THE SECOND FIVE YEAR PLAN

Questions and Answers

THE PUBLICATIONS DIVISION

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Questions and Answers



THE PUBLICATIONS DIVISION
MINISTRY OF INFORMATION AND BROADCASTING
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1. GENERAL

Q. Broadly speaking, in what way does the second Five Year Plan differ from the first ?

A. The first Plan was concerned with laying a foundation for future prosperity. As resources were limited, its development targets were modest. Top priority was accorded to agricultural and other rural development programmes, as well as to rehabilitation of the railway system and resettlement of displaced persons, these problems being particularly urgent.

The second Plan is a continuation of the improvement effort thus begun. The outlay on the new Plan is, however, more than twice that on the earlier one. This will enable development work to proceed at a much faster pace than before. There is, besides, a shift in emphasis from agriculture to industries, mining and transport. About half the total expenditure, as compared to a third in the first Plan, is to be spent in these sectors. The first Plan aimed at a 10 per cent increase in the national income, whereas the second Plan aims at a 25 per cent increase.

Q. It is said that the second Plan aims at setting up a socialist pattern of society. How does this differ from the earlier concept of a Welfare State ?

A. The Constitution calls for an economic and social order based on equal opportunities, social justice, the right to work and the right to a living wage. All these ideals form part of the concept of a Welfare State. The phrase "socialist pattern of society" is just another and more precise way of saying the same thing. In effect it stresses that the objective of economic planning should be social gain rather than private profit. In other words the Plan, while seeking to increase production tries to ensure that the extra wealth does not go into the pockets of the rich but to improve the lives of the less fortunate sections of society.

Q. What, then, are the objectives of the second Plan?

A. They may be summed up as :

(i) rapid industrialization, which will increase the nation's sum total of wealth;

(ii) a sizable increase in the national income, so as to raise the standard of living of the common man;

(iii) a large expansion of employment opportunities; and

(iv) reduction of inequalities in income and wealth.

It will be seen that the second and third items follow directly from the first. If there is greater industrial production, there will naturally be an increase in the national income as well as more opportunities for employment. The fourth objective ensures that the benefits of increased production go towards raising the standard of living of the common man.

Q. What steps are proposed which would reduce inequalities in income and wealth ?

A. The following are the main proposals put forward in the Plan to avoid the concentration of wealth in a few hands :

(i) Greater emphasis is placed on the public sector of industry. The Industrial Policy Resolution of 1948 has been amended for this purpose.

(ii) The Plan recommends the strengthening of the co-operative sector in agricultural production, marketing and credit and in small-scale industrial production.

(iii) Progressive taxation measures, such as the

use of expenditure as a basis for personal taxation and an annual tax on wealth, are suggested as a means of reducing inequalities over a period of time.

(iv) The steps taken during the first Plan for greater State control of the private sector —the abolition of landlordism, reform of the managing agency system, amendment of the Companies Act and the nationalization of the Imperial Bank of India—are commended and further progress on these lines is sought.

The nationalization of life insurance business in January 1956 was a major step in this direction.

Q. What is the extent of unemployment in India ?

A. At the start of the Plan period it was estimated that about 5 million people in India were without work. Taking the average annual increase in the labour force at about 2 million, this means that altogether in the normal course about 15 million persons will be in need of full-time employment by 1960-61. There is also under-employment of various degrees in agricultural and household occupations in the rural and urban areas.

Q. How does the Plan propose to tackle the unemployment problem in the rural and urban areas ?

A. Irrigation works, power installations, road-building, horticulture, land reclamation schemes and other activities, especially those organized under the National Extension Service, will considerably reduce unemployment in the rural areas. Moreover, the Plan provides Rs 200 crore (as against about Rs 50 crore in the first Plan) for the revival and encouragement of cottage and small-scale industries, which provide work for large numbers. With improved methods of production and better organization, these industries are expected to meet much of the additional demand for consumer goods during the five-year period. The proposed heavy investment in basic industries, coupled with increased expenditure on health, education, research, social welfare, etc., will, both directly and indirectly, create further opportunities for urban employment. Altogether, it is estimated that 9 to 10 million jobs will be created as a result of the new programmes.

Q. What is being done about unemployment among the educated classes ?

A. During the first Plan, with its stress on rural reconstruction, the enlargement of employ-

ment opportunities for the educated classes was limited. Only when a more rapid expansion of industry takes place can there be a sizable increase in these opportunities. However, it is estimated that nearly 1.5 million jobs will be provided for the educated unemployed during the second Plan through Central and State Government programmes and retirements from service. It is also intended to provide openings for such people in small-scale industries and co-operative goods transport. The problem is linked to some extent with reform of the education system and a change in the attitude of youth to manual labour.

Q. What does the Planning Commission mean when it says that the Plan is a flexible one ?

A. In formulating the Plan, the Commission took a broad view of the country's needs and resources. Within this framework it is envisaged that adjustments and changes in priorities will be made from year to year in the various programmes depending on the progress made, the resources available and new needs that may have arisen since the last annual Plan was drawn up.

Q. Why do we talk of the Plan as a "people's Plan"?

A. There are three main reasons. Firstly

the Plan, by aiming at a socialist pattern of society, stands to benefit the common man. Secondly, before the Plan was given final shape it was widely discussed in the country and the people at large through their representatives had a say in its formation. Thirdly, the Plan looks to the people for help in its implementation. Various programmes have been drawn up to secure their participation, the most important being the community development programme, the local works programme and the small savings movement.

