce the brunt of burden falling on the railways. He emphasised the need for mobilising all the resources for coping with the problem of transport facilities which threatened to be the biggest bottleneck in the Second Plan. He pointed out that the Industrial Revolution in England had greatly relied upon canal system for transport. In India, the Ganga-Brahmaputra bed, the Buckingham Canal and the canal in Travancore-Cochin were the only waterways. But the whole irrigation system including Hirakud Dam, Bhakra-Nangal Project and Tungabhadra canals, with proper designing, could constitute at least 10,000 miles of cheap water transport system. Unfortunately, he remarked, this had not been visualized by the engineers and obstruction had been put across the canals in the form of bridges, causeways, etc. which militated against their use as water-ways.

He expressed sympathy with Assam for the floods which had become a bi-annual feature there. He insisted that without any consideration for the cost, a strong and permanent line of railway communication should be maintained through out the year to this part of the country.

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With a view to building a continuous meter-gauge line from Trivandrum in the South to Bhatinda in the North, Shri Ramaswamy suggested the necessity for linking Bangalore with Salem by meter-gauge and taking it straight to Dindigul. He questioned the wisdom of doubling the existing lines. He suggested that some portion of the funds, set apart for the Railways should be diverted for restoring the dismantled lines and for connecting essential links of the meter-gauge system, so that there might be no transshipment, and the transport of goods from one end of the country to the other might be facilitated.

Restoration of Dismantled Lines: Meter-gauge Line from Trivandrum to Bhatinda

He concluded his speech with the observations that even the Second Plan did not go much towards achieving the target of roadmileage laid down in Nagpur Plan. Increase in road traffic was essential, he said, to relieve the strain on railways, and in order to bring about this increase, he suggested that the Planning Commission should deal with the problem of heavy taxation imposed on road transport. The matter needed close examination, he added, in consultation with the States, and, he hoped, proper attention would be paid to it by the Commission.

Development of Road Transport

Shri Bhakta Darshan said that the Nagpur plan prepared in 1943 had fixed a target that no town should be more than 5 miles away from some road, but nothing had been indicated in the Second Five Year Plan as to how far progress had been made towards this target during the First Plan. With regard to the National Highways, he suggested that all important centres should be connected by a national highway system, including the religious centre of Badrinath which had strategic value apart from its natural scenery.

Road development Vis-a-vis the Nagpur Plan

He recalled a scheme prepared by the Transport Ministry in 1954 under which Rs. 10 crores had been allotted to the State Governments for the construction of roads. But the allotment, he said, had been made in great haste resulting in indiscriminate expenditure on particular areas. He, therefore, suggested that the requirements of various areas should be thoroughly enquired into and the Members of Parliament from various States should be consulted when making such allotments. He expressed a hope that the Planning Commission would instruct the State Governments to help and supervise the work of road construction undertaken by villagers through *Sharmadhan*.

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Tourism

Referring to the development of tourism, he remarked that only a few lines had been devoted to this subject in the Report of the Planning Commission. He could not discover any specific amount allotted to tourism. He sought further information regarding any scheme, if any, for the development of tourism. He complained that many other hill stations were being neglected and disproportionate attention was being paid to Kashmir. In this connection, he drew the attention of the Planning Commission to a place between Joshi Math and Badri Nath which could attract thousands of foreign tourists. This, he recommended, should be linked with a road and developed into a tourist centre.

He concluded by emphasising the need to develop internal tourism and thereby to foster the sense of unity in India.

Shri Tek Chand said that the tourist aspect deserved to be examined with a closer scrutiny, as it had not received the intensive attention it deserved. This source of national wealth had remained un-explored and un-exploited, primarily through lack of transport facilities. He pointed out that in several countries the cost of cutting rocks, cutting trees, tunnelling etc. in the hilly regions was completely eliminated by having ropeways haulage even over long distances. In India, however, people happened to be absolutely oblivious of the great potentialities of this means of transport. He also referred to the indifference in India to mountaineering, mountain sports etc.

Electric Traction

Further, he observed that sufficient attention was not being paid to electric haulage in India and recommended that this should be done with a sense of urgency. In this connection he remarked that it was no use liquidating small companies supplying electricity and substituting them by the great grid schemes. It would be better to utilise the huge store of electricity that was being made available now for the benefit of railway haulage and transport because that would not only conserve coal resources but would also reduce cost and speed up the trains and enable the locomotives to negotiate steep gradients. In countries like Switzerland and the U.S.A., said Shri Tek Chand, railways negotiated great heights not with the aid of steam coal but with the aid of electricity by resorting to adhesion, rack and opinion. He concluded by impressing upon

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the Planning Commission that they should have devoted some sort of attention—at least theoretical examination to these possibilities.

Shri R. L. Jangde pointed out that there was no rail and road coordination because there were instances of railway lines and roads running parallel and competing with each other. In this connection, he suggested that there should be a separate Ministry for Transport.

**Lack of
Rail road
Co-ordi-
nation**

He referred to the region, falling within the four corners of Raipur, Waltair, Kazipeth and Ballarshah, which had no provision for the laying of a single mile of rail-track in the Second Five Year Plan. The area of this region was about one lakh square miles. All such neglected regions, he remarked, deserved greater attention of the Planning Commission. He also referred to the problems of Assam, Rajasthan, Madhya Pradesh and the north eastern parts of Andhra, which, he recommended, should be given weightage in matters of transport.

**Backward
Regions
and
Transport**

According to Shri Jangde, first priority should be given to village roads and feeder roads, which the villagers had voluntarily built with *Shramdan*. As for laying of double lines, he suggested that it should be confined only to those sectors where there were transport bottlenecks.

With regard to the shortage of steel on railways, he observed that it should not, in any way, impair the work of rail-development programme and, if necessary, resort should be had to imports.

He concluded by remarking that in order to develop contracts with the tribal people, those areas should be linked through the National Highways, and he suggested to the Planning Commission that this work should not be left to the discretion of the States.

Shri G. L. Bansal observed that planning was nothing but assessment of priorities and because the emphasis had to be laid in the Second Five Year Plan on industrial development—particularly on the development of heavy industries—it was natural that the transport development had to be biased in favour of industrial development. That was the reason, he said, why the very desirable objectives like tourism etc. had to be relegated to a secondary position.

**Transport
System and
Industrial
Develop-
ment**

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Uncovered Gap

Referring to the controversy between the Railway Board and the Planning Commission regarding the haulage capacity of the railways, he observed that nothing was said as to how the hitherto uncovered gap of 17 million tons would be carried, and added that no industrial plan would succeed in the absence of adequate transport capacity. He desired an elucidation from the Planning Commission on this point and observed that the "conspiracy of silence" should be done away with. He observed that the probable answer to this might be given that the efficiency of railways could be stepped up. He wanted to know whether any scientific study of the subject had been made and, if so, whether it could be raised only to cover the gap of 17 million tons or more. If no inquiry had been made so far, he said, the Planning Commission owed it to the Railway Board and the nation to conduct such an inquiry, otherwise it should provide all the funds which the Railways required.

Loop-lines] vs. Parallel lines

With regard to the question of doubling the lines, he suggested that it would be better to have a loop-line rather than a parallel line. The carrying capacity could moreover be raised by adding more wagons and the congestion at the stations could be removed by having longer platforms, he added.

Stable life-line with Assam

He further observed that in any plan, worth the name, some addition to the mileage of the railways must be attempted. He was disappointed to see that not much had been done in the direction of opening out the backward areas. Referring to the misfortunes of Assam, he observed that the normal traffic which used to flow through Calcutta, before partition, between Assam and the rest of the country, should be restored to the fullest extent possible by making the life-line with Assam permanent, so that it was not cut off during floods or the rainy season. Without suggesting that a curb should be placed on travelling, Shri Bansal observed that transport plan must be more goods-minded than passenger-minded otherwise there would be transport bottleneck.

Shri Bansal concluded by emphasizing the need for increasing efficiency and for allocating additional funds for the development of transport without which no industrial development could take place.

FIFTH SITTING

[16th July, 1956: Time 3 P.M. to 5-45 P.M.]