Q. What is the local works programme ?

A. Planning for the most part is concerned with large development schemes which are not of direct interest to the common man. In order to identify the people with the Plan, and at the same time harness the vast resources of manpower in the villages, a local development works programme was launched during the first Plan. This envisaged the construction of small works, costing not more than Rs 20,000 each, of permanent benefit to the community and towards which the people themselves contributed half the cost in cash, kind or voluntary labour. Village roads, improvements to school and dispensary buildings and permanent constructions for the improvement of agriculture are examples of such works.

This programme plays a very important role in areas not yet reached by the community development programme. In a sense it prepares the ground for the National Extension Service, which is spreading rapidly and will cover the entire country by the end of the Plan.

Q. What role has the Plan assigned to panchayats in rural reconstruction ?

A. The Planning Commission has recommended that the States' development programmes should be broken down into district, taluka and village plans in order to secure the fullest participation of the people. At the village level, the panchayats will serve as basic organizations for planning and carrying out welfare, land reform, land management, local works and all other development programmes. Various measures, including financial support, are being taken to make the panchayats live bodies.

Q. Apart from the people's co-operation, what other conditions must be fulfilled for the Plan to be a success ?

A. The main requirements are :

(i) freedom from world war and internal disturbances;

(ii) close co-operation between the Central and State Governments; and

(iii) efficient administrative machinery to ensure that the large economic programmes and the social aims of the Plan are implemented.

Q. What are the principal administrative tasks that must be carried out ?

A. The main tasks are :

(i) rooting out corruption;

(ii) building up administrative and technical cadres;

(iii) organizing training programmes;

(iv) ensuring speedy and economic disposal of work;

(v) organizing efficient management of public enterprises;

(vi) providing technical, financial and other aid for agriculture, community development and cottage and small industries;

(vii) securing public participation so as to make the maximum use of expenditure on development; and

(viii) strengthening the co-operative sector.

Q. Will there be any need for further Five Year Plans ?

A. Development is a continuous process. The second Plan is, as it were, the second stage on the journey to a better life. Further Plans are, therefore, envisaged.

2. FINANCE

Q. The public sector of the Plan costs Rs 4,800 crore. This is a very big amount. How is it to be raised ?

A. It is planned to raise this amount in the following manner :

(In crores of rupees)

1. Domestic Sources		
(i) Surplus from current revenues	800	
(a) at existing rates of taxation	350	
(b) additional taxation	450	
(ii) Borrowings from the public:		1,200
(a) market loans	700	
(b) small savings	500	
(iii) Other budgetary sources:		400
(a) contribution of the Railways to the development programmes	150	
(b) provident funds and other deposit heads	250	
2. External aid from the World Bank, under the Colombo Plan and from countries like the USA and the Soviet Union		800
3. Deficit financing		1,200
4. Gap to be covered by additional measures to raise resources		400
Total		4,800

This is a broad outline. Changes will be necessary from time to time in the light of the economic situation.

Q. How is this amount to be spread over the main spheres of development and what were the comparable allocations in the first Plan ?

A. The amount is to be distributed as follows. The allocations in the first Plan are also shown :

	(In crores of rupees)	
	Second Plan	*First Plan*
Agriculture and Community Development	568	357
Irrigation and Power ..	913	661
Industry and Mining ..	890	179
Transport and Communications ..	1,385	557
Social Services	945	533
Others	99	69
Total ..	4,800	2,356

Q. What are the investment targets in the private sector ?

A. Investment in the private sector is expected to be in the region of Rs 2,400 crore. The broad division of this amount over the various spheres is as follows :

(i)	Organized industry and mining ..	575
(ii)	Plantations, power undertakings and transport other than railways ..	125
(iii)	Agriculture and village and small industries	300
(iv)	Construction	1,000
(v)	Stocks	400
	Total ..	2,400

Q. What is deficit financing ?

A. Expenditure by the Government in excess of its receipts in the form of taxes, earnings from state enterprises, loans from the public, deposits and funds, etc., is called deficit financing. The Government can cover such deficits by drawing on its accumulated cash balances or by borrowing from the Reserve Bank. In either case this leads to an increase in the money supply. To appreciate the limitations of this one has only to remember that the money in circulation pays for the goods and services available to the community. An increase in the amount of money in circulation without a simultaneous increase in goods and services causes inflation, if counter-measures are not taken. This does not mean, however, that deficit financing is something to be avoided at all costs. Within safe limits, it is a recognized means of providing resources for development. Almost every advanced country has made use of it.

Q. The Plan proposes deficit financing to the extent of Rs. 1,200 crore. This is a very large figure. How is it proposed to keep inflationary tendencies within bounds ?

A. Against the figure of Rs 1,200 crore, it is possible to set off Rs 200 crore, which represents withdrawals from the sterling balances. Allowance must also be made for the expected increase of 25 per cent in the national income and the greater demand for cash as the standard of living rises. These will permit an increase in the money supply within certain limits.