Shri C. P. Matthen said that a maritime country like India with its nearly 3,500 miles of coast line needed a substantial merchant navy and it was very important that the requirements of transport, whether railway, shipping, surface transport or inland waterways, were produced in our country which would not only save foreign exchange but also strengthen national safety. Referring to the recommendations of the Shipping Policy Committee, appointed in 1947, he strongly criticised the Planning Commission for not making any attempt to provide for the achievement of the target of 2 million tons set by that Committee. He said that even the modest target of 6 lakh tons set in the First Five Year Plan had not been achieved. As things stood at present, the target of 2 million tons was hoped to be realised by the end of the Third Plan, i.e. by 1966. To make this possible, he said, one million and odd tons had still to be produced, so that the number of ships to be constructed during the Third Five Year Plan could be about 40 ships per annum. Even assuming that 50 per cent of them were obtained from foreign countries, he said, it would be necessary to have a building capacity of 20 ships per annum, while the capacity of our yard at Visakhapatnam was only 4 ships per annum. Amongst the maritime countries, India was the only country which did not have adequate ship building yards. He said that the Planning Commission had most unrealistically ignored this vital economic and strategic factor and he, therefore, suggested that a couple or so of more shipyards should be constructed.

**Building of
Merchant
Navy**

**Target of 2
million
tons**

Referring to the discussion in the Parliament on a non-official resolution on maritime policy, he pointed out that every Member irrespective of party affiliations had very vehemently emphasised the need for the development of our merchant navy and the necessity for having the minimum target in the Second Plan at one million tons, so that it could be possible by the next Plan period to have 2 million

**Opinion of
Parliament
on Mar-
itime Poli-
cy**

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tons. But he regretted to note that the wishes of the Members in this regard had been disregarded.

Revolution in Surface Transport

Coming to surface transport, Shri Matthen said that there was a new revolution in this field viz. preference of road to rail and those nations which were first to adopt it would be well ahead of others. He made a pointed reference for encouraging the private transport, by giving loans and facilities for importing heavy lorries, and not nationalising it for at least 10 years. He also emphasised the necessity for building and strengthening bridges and said that the private sector should be allowed not only the goods traffic, but also passenger traffic. This, he said, would remove, to a great extent, the existing bottleneck in transport.

Inland Waterways

Regarding inland waterways, he felt that this much-neglected method of transport had got wonderful employment potential and was also very cheap. He emphasised the need of dredging side by side with the flat bottomed vessels suggested by the Planning Commission and said that the canals could be spread all over South India.

Coming to tourism, Shri Matthen referred to the Edappalam Games Sanctuary, the Periyar lake and the adjoining hills in Travancore-Cochin which he said could be developed into very lucrative places for tourist's attraction. He also desired that the Madras Airport should be strengthened. Tourism, he said was a great potential for income by which several countries of Europe were thriving and to which sufficient importance was not being given in India. He said that this could be possible only if there was a separate Minister for Transport.

Replying to the queries of some Members with regard to the question of resources for implementing the various suggestions made by him, Shri Matthen pointed out the possibility of getting loans, the offer of West Germany with regard to ship building and the fact that apart from saving Rs. 190 crores per annum by way of freight to foreign companies, ships built in Indian yards would in a few years become a paying concern which would also earn ample foreign exchange for the country.

Transport for back- ward Re- gions

Shri M. D. Joshi said that while it was understandable that lines to serve new industrial projects should get

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precedence over others, it was also equally necessary that the backward regions, where even normal facilities did not exist, should also be served by adequate transport system. He said that while some lines were being doubled other areas like the strip of land called Konkan were not being served by any railway line at all or by adequate road transport. While in other countries, according to Shri Joshi, shipping transport was considered relatively cheaper to railway transport, in India the position was reverse and he desired the Government to take over coastal shipping.

He urged the Government to improve without delay the minor ports of which there were 20 between Bombay and Goa. With regard to the question of personnel for merchant shipping, he said, there was no dearth of young people but the problem really was of providing these seafaring persons with employment which the sorry stage of our shipping made it impossible to do so for the present. He desired that the Planning Commission should look into the question of increasing the number of our ships and our own tonnage and of providing employment to our young men on the sea.

**Develop-
ment of
Minor
Ports**

Summarising the points made by him in the conclusion of his speech, Shri Joshi said that the Diwa-Dasgaon railway of 90 miles costing about only Rs. 6 crores must be taken up as the first lap of the Bombay-Mangalore railway line. More money should be expended over at least one or two intermediate ports along the West Coast, road transport should be attended to more carefully as its condition in the open track was very miserable, good roads should be provided for, atleast four or five intermediate (minor ports should be catered to by the motor buses and railways and lastly the Government should co-ordinate all these ports.

**Bombay-
Mangalore
Railway
line**

Shri G. K. Vijaivargiya suggested that on the pattern of Russians having connected the Caspian Sea with the Black Sea, India should also join the Arabian Sea with the Bay of Bengal, so that instead of going round the whole peninsula of India, a navigable track from one sea to the other was made, and this should be done by joining either Chambal and Magi rivers or the Son and Narbada rivers. This was a question, he said, which

**Joining of
Arabian
Sea with
the Bay
of Bengal**

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should be examined by the Planning Commission and engineers.

**Ropeway
Link:
Assam**

Referring to the strategic importance of Assam and the fact that the transport system was occasionally washed off during the floods, interrupting railway communications, he suggested that there should be some other permanent means of transport, a rope-way or some such thing connecting Assam with the rest of India.

**Transport
Needs of
New Madhya
Pradesh**

He desired that particular attention should be given by the Planning Commission to the construction of roads, railways and bridges in the new state of Madhya Pradesh by granting adequate funds for the purpose, so that this important new State could be a modern one served by good roads and railways.

**Develop-
ment of
Assam**

Shri P. C. Sharma said that in view of the trouble in Naga Hills, the stabilisation of railway links in Assam should be looked into. He pointed out that Assam was very rich in mineral resources and raw materials and what was needed was adequate transport for its development, particularly in view of the key industry of petroleum.

**Subsidiary
Port for
Calcutta**

Shri C. R. Narasimhan began by saying that a transport plan should have precedence over a development plan. Making a particular mention of the Calcutta Port, he said that it was already very much congested and on account of the proximity of the Bhilai and Rourkela Steel Projects, the major burden of India's exports and of imports due to the Second Plan was likely to fall on Calcutta. He, therefore, suggested that a subsidiary port near Sagar should be built which would also be a wise strategical step.

**Tuticorin
Harbour**

Coming to South India, he said, the proposal of converting Tuticorin into deep sea harbour by constructing a kind of canal in the extreme south near Sethusamudram should be quickly examined and further steps taken without delay.

**Restora-
tion of dis-
mantled
Lines**

He expressed himself strongly in favour of the restoration of all dismantled lines which could be brought about with a little effort, as the tracks, railway stations and the bridges were all there. Particularly emphasising the immediate restoration of Salem-Bangalore line, he pointed

out the possibilities of a steel plant, a lignite plant and an aluminium plant in the Salam area. So far as the Erode-Jalarpet section of the main line was concerned, he said, a great deal of doubling was going on but it would have been better to have alternative lines instead.

Shri Iqbal Singh stated that in the matter of railway network, India stood very high in the world but in the matter of road transport system, India stood very low. Railway were allotted 18% of the First Plan Budget and 20% of the Second Plan Budget, whereas road transport was allotted 6½% of the First Plan Budget and the allocation had been brought down to 5% of the Second Plan Budget. This according to him, was very unfair.

He further stated that, if it was desired to reach the villages and the hilly areas of India, it was necessary to develop the road transport system. Road transport was cheaper in every respect, and was very necessary for the development of the agricultural sector. The number of buses in India had increased from 27,000 to 39,000 during the First Plan period but the figure was very low compared to the vast expanse of the country. Over-crowding in trains could not be reduced by such halting progress in the road transport system. The total number of buses and truck permits, according to Shri Iqbal Singh, was one lakh, which, he suggested, should be doubled. That would give employment to 5 lakh workers of different categories. He suggested that permits might be given to co-operative societies or to technically qualified or educated persons.

With a view to developing road transport, he suggested relaxation of restrictions on inter-State movements of goods. Proceeding further, he said that if the road-transport was to be nationalized, it should not be made a subsidiary industry of the Railways. The nationalized transport should be run by the State Governments in healthy competition with the railways on a profit-earning basis. He observed that the much talked of rail-road competition was non-existent and a thing of the past.

Although he did not advocate that the allocation for railways should be reduced, he concluded by emphasising that road transport deserved greater consideration than railways.

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Railways in the Malnad areas

Shri Basappa Setty said that railways were very badly needed in the Malnad area of South India which was very hilly and very backward. He said that such backward areas should be developed equally with the other advanced areas of India, particularly because the Malnad area was rich in timber, coffee, bamboo, pepper, oranges, bananas, etc. which could not be properly exported due to transport difficulties and as a consequence the economic development of the region was handicapped seriously.

Referring to the assurance given by Shri Lal Bahadur Shastri and other Central Ministers to consider the question of developing the Malnad area by providing adequate transport, Shri Setty requested the Government to take up the question in all seriousness and to see that the Central Malnad Committee was reconstituted and its report considered early and suitable provision for the development of the Malnad area made.

Importance of Trans- port

Dr. J. N. Parekh desired that special attention should be paid to the transport problem particularly because in the Second Plan more prominence was given to industrial development, the success of which depended on the efficient and judicious handling of the transport system. He felt that there was a tendency, on the part of the Administration, to exaggerate the expenses and minimise the income resulting in the discovery at the end that the deficit was wiped out and turned into surplus. He criticised the method of procuring railway equipment and said that it required special consideration in so far as the small concerns were being ignored. He suggested that freight structure should be rationalized and passenger overcrowding looked into.

Rationali- sation of Freight

Regarding shipping he agreed with others who had said that besides earning foreign exchange it was a second line of defence. He said that there was lop-sided allotment of funds in the Second Plan with the result that shipping had been given very little. He expressed himself in favour of a more ambitious shipping programme and said that the country required more ships of every variety. As regards 'tramp-shipping', he said that it had received only a negligible attention and should be developed. He also desired that India should have a second ship-yard

Shipping Programme

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He further suggested that there must be training facilities for naval ratings etc. and felt that the training facilities even for Officers were not adequate. Development and modernisation of ports also required, according to him, greater attention and planning. **Naval Training**

Coming to roadways, Shri Parikh suggested that their development should also be accelerated, so that a link between road, rail and sea was established. It was surprising, he said, that in the Second Plan no fresh grant was allotted to National Highways which were a very vital link in our transport system. He suggested the establishment of national and state road boards so that they could look after the development of roads in a better way. He added that the ports must be connected with the towns by cement or tarred, or atleast, metalled roads so that there could be useful links for commercial traffic as also in times of trouble. He also wanted a survey and planning of all bridges to be undertaken, because as transport developed, the load capacity of the bridges had also to be re-assessed. It would be greatly helpful, he said, if a standard pattern for bridges was chalked out. **Roadways**

He further proposed the appointment of a Transport Commission to go into the various details regarding the transport position in the country, viz. stock position of trucks, comparative idea of total capital investment earnings, operational cost, administrative cost, nature of taxation in different States as also the different legislations governing vehicular traffic and percentage of profits earned, etc. He also suggested that an agency should be set up for financing road-transport. **Transport Commission**

IV

SIXTH SITTING

[17th July, 1956: 3 P.M. TO 5-30 P.M.]

Transport Policy

Shri A. M. Thomas, initiating the discussion on transport policy on the third day, said that from the note of dissent of Shri Neogy there was an indication of his fundamental difference from the view of the majority, as far as the programme for transport was concerned. According to Shri Neogy, said Shri Thomas, the Plan lacked balance and there was no correlation between production and transport. Shri Thomas endorsed these views and remarked that the transport development programme had not received the attention it deserved. Adequate provisions had not been made, he added, to carry the traffic which the targets laid down in the industrial and agricultural sectors would generate. Subsequent to the formulation of the Plan, certain targets, as in the instance of agricultural production, were contemplated to be raised. Moreover, he added that even the quantum of traffic expected to rise otherwise during the Plan period was considered to be an under-estimate.

Annual Review

Citing relevant paragraphs from the Report itself, he observed that due to the lack of adequate attention to transport, goods produced during the First Plan period could not be moved satisfactorily and the targets aimed at suffered consequently. The Planning Commission, he said, now proposed to review annually the transport problem. Such a procedure of putting targets and reviewing them every year, he added, was not a plan at all. The proper approach would be to make a long range plan for 10 or 20 years with adequate provision for additional traffic that would be generated.

Construc- tion of New Railway Lines

Turning his attention to the question of Railways, Shri Thomas observed that the Plan had imposed a complete ban on the construction of new railway lines except for the purposes of iron and steel industries and where it was necessary in urgent operational requirements. He asked the authorities whether any provision for new railway lines had been made subsequent to the introduction

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of the Railway Budget in the House. Stressing the need for the construction of new lines in certain areas, he said that the people of those areas could not be asked to wait for another 5 years for the provision of new railway lines. He regretted that, out of the total of 842 miles of new lines, there was not even a single mile for the Southern Railway. He said the current statistics showed that the average for a population of one lakh in Travancore-Cochin was 2.8 miles as against an All-India average of 8.4 miles.

From the two successive speeches of the Railway Minister, he said, it appeared to be the intention of the Government to gradually introduce electric traction wherever it was possible. But from the Plan it was found that this objective was not carried out. He said that wherever it was difficult to carry goods, electric tractions should be used. It was moreover, cheaper than steam traction. It was also desirable, he added, to introduce dieselisation wherever it was possible.

Electric Traction

In regard to rolling stock, he said that, with a little more investment, there would not be any difficulty in attaining self-sufficiency as far as wagon manufacture was concerned. He desired the Planning Commission to see that self-sufficiency was attained in this respect at the end of the Second Five Year Plan.

Rolling Stock

With regard to shipping, his views were that a second shipyard was very necessary, and in this connection he regretted the observations made by the Ministry of Production that it was still premature to give any date for the commencement of a second shipyard. He concluded his speech by quoting the views of the Minister of Commerce and Industry that the shipping tonnage, on the Government side and, to some extent, on the private side, must be increased.

Shipping

Shri R. P. Sinha speaking on the transport policy in the Second Five Year Plan, explained how the existing allocation for the railways was inadequate and the provisions made therein were insufficient to make the realisation of targets in the industrial sector a reality. He pointed out that on the one hand the Planning Commission had brought about a cut in the allocation of funds against the expressed wishes of the Railway Board, on the other targets of production in respect of certain commodities

Inadequate Allocation for Railways

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like cement had been subsequently raised. With the lower financial allocation, he failed to understand how the railways would be able to carry all the goods from the centres of production to those of consumption.

Revised Estimates of Railway Board.

He observed that the Railway Board had recently further revised their estimates placing the total haulage requirements between 70 to 75 million tons which therefore, left, a gap of 28 to 33 million tons. This revision was necessitated, he added, because the Railway Board had not earlier taken into account the effect of the export-drive in the Second Plan period. He added that the rise in load in other countries due to the impact of development-plans had been about 50 per cent. and he remarked that the load in India was also bound to rise.

According to him, the Railway Board had asked for about Rs. 160 crores with which they hoped to meet the additional traffic of 25 to 30 million tons. In view of this, he desired a re-allocation of resources for the railways, and asked the Planning Commission to furnish all the facts and figures about the estimates received from the Railway Board and also their reasons in the event of their not accepting them.

Allocation for Track Renewals

With regard to the question of track renewals, he pointed out that the Railways had estimated that during the next five-year period, 10,000 miles of track would fall due for repair, but the Plan provided for only 8,000 miles of track renewals. He emphasised that the cut of Rs. 25 crores made under this head should be restored as it would go a long way in meeting the deficiency of haulage with the same number of wagons and locomotives.

Wooden Sleepers

He did not approve of the proposal of the Railways to meet only 50 per cent. of their requirements of sleepers from wood. He asked the Planning Commission to take a firm stand in this matter and suggested that wood from Andamans should not be exported but used for sleepers as was being done in the U.S.A. where no cast-iron or steel sleepers were being used.

Signalling

Stressing the importance of signalling in railways, Shri Sinha observed that the Japanese worked their track even with a single line with the best possible efficiency in the world because they were using the most modern signalling and inter-locking arrangements. He suggested

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that the demand of the Railways for Rs. 40 crores in this regard should be met in full provided they could give guaranteed output even somewhere near the Japanese standard. He added that there was nothing to be imported as all the signalling equipment could be manufactured in India.

He expressed his dissatisfaction over the proposals for dieselisation of railways which, according to him, made India dependent on other countries in so far as oil requirements were concerned. On the other hand, he pleaded for more electrification of railways and requested the Government not to impose cuts in this regard.

Dieselisation and Electrification.

As regards the contention that the Railway plan would be reviewed annually by the Planning Commission and necessary allocations would be given to them in due course to expand their programme, he observed that an allocation made after two or three years would be of no avail to the Railways. What the Railways wanted was, he added, an authority now to enter into commitments as supplies took about two or three years to come.

With regard to the view that the gap in transport could be met by increasing the efficiency of railways, he remarked that operational efficiency could not be expected to do so as the point of saturation had been reached in most cases.

Operational Efficiency of Railways

Shri Sinha wanted the Planning Commission to make an active study of the question of diverting traffic as much as possible from the Railways. He desired that a Committee of experts be appointed to examine this question of congestion especially in the Raniganj coal-field area.