For the rest, precautionary measures are necessary. The Plan recommends a strict financial and monetary policy with the aim of preventing an excessive expansion of credit which may react on prices or flow into speculation rather than development. It also suggests the building up of reserve stocks of foodgrains, cloth and other essential commodities, a rise in the prices of which would affect the cost of living of the poor. Physical controls, including rationing, form another safeguard, though past experience has shown that they cannot function effectively for any great length of time. A further defence is discriminating but prompt use of taxation to mop up excess profits and check other harmful tendencies generated by deficit financing.

Q. How can the common man help in raising resources for the Plan ?

A. He can help by lending his savings to the Government. In a country like India, where the banking habit is not developed, small savings are of very special importance. The target for the second Plan in this respect is Rs 500 crore, as compared with collection of Rs 237 crore in the previous five years. The small savings movement is not to be regarded merely as a device for raising money; it is a scheme for spreading the habit of thrift and associating the people more closely with the Plan. It has also to be remembered that the greater the receipts from the public, whether by way of taxation or borrowing, the less need will there be for large-scale deficit financing.

Q. The big industrial programme in the Plan will impose a heavy strain on our foreign exchange resources. How is the deficit in the balance of payments to be met ?

A. It is estimated that the proposed large-scale imports of machinery and industrial raw materials will result in a deficit of Rs 1,100 crore in the balance of payments over the Plan period. Part of this deficit will be met by the withdrawal of Rs 200 crore from the sterling balances, and the inflow of private capital is expected to provide

a further Rs 100 crore. This means that foreign aid amounting to Rs 800 crore will be necessary. In this connection there is already an unused balance of Rs 310 crore from past authorizations of the U.S. Technical Co-operation Mission, the U.S.S.R., Norway, the World Bank and under the Colombo Plan.

The Plan stresses the need for the vigorous promotion of exports and the greatest austerity in the matter of imports. It is very necessary to pursue domestic policies designed to check inflationary pressures which tend to react adversely on exports and increase imports. Substantial foreign exchange resources are required for the Plan and every effort has to be made to secure them from international agencies and friendly countries.

Q. Would acceptance of foreign aid enslave us ?

A. No, unless political conditions were attached. Almost every country has at one time or another has recourse to foreign aid, which in itself cannot be regarded as evil. India has made it clear that aid with conditions attached is unacceptable.

Q. If external aid falls below expectations, how will the gap in resources be filled ?

A. If external resources are not forthcoming to the extent required, the country will have to conserve foreign exchange by reducing consumption further. This process, however, has a limit. The amount of foreign exchange available will be a major factor determining the size of the annual investment programmes.

Q. To what extent is the National Income likely to increase as a result of the Plan ?

A. At the start of the second Plan the National Income was about Rs 10,800 crore, or about 18 per cent more than it was when the first Plan came into being. By 1960-61, it is expected, the National Income will go up by a further 25 per cent to about Rs 13,480 crore. However, the actual rise in the level of consumption will only be about 20 per cent, as the rate of saving will have to be increased to meet the investment needs of the Plan.

3. AGRICULTURE

Q. The first Plan laid very great stress on agricultural improvement. Is this effort to be continued on the same scale ?

A. Although the main emphasis in planning has shifted to industries, mining and transport, agricultural programmes continue to occupy a very important place. As regards foodgrains, greater production is necessary firstly because food is already in short supply and the population is increasing fast and, secondly, because food reserves must be built up as a safeguard against inflationary tendencies generated by the large development expenditure and against uncertainties of the weather.

At the same time, agricultural production is to be diversified, as commercial crops are of great importance to the country's industrial plans.

Altogether the new Plan provides Rs 949 crore for agriculture, community development and irrigation. This is nearly 20 per cent of the entire outlay.

Q. What are the principal targets of agricultural production ?

A. The targets laid down in the Plan for the major crops have lately undergone an upward revision. They are now as follows :

(*in millions*)

Commodity	*Production in 1955-56*	*Target for 1960-61* *	*Percentage increase*
1	2	3	4
Foodgrains	65.0 tons	81.0 (75.0)	24.7
Oilseeds	5.5 „	7.6 (7.0)	37.0
Sugarcane (*gur*)	5.8 „	7.8 (7.1)	33.9
Cotton	4.2 bales	6.5 (5.5)	55.6
Jute	4.0 „	5.5 (5.0)	58.1

* Original Plan targets in brackets

Agricultural production as a whole is expected to rise by about 28 per cent by the end of the Plan period.

Q. How will this greater agricultural production be achieved ?

A. As in the first Plan these increases will be achieved by greater irrigation facilities, by reclamation and better land use, by wider use of manure, fertilizers and improved seed and by adopting new and better methods of cultivation. The spread of the National Extension Service and the co-operative movement will also assist the

development of agriculture by mobilizing local resources and providing more capital.

Q. What is the role of the co-operative movement in agricultural development ?

A. The principle of co-operation is considered vital to rapid social and economic development, especially in the rural economy. Co-operative organizations play a most useful role in providing finance for agriculture, in storing, processing and marketing produce and in supplying seed, fertilizers and other needs of the cultivators.

Q. Progress in the field of co-operation in the rural areas has hitherto not been satisfactory. What steps are being taken to revitalize the movement ?