Diversion of Traffic

He also desired that the possibility of introducing a system of aerial ropeways should be examined. The initial cost in laying ropeways as well as the operational cost was much less as compared to railway.

Aerial Ropeways

Expressing his complete disapproval of nationalisation of road transport at present, Shri Sinha felt convinced that the question of road transport, both with regard to goods and passenger traffic, could be taken care of by the private sector. The allocation of Rs. 13.5 crores made in the State budgets for nationalisation of road transport could be put to some other useful purpose like that of ship-building.

Nationalisation of Road Transport

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Ship-building Industry

Besides suggesting the diversion of allocation made for nationalisation of road transport to the ship-building industry, he also suggested that Rs. 2.5 crores allocated for manufacturing security paper and Rs. 0.75 crores for teleprinter might be saved as both these articles could be imported. He was in favour of importing D.D.T. and other antibiotics rather than manufacturing them at the cost of heavy industries like ship-building.

Machinery for Assessing Transport Needs

Shri S. C. Deb observed that there should be a proper machinery for assessing the total transport needs of the country. Such an assessment, he said, would enable the Planning Commission to have a complete picture of the difficulties experienced by the people in the various parts of India and to chalk out their programme accordingly. Further, he added that the problem of over-crowding, which was very serious in the North-Eastern Railway, should also be tackled. He was of the view that the efficiency of Railways should be improved, especially with regard to the prevalent conditions and bottleneck in Assam.

Inland Water Transport

Continuing further, he suggested that inland water transport between Ganga and Brahmaputra should be developed.

Agartala-Shillong Road

With regard to the Agartala-Shillong road, which was under construction, he suggested that it should be declared as a national highway.

Development of Minor Ports

Shri P. Subha Rao began by laying stress on the development of minor ports during the Second Plan period, so that the pressure upon major ports could be eased.

Construction of Bridges

He then observed that the construction of bridges over rivers between two adjacent States was not generally undertaken and suggested that this work should either be taken over by the Central Government or some machinery be devised for such States to provide bridges.

Buckingham Canal

With regard to inland water transport, he desired that the Planning Commission should have undertaken improvement of the Buckingham Canal to such an extent that at least some launches could ply there.

Construction of New Railway Lines

Proceeding further, he remarked that more funds should have been allotted for the construction of new railway lines. In this connection, he pointed out that at present there was no definite policy and desired that the

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Planning Commission should bear in mind the necessary principles to be followed in the construction of new lines.

Shri S. M. Ghosh referring to the unanimous recommendation of the Estimates Committee in their Twentieth Report that the Railway should be provided with the funds required by them and the subsequent assurance given by the Deputy Chairman of the Planning Commission in his communication with the Chairman of the Committee to the effect that the Railway would obtain the funds necessary to carry out their task and that for the first year of the Second Plan they had been practically allowed all that they required, wanted an elucidation from the Planning Commission whether the construction of new lines, which was included in the original programme of the Railways, would be taken up in the first year of the Second Plan or whether it had been suggested that the lines necessary for development purposes need only be taken up and others dropped. He particularly desired to know whether the Malda-Khejuria line, because of its strategic importance as well as for administrative purposes, had been included in the first year.

**Railway
Plan and
Estimates
Committee
Construc-
tion of new
Lines**

With regard to the growing transport difficulties, he was of the view that if the Ministries of Railway and Transport could not meet the growing needs of haulage during the Second Plan, it would be advisable to open up road and inland river transport to the private sector. He agreed with Shri R. P. Sinha that nationalisation of road transport should not be pursued as the State could not manage it.

**Road Tran-
sport &
Private
Sector**

Shri L. Jogeswar Singh observed that although the Government had undertaken the construction of roads in the backward areas in the First Plan, Tripura had no road link at all with any part of Assam. Consequently, the people, he said, were put to the greatest hardships during famine in the matter of supply of even the bare necessities of life. Moreover, Tripura, he added, was only five miles from Pakistan. He, therefore, asked the Government to see that road construction in these areas was undertaken on a war-footing.

**Road
Transport
Devel op-
ment in
Manipur
& Tripura.**

Coming to the Manipur State, he said that the area was also of great strategic importance but the State had only one lifeline—the Dimapur-Manipur road. In times of

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trouble, as in the case of the recent Naga rebellion, the economic life and security of the people was at stake. At this stage, Dr. Ghosh observed that an alternative route from Salchar to Manipur had been sanctioned and would be completed before 1961. But Shri Jogeswar Singh expressed his doubts whether a road of about 80 miles could be completed within five years when the construction of a road from Imphal to Tamingaon—about 50 miles—had not been completed during the span of the same period.

He further suggested that for successfully counter-acting the Naga trouble as well as for better intercourse and commerce between Burma and India, the international highway, which one connected Manipur and Burma, should be properly maintained on both sides of the border.

Road Transport

Continuing further, he remarked that Assam, Manipur and Tripura were the most backward areas so far as railway and road transport were concerned. He regretted that no provision had been made for the construction of new lines in the eastern part of India. As the transport plan is to be reviewed every year, he suggested that, in case nothing had been done so far, extension of new lines should be undertaken to remove the existing serious bottlenecks in that part of the country. He also suggested the introduction of through booking between Calcutta and Imphal and provision of amenities for the passengers at Dimanpur—the railway terminus for Manipur.

Tourism Concluding his speech, he said that facilities should be provided to develop tourism in eastern part of India, especially Manipur.

VII

SEVENTH SITTING

[18th July, 1956: 10 A.M. to 11 A.M. and 3 P.M. to 5-30 P.M.]

Dr. J. C. Ghosh, in reply to the various points raised during the discussion on transport policy, stated that there was no subject which had received greater attention by the Planning Commission than that of transport. He pointed out that all expenditure on transport would be met from interest-bearing loans, and hence the subject could only be considered from the point of view of an investment programme. He said that the Railways were directly a productive enterprise in the sense that one could calculate the return from the capital invested, whereas the roads were indirectly productive enterprises and it was very difficult to find out what returns the roads would bring. He added that it was the business of the Planning Commission to classify all the projects in terms of 'Urgent', 'More urgent' and 'Most urgent'.

**Expendi-
ture on
Transport
as part of
an invest-
ment pro-
gramme**

Dr. Ghosh stated that, from the point of view of earning profits, the inland transport system appeared to be the least promising, in view of the fact that inland canals were in a rather derelict condition and the cost of maintenance of such canals was not even met by the tolls received from the traffic in such canals. The Government of India, therefore, took over the inland transport system as a Central responsibility and accordingly a sum of Rs. 150 lakhs had been allotted for the development of the transport system in the Ganga-Brahmaputra waterways. He said that the Government of India would probably take a two-third share of the responsibility and the rest would be met by the States concerned. He added that the Buckingham Canal and the West Coast Canals had also been taken over by the Government for improvement and maintenance at a cost of Rs. 115 lakhs and Rs. 43 lakhs respectively. The Planning Commission, he said, would also suggest to the Madras Government and the Orissa Government the desirability of improving Vedanarayanan Canal in Madras and the Orissa Coastal Canals.

**Inland
Water
Transport**

Synopsis of Proceedings

**Navi-
gational
canals**

He declared that adequate attention had been given to the development of the navigational possibility of the canals in the Multi-purpose River Schemes. Among the important projects, he mentioned the canal which would connect Durgapur and Calcutta. He stated that the attention of the Damodar Valley Corporation had been drawn to the valuable suggestion made by Shri Sinha about the aerial ropeways or conveyor belts for conveying coal from the fields to the barges in the canal for the purpose of giving relief to the railway system. He also referred to another canal which was expected to be taken up at an early date from the Hirakud Dam to Cuttack and hoped that the scheme would receive high priority in the Third Plan. About the Tungabhadra multi-purpose project, he stated that an irrigation-cum-navigation canal on the left bank of Tungabhadra project upto Raichur, a distance of 110 miles, was to be developed rapidly. About the suggestion for taking up a navigational canal system from the Bhakra Nangal Project to Rajputana, he stated that, even though the region was a low density traffic area, the notice of the authorities there would be brought to the proposal. Referring to a 'border' project for the purpose of carrying goods traffic straight from Calcutta to Patna, he said that this was rather a major project and raised international complications. He, however, hoped that complications would be solved shortly and the project would materialise to the advantage of both Bihar and Bengal. In regard to the proposed barrage on Ganga, he disclosed that this had raised international complications, otherwise the scheme would have received high priority.

**Shipping
develop-
ment pro-
gramme**

Regarding the ocean transport, Dr. Ghosh said that the Planning Commission also shared the view that the programme for the development of shipping in the country had not been as bold as it should have been. He referred to the recommendation of the Shipping Committee of 1945 for a target of 2 million tons and stated that nothing could be done about it due to the difficulties of the country's partition and other handicaps. Referring to a year old recommendation of the Study Group of the Consultative Committee of the Ship-owners for a more moderate target of 1.1 million tons, he said that the Commission wished to make such a provision. But, he added the Second Five Year Plan could provide with great difficulty

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only Rs. 45 crores for acquisition of new ships and another Rs. 10 crores were expected to be available from the reserves of the present Shipping Companies, and this combined pool was expected to give us a tonnage of only 9 lakhs by the end of 1961. Accepting the view that our own shipping meant saving of foreign exchange, he stated that 9 lakh tons by 1961 would earn for the country a foreign exchange of Rs. 36 crores. Proceeding further, he said that it might be difficult for the Shipping Companies to spend more than Rs. 55 crores before 1961, in view of the fact that practically all foreign ship-yards were fully booked with orders upto 1961. He mentioned that Indian Shipping Companies were also very much averse to buying second-hand ships at fancy prices.

He stated that the Government had taken steps to see that all Government controlled cargo in the Second Plan were used to encourage Indian shipping industry and it was expected that most of them would be carried by Indian bottoms. He then gave details of the extension of the routes to be operated by the Eastern Shipping Corporation. Referring to the Western Shipping Corporation to be shortly set up, he pointed out that this route was at present unremunerative and it was hoped that there would be considerable development in the activities of trade between India and the region to be covered by the operation of this Corporation so that the traffic would soon become remunerative.

Government measures to encourage Indian Shipping

Regarding the training of personnel for manning our merchant shipping, he said that both the Marine Engineering College in Calcutta as well as the Aeronautical and Marine Engineering College in Bombay would be considerably strengthened.

Provision for training of personnel.

On the question of development of our own ship-yards, Dr. Ghosh gave details of the present position in regard to the development of Vizag yard. He particularly referred to the development programme that was proceeding more or less in accordance with the views of the French consultants. He stated that the programme of construction was rapidly improving and the expectation would be realised if not this year at least next year. Referring to the high cost of ship-building at the Vizag yard, he stated that during the last five years the Government had paid to the shipping companies a subsidy of Rs. 3.25 crores. This amount of subsidy, he disclosed, was more

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**Program-
me of con-
struction
ships and
the diffi-
culties of
building
up a sec-
ond yard.**

than the cost of acquisition of a ship-yard and bringing it upto-date, which was only Rs. 2.75 crores. He invited the attention of the Members of the Committee to this particular question of high subsidy in relation to the suggestion for building up another ship-yard in the country on an immediate basis. He also pointed out the necessity of having sufficient technical personnel in the country as a pre-condition for such a step. In order to take full advantage of the foreign consultants the Planning Commission had, therefore, asked the Hindustan Ship-Yard at Vizag to start training 500 skilled personnel who would be able to run efficiently the second yard when established, and it was also possible that as soon as these 500 persons were trained, another 500 persons would be given training for another 2 years, so that by the time the second ship-yard was established we would have a corps of 1,000 key personnel to manufacture ships in that yard in an efficient manner. In the meantime, he said, the Planning Commission had decided that an expert Committee should be constituted, who in consultation with the Planning Commission, the Defence Ministry and the Transport Ministry, would find out a tricky solution to this problem of subsidy and efficient functioning of a ship-yard. He added that on the basis of such an expert assessment of our shipping requirements the capacity of a second ship-yard would be determined and only then the design of the yard would become a practical proposition. He, however, hoped that before 1959 the design of the second ship-yard as well as its final location would be completed.

**Difficulty
about steel
supply.**

Dr. Ghosh then invited attention to the difficulty about the supply of steel plates to the Vizag Yard and stated that the second ship-yard would be designed in such a way as to start production at a time when the steel from the Rourekela plant would come into the market so as to make the procurement possibilities of steel much easier (expected to be so by 1961). He said that the Planning Commission was guided by the view that the cost of building a ship-yard was not much, but the subsequent cost to the Exchequer for keeping the ship-yard going was much more.

Referring again to the absolute necessity for acquiring the knowledge of ship-building in the country, Dr. Ghosh pointed out that the price of steel plate was much less here than in other parts of the world and if the necessary skill

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was also acquired, in another 10 years or so we might be able to build ships whose costs could compare favourably with those from other countries. He said that in view of our unhappy experience with the foreign consultants, greatest importance was being attached to the development of indigenous skill and knowledge in the Second Plan.

Develop-
ment of
indigenous
skill and
knowledge

He said that in order to minimize our import requirements the Planning Commission were anxious to have as much of the propulsion machinery as possible manufactured in the country itself and for that purpose a manufacturing unit would be started immediately which would be responsible also for the manufacture of diesel engines that might be required for the locomotives as well as for the dieselisation of the railway system of the country.

A manu-
facturing
unit for
propulsion
machinery

Coming to the most debatable point of the provision for Railways, Dr. Ghosh stated that the Railway Board in their preliminary estimate were not aware of the fact that in the Second Plan the emphasis would be switched from agriculture to industry and heavy industry and that the Railways would be required to carry an additional tonnage of 61 million tons. They had, therefore, later revised their estimates and put it at Rs. 1,400 crores. Dr. Ghosh added that the matter was thoroughly examined by the Planning Commission and it was felt that for the present it was not possible to provide a sum exceeding Rs. 1,125 crores to the Railways.

He discussed the matter from several points of view. The Planning Commission, he said, considered the development of line capacity and agreed that the line capacity proposed by the Railway Board should be accepted subject to the usual 5 per cent. efficiency cut which had been agreed upon. In regard to the point raised by Shri Sinha whether the provision made for line capacity was reasonable, Dr. Ghosh gave details of the various ways of effecting improvement in the line capacity. He said that the main consideration was to do things as cheaply as possible. He enumerated the various advantages of doubling over new lines joining up the two terminals. But, at the same time, agreed that where the advantages were more than compensated by the advantage of development of new and undeveloped areas by the construction of new lines, that matter would be taken into consideration. He stated that each case had to be considered on its own merits.

Develop-
ment of
line capa-
city

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Proposal for Signal- ling and in- terlocking arrange- ments

Referring to another point raised by Shri Sinha about the desirability of introducing modern methods of signalling and interlocking arrangements for the purpose of carrying more traffic on the single line, Dr. Ghosh stated that, besides Prof. Galbraith's recommendation on this point, an American firm of consultants and experts were at present studying the possibilities of introducing this new method of signalling and interlocking on the Indian railways, and that the Government would seriously consider this proposal for implementation after an assessment of the results of a pilot project which was being carried out now. In reply to a query about the Japanese methods of signalling, he stated that it was the same as the American method. He disclosed that the American consultants had recommended that the results of the pilot project might be considered before we went in for the complete doubling up of the 1,600 miles.

Restora- tion of Dis- mantled lines and Link Railways

On the question of restoration of dismantled lines, Dr. Ghosh stated that the experience of the Railway Board was that the narrow gauge lines, and in some cases, the metre gauge lines were not paying proposition at present, and hence there had been suggestions for encouraging the road system in those areas. He added that the Railway Board were not in a position to restore such lines unless they were a paying proposition in competition with road traffic. He said that the desirability of a direct link between the Mysore system of metre gauge with the South Indian system of metre gauge would be given due consideration. He also stated that a Committee of Experts was already examining the measures to be taken for the stabilisation of the Assam Railway and as soon as their report was available the question would be given the highest priority.

Problem of rolling stock and ways and means of realloca- tion of funds

Coming next to the difficult problem of transporting the goods that would be offered to the Railways as a result of the expansion programme of the Second Five Year Plan, Dr. Ghosh stated that for carrying the extra load of 61 million tons the line capacity more or less would be developed. But the real trouble was the rolling stock, for the acquisition of which a sum of Rs. 380 crores had been set apart in the Plan. He pointed out the problem of replacing overaged stock, which was about 16 to 17 per cent. and stated that it was intended to bring this per-

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centage down to 6·6 per cent. There was a probability, he added, that a little more might be spent on the acquisition of new stocks than on rehabilitation of old stocks and thereby some fund might be saved. He said that there was a possibility of diverting the railway's share in road transport undertakings and of reversing the present allocation of Rs. 183 crores for development and Rs. 197 crores for rehabilitation of the coaching stock.