A. Lack of resources—financial and otherwise—has been the main stumbling-block to the efficient working of co-operative societies in the past. On the basis of the recommendations of the Rural Credit Survey Committee a start has been made in reorganizing the movement through State partnership in co-operative institutions at various levels with the help of the Reserve Bank of India. The Reserve Bank has established a National Agricultural Credit (Long-term Operations) Fund for

providing long-term loans to the State Governments to enable them to be partners in agricultural credit societies. A second fund, the National Co-operative Development Fund, is to be established by the Central Government. The share capital of non-credit co-operative institutions will be subscribed from this. Assistance for the construction of godowns, payment of staff of co-operative societies and for strengthening the administration of the States' Co-operative Departments will also be provided from these funds.

Another feature of the scheme of reorganization is the linking of credit and non-credit societies in the same areas so that the agriculturist can be provided with credit for seed, manure, implements and essential consumer goods and also be helped in disposing of his produce. Marketing societies and large-size credit societies will construct godowns for storing produce and warehouses will also be established by the Central Warehousing Corporation and the States' Corporations.

A large training programme for all types of co-operative personnel is envisaged. The second Plan provides Rs 48 crore for the development of the co-operative movement.

Q. What is the "key village" scheme ?

A. A "key village" is so called because it

holds the key to cattle improvement in the country. A key village unit is a compact area of six contiguous villages having altogether about 5,000 cows over three years of age. The scheme provides for concentrated work in selected areas. It envisages the castration of scrub bulls, breeding operations controlled by artificial insemination centres, rearing of calves on a subsidized basis, development of fodder resources and the marketing of animal husbandry products on co-operative lines. During the first Plan, 574 key villages and 144 artificial insemination centres were set up. The corresponding targets for the second Plan are 1,258 key villages and 245 artificial insemination centres. This scheme is expected to provide about 22,000 improved stud bulls, 950,000 improved bullocks and a million improved cows.

4. LAND POLICY

Q. What are the main aspects of land reform in India ?

A. They are :

(i) abolition of intermediaries between the State and the tillers;

(ii) tenancy reform, with the aim of reducing rents and giving tenants an opportunity to acquire permanent rights over their holdings, subject to the landlord's right to resume a certain area for personal cutivation;

(iii) fixation of ceilings on holdings; and

(iv) reorganization of agriculture through consolidation of holdings and the development of co-operative farming.

Q. To what extent does the land policy further the economic and social objectives of the Plan ?

A. The land policy furthers the economic objectives of the Plan by ensuring security of

tenure and reducing rents, thus providing incentives for improvement of land and increasing agricultural production. It also furthers the social objective of a progressive reduction of inequalities in income and wealth by redistribution of land on a much wider basis. By its emphasis on co-operative farming, it points the way to a new social order and creates conditions for evolving an agrarian economy with high levels of efficiency and productivity.

Q. What are the tenancy reforms suggested in the Plan ?

A. They are :

(i) The rent payable by tenants (including crop sharers) should not exceed one-fourth or one-fifth of the gross produce. The maximum cash rent may be fixed as a multiple of land revenue.

(ii) There should be security of tenure, owners being permitted to resume a limited area for genuine personal cultivation. It should, however, be ensured that the tenant is not rendered landless due to resumption of land by an owner.

(iii) In respect of areas in which tenants are given permanent rights, ownership should be transferred to them on payment of compensation.

Q. It has been observed that even in States where security of tenure has been conferred by law, landlords have in some cases been able to dispossess tenants through "voluntary surrenders" due to their social and economic influence. What suggestion has been made in the Plan to prevent ejectment of tenants in this manner ?

A. Two recommendations have been made in this connection, namely :

(i) No surrender of land is to be accepted as valid unless it is duly registered by the revenue authorities after proper verification that the surrender is being made by the tenant voluntarily.

(ii) The landlord is to take possession of the surrendered land only to the extent that he would be entitled to resume it on grounds of personal cultivation under the law. The excess land is to be surrendered to the Government and not to the landlord.

Q. The Planning Commission favours the principle of a ceiling on land holdings. How is this limit to be determined ?

A. The Planning Commission has recommended that the ceiling should be placed at three family holdings. A family holding is defined as

either a plough unit or a work unit for a family of average size working with such assistance as is customary in agricultural operations.

Q. What exemptions from such a ceiling are recommended ?

A. Exemptions are proposed for tea, coffee and rubber plantations, farms of a specialized nature, sugarcane farms owned by sugar factories and efficiently managed farms which consist of compact blocks on which heavy investment or permanent structural improvements have been made and whose break-up is likely to lead to a fall in production.

Q. What does the Plan propose for improving the lot of landless agricultural workers ?

A. As far as possible, land that has become available from the imposition of the ceiling on holdings, from the Bhoodan Movement, reclamation and other sources will be given to landless workers. As, however, the amount of land that can be distributed in this way is strictly limited, this can only be a partial solution. It is, therefore, intended to assist these classes by organizing them in labour co-operatives for construction work and by establishing a large number of cot-

tage industries for their benefit. The Commission has stressed the need to provide them with free plots on which to build houses, and to bring them within the scope of minimum wage legislation.

Q. Consolidation of holdings is of considerable importance in the execution of agricultural programmes. What steps are proposed to promote this ?

A. Programmes of consolidation have been included in the plans of several States. The Planning Commission has made a study of the methods and solutions evolved in different parts of the country so that fruitful use can be made of the experience thus gained.