In regard to the extra provision of Rs. 40 crores for importing steel for the Railways, Dr. Ghosh stated, that in case of an emergency it would not be difficult to persuade the Iron and Steel Ministry to share with the railway Ministry the excess of Rs. 40 crores half and half. He also stated that the Planning Commission had in mind the possibility of a readjustment in the expenditure of Rs. 1,125 crores, but at present it was a question of full utilisation of the funds set down by the Railways for the first year of the Plan.

Possibility
of read-
justment
of the
provision

He said that the Railway Minister was quite optimistic but much depended on the enthusiastic co-operation and determination of will of the railway workers to keep the wagons moving in the same way and at the same speed as during the war time.

Co-opera-
tion of
railway
workers

As regards the supply of sleepers, Dr. Ghosh pointed out the necessity of maintaining a balance between cast iron and wooden sleepers to bring down the price of each. He believed that the Railway Board's policy in this regard was a business proposition.

Supply of
sleepers

In regard to the question of dieselisation, he stated that the matter would be examined carefully, and personally he thought that there was no reason why there should be dieselisation of Gomoh-Moghalsarai route if electrification of that route was no more costly. He added that preliminary survey of the lines had been completed and it was awaiting the sanction of the Government of India.

Dieselisa-
tion
vs.
Electrifica-
tion

Regarding the point for an increase in the lead of traffic, he pointed out that the Planning Commission experts were of the view that because of the regional distribution of industries the lead might decrease rather than increase. He, however, stated that no definite statement on the subject could now be made as it required careful studies on the basis of accurate information as to

Question of
increasing
the load of
traffic

Synopsis of Proceedings

the average lead of a load which was not available at present. The average movement of a wagon at 29 miles a day, as estimated by non-official experts, was considered by him to be a gross underestimate.

Relative efficiency of Railway vs. road traffic

He stated that the question of relative efficiency of railway vs. road traffic as raised by Shri Sinha and Sardar Iqbal Singh required careful examination by experts and that this question had been weighing with the Planning Commission in finding out exactly what would be the requirements of Railways for rolling stock in 1960-61, if in the meantime steps were taken to improve the road surfaces and road transport in the country.

Development of roads

Regarding the roads and road transport the position appeared to him fairly satisfactory. He referred to the Nagpur Plan and stated that road systems had now been divided by the Government of India into four classes—the National Highways, the State Highways, the Major Roads and the Minor Roads. He said that the First Five Year Plan target for National Highways could not be achieved and hence the residual as well as the new target would be completed during the Second Five Year Plan. He hoped that in the Third Plan with an expenditure of Rs. 30 crores practically all the national highways system would be completed and all the missing links and bridges provided.

He stated that it was quite clear that by 1961 the target of 123,000 miles of metalled roads and 200,000 miles of un-metalled roads would be completed, thereby reaching the Nagpur targets.

Development of a road on the West coast

In regard to the measures for better transport amenities for the coastal region between Bombay and Goa, Dr. Ghosh informed the Committee that the Government was contemplating of providing from its own funds as a grant a sum of Rs. 4 crores for the construction of a road along the West coast touching all the 20 minor ports between Bombay and Goa. He added that by the end of the Second Five Year Plan there would be a continuous motor road from Bombay to Cape Comorin along the West coast almost by the side of the sea linking up all the minor ports of this area and the entire expense of this road system would be met by the Government.

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Referring to the Government of India's special concern for the States of Manipur and Tripura, Dr. Ghosh gave details of the provision made for the development of roads in those States during the First as well as the Second Plan. He stated that the roads in Tripura had been constructed practically upto the Assam border and that a sum of Rs. 304 lakhs had been provided in the Second Plan, for the improvement and extension of these roads. Regarding Manipur, he said that the present road system there was going to be strengthened and developed between Imphal and Manipur and an alternate road would be constructed between Silchar and Manipur. He, however, pointed to the present difficulties of the availability of the materials required for road construction. He also referred to the special provision for developing roads in hilly areas which were not generally remunerative. He summed up the position regarding the road development programme by saying that there was a total provision of Rs. 246 crores for roads for the States; a provision of Rs. 25 crores from the Central Road Fund for roads; and special provision of Rs. 11 crores for roads in hilly areas, totalling a sum of Rs. 282 crores in the Second Five Year Plan.

Road development in Manipur and Tripura

He said that the Planning Commission felt that the roads in India were not being properly used and that the attention of the State Governments had been invited to this point, with the suggestion that, as far as possible, every kind of encouragement should be given to vehicular traffic. And for that purpose, he added, the Planning Commission had suggested that as far as goods traffic was concerned, who should not think of nationalisation for the next five years. Other measures had also been suggested for relaxing restrictions on transport of goods on roads in the various States. He said that all kinds of recommendations had been made with a view to improving the prospects of road traffic in the States and that the Government of India even intended to take permissive powers for regulation and control of inter-State road traffic in a new Bill.

Measures for improving road traffic in the States

Referring to the question of the issue of permits, he disclosed that certain complaints had been received by the Planning Commission in this respect. He added that it was, however, clear from the huge magnitude of applications for permits that private enterprise was willing to put out venture capital in development of road transport. In this connection he also referred to some other sugges-

Prospect of road development by private enterprise

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tions from a few Members of Parliament and wished that the subject was given a little more attention in the Planning Commission.

**Road
vs. Road
transport
Modern
trend**

By giving some details about the carrying capacity of trucks and that of the wagons, Dr. Ghosh stated that the subject required very careful examination and consideration by impartial authoritative bodies so that guidance might be given to the Centre and to the States as to the relative effectiveness of road transport *vis-a-vis* railway transport for handling goods traffic during the Second Plan period. In this connection he referred to the modern trend in transport facilities, particularly in the U.K. and U.S.A., and stated that the trend was in favour of the development of road transport in preference to rail transport. He quoted some figures in this connection and said that whether the conditions in India were favourable for adoption of this kind of development was rather difficult for us to take a decision about it immediately. He added that there was a feeling for the necessity of appointing a High Power Commission to study the whole question and recommend the policy to be followed in the Third Five Year Plan.

**Develop-
ment of
Tourism.**

In regard to the subject of tourism, Dr. Ghosh stated that the allocation on this item appeared to him rather small in view of the current earnings of about Rs. 7 crores a year in foreign exchange by encouraging foreign tourists. He, however, added that the allocation was mainly intended to develop centres which were the favourites of foreign tourists. He stated that in view of the remote chances of relief of overcrowding in the Indian Railways the tourism in respect of Indian public was being discouraged. He hoped that a complete scheme would be prepared for developing the beauty spots and hills of India for the purpose of making them more accessible to the Indian as well as the foreign tourists.

COMMUNICATIONS AND BROADCASTING

**Separation
of P. & T.
from
General
Finance.**

Shri Satis Chandra Samanta initiating the discussion on Communications and Broadcasting, desired that the P. & T. Finance should be separated from the General Finance, as had been done in the case of Railways. He said that both the Railways and the Communications were utility-cum-commercial concerns and hence there was no ground

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for differentiation between the two. He claimed that either the Railways should come back to General Finance or Communications should be separated from General Finance. He requested the Planning Commission to consider this question and come to a decision. He referred to his 1953 non-official resolution to the effect that the Posts and Telegraphs Department should be separated from General Finance and regretted that no action had been taken by the Government, even though there was a general realisation that this separation should be effected.

He particularly mentioned the inadequate accommodation for the staff of P. & T. Department in view of the fact that they had to depend upon the C.P.W.D., whereas the Railways had their own arrangements and their own funds for utilisation according to their requirements.

**Inadequate
Accommodation for
P. & T.
Staff**

He said that the Posts and Telegraphs Department, which had been rendering useful service, required proper consideration by the Planning Commission.

On the intervention of the Chairman that this was a matter of policy for the Government to decide and would be embarrassing for Dr. Ghosh to reply to this point, Shri Samanta only requested the Planning Commission to give serious thought to this question raised by him.

Shri G. K. Vijaivargiya observed that the money allotted for the publicity of the Plan was not enough. He suggested that more money should be provided for this purpose and some provision be also made in the State Plans.

**Provision
for Plan
Publicity**

Shri R. P. Sinha pointed out that the basic principles adopted in the Second Five Year Plan laid emphasis on building up the basic, heavy and capital industries, and it was, therefore, the duty of the Planning Commission to constantly remind every Department of the Government of India and every sector of the economy of these principles. In this context, he expressed his dissatisfaction at the development of broadcasting during the Second Plan period. He stated that as a result of the First Five Year Plan, the entire country was practically covered by the various transmitters established during the period and maintained that so far as the necessity of broadcasting was concerned, it had been practically achieved. His main criticism was that, in view of the urgent need for indus-

**Further
Development of
broadcasting a
luxury**

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trialising the country during the Second Plan period, further expansion of the broadcasting system as proposed in the Plan appeared to be a sort of luxury, which could wait for five years. The emphasis, he said, should first be laid on placing more receivers and not expanding transmitters. He pointed out that the Planning Commission should have taken up only three items, namely, community listening, training schools and research department.