To enable the States to expand their programmes, the Government of India has decided to give financial assistance for consolidation schemes to the extent of 50 per cent of the net expenses incurred by a State Government on its programmes, subject to a maximum of 25 per cent of the gross expenditure.

Q. What is the programme recommended for co-operative farming ?

A. The suggestion is that, over a period of

10 years or so, a substantial portion of agricultural land in the country should be cultivated on co-operative lines.

Q. What are the steps proposed for the attainment of this objective of co-operative farming ?

A. It is suggested that co-operative farming societies should receive special assistance and facilities from the Government, such as the following :

(i) credit from the Government or from co-operative agencies and preference in financial assistance for approved agricultural projects;

(ii) preference in the supply of improved seed, fertilizers and materials for local construction;

(iii) facilities for the consolidation of land comprising the co-operative farm;

(iv) preference in the settlement of land reclaimed by the Government as well as culturable waste land, etc.;

(v) subsidy for the pay of the manager of the co-operative farm for a limited period;

(vi) technical assistance in farm operations, marketing, preparation of production programmes, etc.; and

(vii) technical and financial assistance in developing the non-agricultural requirements of members of the co-operative farm, such as in cottage industries, dairying and horticulture, etc.

It is suggested that surplus land available from the imposition of the ceiling on agricultural holdings be handed over for settlement to co-operative farming societies where feasible. The establishment of one or two experimental co-operative farms in each district, and later in each national extension and community project area, is recommended for the purpose of evolving suitable methods of management and organization and also to serve as training centres for workers.

Q. What is the importance of the Bhoodan Movement to land reform ?

A. The Bhoodan Movement creates an atmosphere favourable to the implementation of land reform programmes. Bhoodan land also offers an opportunity for the resettlement of landless workers.

5. IRRIGATION AND POWER

Q. Why is it necessary to have a national programme of irrigation ?

A. The reason is that the farmers must have assured water supplies if they are to fulfil the targets of agricultural production. Over large parts of the country, the rainfall is insufficient for the proper growth of crops. It is, moreover, largely confined to three months in the year. Rainfall must therefore be supplemented by irrigation. A national programme of irrigation ensures better use of the total river-flow—about 90 per cent of which at present runs to waste—as well as the development of ground water resources.

Q. What is the target in respect of irrigation from major and minor schemes and how does it compare with the total cultivated area ?

A. The irrigation programme in the first Plan was drawn up against the background of a long-term plan to double the area under irriga-

tion to about 100 million acres within 15 to 20 years. In the first five years there was an addition of about 14 million acres, of which 4 million acres were served by new major and medium-size works. During the second Plan a further 21 million acres are expected to be irrigated—12 million acres by major schemes. At the end of this period the total irrigated area is expected to be about 27 per cent of the total cultivated area, as compared to 20 per cent in 1955-56 and 17.5 per cent in 1950-51.

Q. Power supply is vital for industrial progress. To what extent is it to be increased under the Plan ?

A. At the end of the first Plan, the total capacity of electrical undertakings in the country was 3.4 million kilowatts, which was 48 per cent more than it had been five years earlier. The target for the second Plan is to secure additional capacity of 3.5 million kW in both the public and private sectors. The objective is to achieve an increase of about 20 per cent annually in the installed capacity of public undertakings.

Q. What are the principal irrigation and power projects under construction ?

A. The list is a long one. Some of the better known projects are :

Bhakra-Nangal (serving the Punjab and Rajasthan)
Damodar Valley (West Bengal and Bihar)

Hirakud (Orissa)
Mahanadi Delta (Orissa)
Kakrapar (Bombay)
Mayurakshi (West Bengal)
Kosi (Bihar and Nepal)
Chambal (Rajasthan and Madhya Pradesh)
Tungabhadra (Mysore and Andhra)
Nagarjunasagar (Andhra)
Ghataprabha (Mysore)
Rihand (U.P.)
Machkund (Andhra and Orissa)
Periyar (Madras)
Malampuzha (Kerala)
Koyna (Bombay)
Bhadra (Mysore)

Q. In addition to existing projects, what new schemes are being taken up and how much will they cost ?

A. The programme for the second Plan includes about 200 new irrigation projects, of which only 18 will cost more than Rs 5 crore. Thus there is a marked preference for medium projects which will yield quick results. Similarly, most of the 44 new power generation schemes will release some benefits (about 1.1 million kW altogether) during the Plan period itself.

Some of the more important new schemes are :

Girna (Bombay)
Ukai (Bombay)
Narmada (Bombay)
Purna (Bombay)
Banas (Bombay)
Mula (Bombay)
Sarda Sagar (Stage II) (U.P.)

Ramganga (U.P.)
Tawa (Madhya Pradesh)
Rajasthan Canal Scheme (Rajasthan)
Kangsabati (W. Bengal)
Durgapur Thermal Scheme (W. Bengal and Bihar)
Korba H.E. Scheme (Madhya Pradesh)
Kundah H.E. Scheme (Madras)
Sharavati H.E. Scheme (Mysore)
Barauni Steam Station (Bihar)
Yamuna Hydel Scheme (U.P.)