Efficacy of radio dissemination of ideas

He invited the attention of the Committee to a recent sample survey conducted by the Indian Institute of Public Opinion with a view to finding out as to how many people kept abreast with the progress of the First Plan and what their source of information was. The survey was conducted in West Bengal and Delhi, and the inference was that the radio and other means were far less important in the dissemination of ideas on the Plan than newspapers and periodicals and discussions with friends. He agreed that the radio and transmission programme were good, no doubt, but, he pointed out that they must be looked at in the proper perspective in the Second Plan.

Opening of new Post Offices

In regard to the Communications Department, Shri Sinha did not grudge the provision made for the expansion of the different types of services, but he did not know whether the question had been examined from the various angles and whether it could wait or not. Dr. J. C. Ghosh intervened by saying that this had been examined from the point of view of earning interest, and the loss, if any, on account of the new P. and T. offices would be made up by the earnings in telephone services. Shri Sinha, however, did not want to lose the profits on the postal services. He concluded by saying that the Communications Department might be asked to postpone their expansion programme for post and telegraph offices to the Third Five Year Plan, specially in view of the implications of huge deficit financing and uncovered gap in the resources.

Inefficient publicity work

Shrimati Savitri Devi Nigam said that enormous resources of manpower were lying idle in our country. Whatever success we achieved during the First Five Year Plan was due to the utilisation of this idle manpower to some extent. Unless we utilise this source of energy and turn it into an asset, our country would not achieve a balanced economy. The Publicity Department had an important role in this respect. She was extremely dissatis-

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fied with the functioning of the Information and Broadcasting Ministry in the field of publicity during the First Plan period. Except opening ill-equipped Information Centres with untrained personnel, nothing tangible was done to propagate the Plan, she said.

On the other hand, she felt that despite paucity of funds Bharat Sevak Samaj had done some useful publicity on this score. She felt that the rural publicity schemes of the Information and Broadcasting Ministry were a complete failure and their literature was not fit for rural publicity. Even the rural broadcasts of the All India Radio did not properly publicise the activities of the Five Year Plan. She pointed out that the community radio sets that were distributed among the villages could not be properly utilised due to ignorance of working and repairing them. She, therefore, stressed the necessity of imparting training to the field workers.

She suggested the increased use of magic lanterns and films, etc. for the publicity of the Plan. The village school teacher, she said, could be very profitably employed for organising these activities in the village with a little suitable training. Instead of using mobile projectors for film shows, she suggested the distribution of magic lanterns among villages for frequent display of suitable slides. A large number of magic lanterns and their equipments were available with the Disposals Department and could be utilised for this purpose. She felt that the new schemes of rural credit societies and warehousing Centres would not succeed in the rural areas as was already experienced in the case of co-operative banks. The benefit from these new schemes might accrue to only a few educated and influential persons who kept up contracts with the cities.

She commended the role of various social organizations like the Bharat Sevak Samaj and the Rama Krishna Mission, and suggested that their co-operation might be sought in various publicity and development schemes. She was extremely critical of the delays in granting funds to the Bharat Sevak Samaj for holding youth camps etc., and wanted improvement in this direction.

Co-ordination with social organizations.

In this connection, she suggested that an expert committee composed of Members of Parliament should be appointed to examine the publicity work of the Ministry of Information and Broadcasting and recommend the type of literature which should be brought out.

Expert Committee with Parliamentary representation.

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**Opening
of Village
Post Offi-
ces.**

She supported the scheme of opening new post offices in the rural areas in spite of a loss of Rs. 750 per post office. She felt that a post office was an important instrument in removing the backwardness of a village. She mentioned certain difficulties experienced by social workers and others even in the vicinity of Delhi in the absence of post offices.

**'No-delay'
System in
trunk
lines.**

She recommended the 'no-delay' system of trunk telephone as prevalent between Agra and Delhi and Delhi and Simla for trunk services between other big cities.

**Sub
regional
transmis-
sion
stations.**

Shri Bhakt Darshan was against reducing the demand of Rs. 9 crores allotted to the Information and Broadcasting Ministry. He praised the achievements of the Broadcasting Department in opening regional transmission stations for all the major languages of India. He suggested opening of sub-regional stations, for instance at Agra and Mathura, for important dialects of Hindi like Braj Bhasha and Avadhi, which could serve large number of people in the rural areas who spoke these important dialects of Hindi.

**Communi-
ty listen-
ing sets.**

He welcomed the scheme of providing 72,000 community listening sets for rural areas, but suggested that the limit of a thousand persons per community listening sets should not be enforced particularly for hilly areas.

**Central
Astrono-
mical Ob-
servatory.**

He referred to the activities of the Meteorological Department and, though critical about the weather forecasts made by it, did not suggest any reduction in its grants. He advocated the opening of a Central Astronomical Observatory and was critical of the vagueness in the language of the Plan, while mentioning this subject.

**Opening
of new
Post
Offices.**

He emphatically supported the opening of new post offices and felt that in rural areas, a post office was the chief emblem of independence. In many areas it was the only tangible proof of progress or development. He thought that the allotment made for this purpose was not enough. He was critical of the Communications Ministry for not spending the full allotment of Rs. 50 crores during the First Plan period and wanted an assurance that the amount of Rs. 63 crores allotted for the Second Plan would be spent in time.

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In view of the delay in the construction of post office buildings by the C.P.W.D., he suggested unifying the responsibility for the entire scheme under the Posts and Telegraphs Department. He suggested a separate Engineering Service for the Posts and Telegraphs Department to complete the task of opening all the post offices within the stipulated period.

Separate engineering service for Post & Telegraphs suggested.

Pandit D. N. Tiwary was against the opening of ill-manned and ill-managed post offices in the rural areas. There was considerable delay in the distribution of money orders and the amount was wrongfully spent for other purposes, he added. Instead of starting extra-departmental post offices with part-time workers, he suggested the opening of departmental post offices with whole-time and properly paid employees, and an increase in the number of peons with cycle facilities for distribution of mail in the villages. He thought that the amount of Rs. 750 as a loss shown against each new post office was an understatement and the real loss was much more.

Departmental Post Offices for rural areas.

He suggested that the community listening sets should be supplied on a co-operative basis to groups of villages of a population of less than a thousand, so that smaller villages could also benefit from the scheme.

Community listening sets on a co-operative basis.

Shri T. D. Pustake suggested the formation of a central agency to supervise the various schemes that were in progress in the States and see that they were carried out in the right direction. He was of the view that the development programmes should be so dispersed that certain backward areas were not deprived of the advantages of the Plan.

Shri L. Jogeswar Singh expressed disapproval of the working of the Ministry of Information and Broadcasting with regard to publicity about the First Five Year Plan. He suggested that publicity should be given in local languages. Quoting an instance, he said that the State of Manipur, where Manipuri was the *lingua franca* of the people, publicity was not done in that language.

Publicity by Information and Broadcasting Ministry.

He also suggested that there should be a radio installation in that place and through the Manipuri language the people should be apprised of the activities of the Plan.

Dr. J. C. Ghosh, in his reply to the debate on Communications and Broadcasting, said that the short-fall in

Post Offices.

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expenditure in Posts and Telegraphs was mostly due to lack of construction of buildings etc. but so far as the establishment of new post offices was concerned, there was an excess of 104 per cent., in telegraph offices 121 per cent. and in telephone exchanges 144 per cent. over the targets fixed under the First Plan. He further stated that, so far as the essential services were concerned, there had also been an excess over the target. Referring to the case made out by Shri Samanta that the Posts and Telegraphs and Communications Ministry should have their own separate finances and also separate arrangements for putting up buildings, he said that a compromise had been reached in that the C.P.W.D. had agreed to have an additional Chief Engineer intended only for the Communications Ministry and they had given an undertaking that the allotment of Rs. 10 crores, which had been provided for buildings in the Second Five Year Plan for the Communications Ministry's staff would be fully utilised.

Postal Guides.

Referring to Shrimati Savitri Devi Nigam's suggestion that postal guides should be published in regional languages, he said that they were now being issued in Tamil, Hindi, English and Bengali, and stated that it was possible to use all the major languages of India for preparing these guides.

Trunk Calls.

About no-delay in trunk calls as available between places like Agra and Delhi and Delhi-Simla, he stated that the new system would be introduced in major cities in India and so there would be no practical difficulty in the future.