The total cost of the new irrigation projects will be about Rs 450 crore, half of which is expected to be spent by 1960-61. The new power projects in the public sector will cost about Rs 420 crore, of which Rs 267 crore will be spent during the Plan period.

Q. What will be the contribution of minor works to irrigation?

A. Minor irrigation schemes include the construction and repair of wells and tanks, installation of pumps, construction and improvement of dams and channels as well as small drainage works. Tubewells have been playing an important role in recent years, and nearly 3,600 new ones are to be sunk at a cost of about Rs 20 crore. All these schemes together are expected to provide irrigation for an additional 9 million acres during the second Plan period, as compared with 12 million acres from large and medium projects.

Q. Is it better to have large irrigation schemes rather than small ones ?

A. Large and small schemes are both very necessary. Each has its own advantages. The big schemes utilize surplus river water which would otherwise run to waste. They benefit large areas, give greater protection in time of scarcity and can often be designed for multiple uses such as irrigation, power, drainage and flood control. Minor schemes, on the other hand, require little expenditure as the people's help can be enlisted in their construction. They yield quicker results and can serve areas where big projects are not practicable.

Small and large schemes are thus complementary. In the Plan stress is laid on the need for preserving a balance between them.

Q. Electricity would bring new life to the villages. What does the Plan say about rural electrification ?

A. As the villages are scattered, and most are far from developed power sources, the capital outlay on a comprehensive electrification programme would be enormous, and operation and maintenance costs also very high. The programme has therefore to be phased.

The Plan provides Rs 75 crore for the electrification of towns and villages. With the help of

these funds, all towns with populations above 10,000 will be electrified, as well as 80 to 90 per cent of towns with populations as low as 5,000. The advent of electricity will enable these towns to become centres for the development of the surrounding villages, providing marketing, credit and other facilities.

For smaller centres of population, a beginning will be made in providing power to villages which lie close to the main grid lines. In this way it is proposed to supply electricity to nearly 8,600 villages with populations of less than 5,000 during the Plan period, at the end of which about 18,000 small towns and villages will have lighting.

Q. Floods are an annual feature in some parts of the country. How is it intended to minimize them?

A. It has not yet been possible to draw up comprehensive plans for flood control due to lack of data. Three phases of this work may, however, be distinguished: (i) the immediate phase, which covers investigations, drawing up of plans and constructions in selected localities; (2) the short-term phase, during which embankments and spurs will be constructed and river channels deepened; and (3) the long-term phase, covering the construction of storage reservoirs on rivers as

part of the multi-purpose development of their valleys.

The second Plan makes a specific provision of Rs 60 crore for immediate and short-term measures. Soil conservation and afforestation in the upper reaches of the rivers are also recognized as having an important bearing on flood control. Provision is made for them in the Agriculture sector of the Plan.

Q. In what ways can the public contribute to the success of the projects ?

The public can contribute in the following ways :

(i) by subscribing to loans raised specifically for financing major projects;

(ii) by accepting betterment fees and increased water rates;

(iii) by forming village-co-operatives to take up such works as the excavation of canals, building of roads and flood embankments, etc.;

(iv) by utilizing the waters provided by State irrigation works economically and to best advantage; and

(v) by maintaining private irrigation works in a reasonable state of efficiency.

6. COMMUNITY DEVELOPMENT

Q. What is meant by community development ?

A. Community development is the movement to bring about a social and economic transformation of village life through the efforts of the people themselves. The aim is to create a desire among the villagers to better themselves rather than thrust improvements on them. For this reason, the people are approached not through a host of officials, each concerned with only one aspect of rural life, but through an agent (known as the gram sevak or village-level worker) who lives in their midst and tries to implant new ideas in their hearts. He has the full backing of the development departments of the State when it comes to assisting the farmer in the solution of his difficulties and the development of rural life as a whole.

Q. What is the programme of community development ?

A. The main fields of activity are agriculture,

animal husbandry and irrigation, which are the mainstays of rural life, but attention is also paid to the development of communications and to such items as health, education, housing, social and cultural activities, etc. Special emphasis is placed in the second Plan on the development of cottage industries, co-operatives and intensification of the programme among women and children and in the tribal territories—spheres which have hitherto received insufficient attention.

Areas are selected for development on these lines in groups of about 100 villages with a total population of 60,000 to 70,000. Each group forms what is called a development block.

Q. What is the National Extension Service ?

A. The word "extension", as applied to rural development, signifies the process of passing on or extending scientific knowledge to the village people so that they can use it to improve their lives. The National Extension Service is a network of workers—like the gram sevak—who perform this function. For each block a team consisting of a Block Development Officer, seven extension officers and ten gram sevaks is provided. In other words, the N.E.S. is the agency for carrying out the community development programme. Started in October 1953, it covered a quarter of rural India at the end of the first Plan and will

have spread throughout the country by the end of 1960-61.

Q. Do all areas taken up for development receive the same treatment ?

A. No. Some areas receive more intensive treatment than others. When the first community development blocks were set up in 1952, it was envisaged that they would receive intensive treatment in agriculture and all other spheres of rural activity for a period of three years. A year later, when the National Extension Service came into being, it was found that funds as well as numbers of trained personnel were insufficient for rapid expansion of the programme on the same intensive lines. To overcome this difficulty, the programme was divided into stages—the first or N.E.S. stage for about three years, followed by intensive development for the next three years.

All new blocks taken up for development operate in this manner. After this six-year period, a block enters the third or post-intensive phase in which the N.E.S. functions as the permanent administrative agency of all the development departments of the State.

To fulfil the target for the second Plan it will be necessary to set up 3,800 new blocks, of which nearly a third will be taken up for intensive treatment.

Q. Is the National Extension Service to be a permanent agency for rural development?

A. It is intended that the National Extension Service, as an agency for helping the village people on the path to a better life, will continue. At the same time it is envisaged that the work of community development will be increasingly integrated with the normal welfare activities of the State.

Q. How is this integration to take place?

A. A pattern of organization has been evolved in which this integration is already taking place. At the top of the community development programme, supervising its working, is the Ministry of Community Development of the Government of India. At the State level there is the State Development Committee, consisting of the Ministers in charge of the development departments, with the Chief Minister as Chairman. A senior official, designated Development Commissioner, is secretary of the Committee. The Development Commissioner in turn heads a team of officials consisting of the chiefs of the development departments. In the same way, at the district level the Collector or Deputy Commissioner is head of a team and at a lower level the Sub-Divisional Officer performs the same function.

Below the S.D.O., and in charge of a block of about 100 villages, is a Block Development Officer. At the village-level the gram sevak works in close association with the panchayat and village elders and seeks the help of other functionaries, including school-teachers.

In this way the community programme is being integrated with the State's normal activities to form a unified and lasting welfare programme based on self-help.

7. INDUSTRY

Q. Industry is accorded a very prominent place in the Plan. What roles are the public and private sectors, respectively, to play in its development ?

A. The industrial policy formulated in 1948 has had to be revised in keeping with the country's declared objective of a socialist form of society. The significance of the change is that the State has assumed direct responsibility for industrial development over a wider field than before.

The new statement of policy, issued in April 1956, is intended to speed up industrialization and, in particular, to develop heavy industries, to expand the public sector and to build up a large and growing co-operative sector in private industry. The industries reserved for exclusive development by the State include arms and ammunition, atomic energy, iron and steel, heavy plant and machinery, coal, lignite, mineral oils, air and railway transport, shipbuilding and telephone. Besides these, the mining of important minerals

like iron, manganese and chrome ore and the mining and processing of copper, lead and zinc have been brought within the public sector. Certain other industries such as aluminium, machine tools, other mineral development, fertilizers and road and sea transport are to be progressively State-owned, but there will be room for private enterprise to supplement the efforts of the State. The rest of the industrial field is, in general, left to the initiative and enterprise of the private sector, but the State has assumed regulatory powers to ensure planned development.

Q. What funds have been provided for large-scale industrial development ?

A. The total investment proposed to be made on large and medium industries in the public sector is Rs 617 crore. In addition, Rs 73 crore is provided for mineral development. The programmes envisaged under the National Industrial Development Corporation and the private sector (other than mining, electric power generation and distribution and plantation and small industries) are expected to cost about Rs 720 crore, comprising Rs 570 crore of new investment and Rs 150 crore to be spent on replacements and modernization.

Q. In the expansion of industrial capacity, what is the order of priorities laid down ?

A. Expansion is conceived in terms of the following priorities :

(i) increased production of iron and steel and of heavy chemicals, including nitrogenous fertilizers, and development of the heavy engineering and machine-building industries;

(ii) expansion of capacity in respect of other developmental commodities and producer goods such as aluminium, cement, chemical pulp and dyestuffs; and of essential drugs;

(iii) modernization and re-equipment of important national industries already in existence, such as jute, cotton textiles and sugar;

(iv) fuller utilization of existing installed capacity in industries where there are wide gaps between capacity and production; and

(v) expansion of capacity for consumer goods.

Q. Why is steel accorded first place in the scheme of industrial priorities, and what steps are being taken to increase its production ?

A. Expansion of the iron and steel industry has been given the highest priority since, more than any other industrial product, the economy as a whole is dependent on it. Conditions in India

are favourable for the production of this vital material at lower cost than in most countries.

The Plan envisages the construction of three steel plants of one million tons ingot capacity each in the public sector and the provision of facilities in one of them for the production of 350,000 tons of foundry-grade pig iron. A total amount of Rs 350 crore is provided for these factories, which will be situated at Bhilai in Madhya Pradesh, Rourkela in Orissa and Durgapur in West Bengal. In addition, Rs 6 crore is to be spent for the expansion of production by the Mysore Iron and Steel Works. By 1960-61, these plants in the public sector will together be producing about 2 million tons of finished steel.

In the private sector, the combined capacity of the Tata and Indian Iron and Steel plants is expected to reach 2.3 million tons. Thus the total output of steel from major producers is likely to reach 4.3 million tons per annum by the end of the Plan as against the 1955-56 level of 1.3 million tons.