Village Post Offices.

With respect to the suggestion of Pandit Tiwary, that only departmental post offices should be opened in villages with full-time peons, runners, etc., he pointed out that every new post office would mean an additional expenditure of Rs. 2500 and as such it was not possible to set up departmental post offices as yet.

Telephones.

So far as telephones were concerned, he said, it was an investment which gave possibly the biggest revenue. A suggestion was made in the Planning Commission that this investment should be increased. But it was felt that, in view of the needs of other departments, it was not possible to invest more money on telephones. It had been suggested that in 1960-61, when there would be large industrial and business expansion in the country, the telephone system would have to be strengthened further and the view

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was held that, if it was considered necessary, further provision should be made to strengthen the telephone system in the country and in place of 180,000 telephones which were going to be installed in the Second Five Year Plan period, more telephones would have to be installed.

So far as meteorology was concerned, he informed the Members that a plan for the setting up of an astronomical observatory near Ujjain had been practically completed and it was probable that the construction of the buildings and major equipments for the observatory would be ready before the end of the Second Five Year Plan. **Meteorology. I**

Regarding broadcasting, he said that some considered that it was a kind of social service and not mere entertainment. The original plan that was submitted to the Planning Commission by the Ministry of Communications was drastically cut down, but, at the same time, it was felt that minimum services in the Second Plan should be provided. He recalled the following observation on the Report: **Broadcasting.**

“...each language has been provided with at least one transmitting station, and fairly effective coverage has been given to almost all the regions in the country.”

He said that the word “fairly” should not be interpreted literally. It had been suggested that the new transmitters, such as had been set up, would give at the end of the Second Five Year Plan an effective coverage and the word “fairly” would disappear in 1961. Also when it was said that “the installation of short-wave transmitters will have been nearly completed by the end of 1956”, the word “nearly” covered a very big margin. It was desirable that it should be really complete and not “nearly” complete by the end of the Second Plan.

Proceeding further, he said that at the end of the Second Five Year Plan the draft would read “completed” and not “nearly completed” and be “effective” and not “fairly effective”.

About community listening, he said that the suggestion that the services should not be confined to villages having 1,000 persons had been noted. As a matter of fact, he said, there was no hard and fast rule like that. He stated that he was informed that, at the discretion of the local authorities, the number of 1,000 could always be relaxed. **Community Listening.**

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Further; he stated that Shrimati Savitri Devi's point, about the inefficiency of the methods of propaganda so far as the Second Five Year Plan was concerned and the suggestion that more work should be done in co-operation with non-official organizations, had been duly noted and would be conveyed to proper quarters.

Regarding transmitting of records made at Imphal to Gauhati he said, the records were not of immediate topical interest and nothing would be lost if the records were delayed in transit by a day or two. But, if there were certain urgent matters, which must be recorded and transmitted immediately, steps would be taken to improve the air service between Imphal and Manipur. But, for the present, the object of transmission was served by recording at Imphal and transmitting to Gauhati. If the demand arose and if the matter was of such topical importance that it could not wait for even one or two days, the subject would receive due consideration at the hands of the Information and Broadcasting Ministry.

Publicity in Mani- pur Lan- guage

Proceeding, he stated that the suggestion that publicity should be done in Manipuri language in areas where the language was spoken had been noted and necessary action would be taken by the Home Ministry. So far as the Community listening service was concerned, Rs. 75 lakhs would be spent for the purpose.

Evaluation Cells in Planning Commis- sion.

Incidentally, he mentioned that it was the intention of the Planning Commission to have what was called small cells for the evaluation of the various programmes. The intention of the Planning Commission was, he said, to have some kind of cell in each division with a view to finding out how a programme was being implemented.

Televis ion .

There was a small provision for television, he said, and a sum of Rs. 40 lakhs had been provisionally provided for a television set in Bombay.

Chair- man's Ob- servations.

Mr. Chairman, winding up the discussions of the Committee, said that he desired to place on record that the experiment of constituting Joint Parliamentary Committees for deliberating major national problems had been a success. He felt confident that this precedent, which had been created by the Speaker, would be followed on subsequent occasions when matters of great national importance were being discussed in both the Houses. He conveyed his thanks to Dr. Ghosh for his able and lucid

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exposition of the several problems and issues raised in the course of deliberations. He likewise thanked the representatives of the various Ministries, who attended these meetings and rendered their services, and the Secretariat for their untiring efforts in making the Committee meetings a success.

He also expressed his thanks to all the Members of the Committee for having enabled the Committee to function smoothly and without any hitch.



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APPENDIX

List of Material circulated to members of Committee 'B' (Industries, Minerals, Transport and Communications) on the Second Five Year Plan

[Copies of material are available for reference in the Parliament Library]

A. Material prepared by the Lok Sabha Secretariat

| | List No. |
|--|----------------------|
| Statistical data (1946 to 1955) relating to Industrial Production in India with reference to certain major industries; and statistical data relating to transport | I |
| 2. Index numbers of Industrial production; index numbers of Wholesale Prices—by Groups and Sub-Groups; and Industrial Disputes and Absenteeism in 1955 | I (Supplement I) |
| 3. Statistical data about Industrial Production in ECAFE Region—a Comparative Study. | I (Supplement II) |
| 4. Round-up of Press Comments and Views on Industry (large and small, including Karve Committee Report and Industrial Policy); Minerals; and Transport | II |
| 5. Round-up of further Press Comments on Industrial Policy | II (Supplement) |
| 6. A Short Note on the Procedure of Accounting and Auditing of Public Undertakings in some selected countries | III |
| 7. Fact Sheets about : Aluminium Industry; Non-Ferrous Industry; Chemical Industry; Coal Industry; and Mineral Production | V |
| 8. Fact Sheets about : Industrial Machinery ; Cement Industry ; Power Alcohol; Textile Industry; Iron and Steel Industry; and Nayveli Lignite Project | IV |
| 9. Measures for Promoting the Export of Indian Goods | VI |
| 10. Role of Industrial Enterprises in the Development of Village and Small-Scale Industries | VII |
| 11. Recommendations of the Study Group on Transport Planning with reference to Indian Coastal Shipping; and Measures to Aid Village and Small Scale Industries | VIII |
| 12. Minutes of the First Sitting of the Committee; Summary Statement of Suggestions made at the informal Consultative Committee of Members of Parliament, held on the 13th and 14th January, 1956. | IX |
| 13. Electricity and Industrial Development | X |
| 14. Mineral Wealth of India : Location, Output and Reserves | XI |
| 15. Minutes of the Second Sitting of the Committee | XIII |
| 16. The Case for Nationalisation in India examined : Text of a Talk by Dr. John Mathai | XIV |
| 17. Mineral Policy : Speech of the Union Minister for Natural Resources at the Fourth Meeting of the Mineral Advisory Board | XX |

B. Material supplied by the Planning Commission

| | List No. |
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| 18. The Geological Survey of India and its Work | XVIII |
| 19. Replies to a Questionnaire sent to the Planning Commission. | XXIII & XXIII-A |
| 20. Replies to the points suggested for consideration by Shri S.C. Deb, M. P. | XXIV |
| 21. Problems of Fuel and Power in India by Dr. J. C. Ghosh | XXV |
| 22. Conclusions and Recommendations of the Ambar Charkha Committee | XXVI |
| 23. Press Release regarding the acceptance of the Recommendation of the Ambar Charkha Committee | XXVII |
| 24. Statement made at the Press Conference by the Minister for Commerce & Industry and Iron & Steel on June 18, 1956 | XXVIII |

C. Memoranda received from Members of Parliament

| | |
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| 25. Points suggested by Shri S. C. Deb, M. P., for consideration of the Committee | XII |
| 26. Drive for Economy and Efficiency—its Urgency and Implications by Shri Mohanlal Saksena, M. P. | XV |
| 27. Notes on Some Particular Items for consideration of the Committee by Dr. Raghbir Singh, M. P. | XVI |
| 28. Note on Industry, Transport, etc. by Shri Brajeshwar Prasad, M. P. | XVII |
| 29. Memorandum on the Second Five Year Plan by Shri Mulchand Dube, M. P. | XIX |
| 30. Short Notes on the Development of Industries, Mining and Transport under the Second Five Year Plan by Shri G. D. Somani, M. P. | XXI |
| 31. Industrialisation vs. Cottage Industries by Shrimati Savitri Devi Nigam, M. P. | XXII |
| 32. Note on Road and Road Transport by Shri R. P. Sinha, M. P. | XXIX |
| 33. Note on Transport by Shri R. P. Sinha, M. P. | XXX |