Q. What are the targets for additional capacity and production in the major industries ?

A. The second Plan is to be a period of intensive and many-sided industrial effort. Some of the main targets of additional capacity and production are as follows :

Industry	Unit	1955-56		1960-61	
		Capacity (estimated)	*Production (estimated)*	*Additional capacity*	*Additional production*
1. Finished steel (main producers)	thousand tons	1,300	1,300	3,380	3,000
2. Heavy foundry-cum-forge shops					
(a) Steel foundry	tons	..	..	15,000	15,000
(b) Forging shops	-do-	..	..	12,000	12,000
(c) Cast-iron foundries	-do-	..	..	10,000	10,000
3. Aluminium	-do-	7,500	7,500	22,500	17,500
4. Locomotives	Nos.	170	175	230	225
5. Jute manufactures	thousand tons	1,200	1,040	..	60
6. Sugar	-do-	1,740	1,670	760	580
7. Cotton textiles					
(a) Yarn	million lbs	1,750*	1,630†	..	320
(b) Mill cloth	million yds	4,920*	5,100†	..	N.A
8. Sulphuric acid	thousand tons	242	170	258	300
9. Caustic soda	tons	44,300	36,000	106,100	99,400
10. Nitrogenous fertilizers (fixed nitrogen)	-do-	85,000	77,000	297,000	213,000
11. Ship-building (over five-year period)	GRT	..	50,000	..	40,000
12. Cement	thousand tons	4,930	4,280	11,070	8,720
13. Petroleum refining (crude processed)	-do-	3,625	3,600	685	700
14. Paper and paper board	-do-	210	200	240	150
15. Newsprint	tons	30,000	4,200	30,000	55,800
16. Bicycles	thousands	760	550	135	700‡

* As in January 1955
† 1955 figures
‡ Including decentralized sector

Q. What are the main industrial projects in the public sector and how much will they cost ?

A. The main projects in the public sector, exclusive of State Government schemes and those of the National Industrial Development Corporation, are :

	Projects	*Cost up to March 31, 1956*	*Cost during 1956-61*
		(in crores of rupees)	
1.	Steel Plants	7.75	350
2.	South Arcot Lignite Project	0.5	52.0
3.	Sindri Fertilizer Factory (expansion)	28	7.0
4.	Nangal Fertilizer-cum-Heavy Water Factory ..	—	22.0
5.	Hindustan Shipyard (expansion)	6.0	9.8
6.	Rourkela Fertilizer Factory	—	15.0
7.	Heavy Electrical Plant	0.2	20.0
8.	Hindustan Machine Tools (expansion)	4.4	2.0
9.	DDT Factories ..	0.5	1.0
10	Hindustan Antibiotics (expansion)	2.1	1.0
11.	Hindustan Cables (expansion)	1.6	0.5
12.	National Instruments Factory	0.6	0.65
13.	Salt Development ..	0.3	2.0
14.	Chittaranjan Locomotive Works (expansion) ..	14.6	5.0
15.	Integral Coach Factory	5.2	10.0
16.	Metre-gauge Coach Factory	—	
17.	Indian Telephone Industries (expansion) ..	4.1*	0.5

* Excluding Rs 31 lakh invested by the Mysore Government

Q. How does the Government ensure that private industry develops along the right lines ?

A. Under the Industries (Development and Regulation) Act of 1951, the State assumed power to examine the working of any industrial undertaking and thereafter to take it over if mismanagement continued. The Act provided two main instruments for regulating private industry—licensing and the organization of development councils for individual industries. It has been amended twice to bring additional industries within its scope. Applications for new units and expansion of capacity are examined by a Licensing Committee, which is an advisory body to Government. Licensees are required to take positive measures within certain prescribed periods.

Development councils have been set up under the Act for a number of industries such as heavy chemicals, bicycles, sugar, electrical industries and drugs manufacture.

Further checks on private enterprise are contained in the amended Companies Act, which ensures that management conforms to acceptable standards.

Q. What is the policy in regard to foreign capital ?

A. The Government's policy has been to in-

vite the participation of foreign capital in cases where sufficient capacity for the manufacture of particular items does not exist in India and where it is desirable to secure technical help from outside. It is desired, however, that as far as possible the major interest in ownership and effective control should be in Indian hands and Indian personnel should be trained for the purpose of eventually replacing foreign experts.

In order to attract such capital in the interests of the country's development, the Government has given assurances that there will be no discrimination between foreign and Indian undertakings in the application of industrial policy, that reasonable facilities will be given for the remittance of profits and repatriation of capital (consistent with the foreign exchange position) and that in the event of nationalization fair compensation will be paid.

About Rs 100 crore of foreign capital, including suppliers' credit, is expected to be available for programmes in the private sector of industry during the Plan.

Q. The emphasis on industry in the Plan necessarily involves greater mineral production. What are the targets in respect of the more important minerals ?

A. The Plan provides Rs 73 crore for mineral development. The main targets are :

Mineral	*Unit*	*Production in* 1954	*Target for* 1960-61
Coal	million tons	37	60
Iron Ore	-do-	4.3	12.5
Manganese	-do-	1.4	2.0
Limestone	-do-	N.A.	23.3
Gypsum	-do-	0.61	1.97
Bauxite	thousand tons	75	175

In the programme for mineral development, two aspects are worthy of special mention. Firstly, in the vital sector of coal production, new sources will be developed exclusively by the State. Existing State workings are also to be improved and private collieries are asked to raise their total output by 10 million tons. The other point is that the exploration and development of the country's oil resources are given a high priority in the Plan, as the present output of this most essential of minerals is negligible.

8. COTTAGE AND SMALL INDUSTRIES

Q. What role is visualized for village and small industries in the national economy ?

A. These industries are an integral part of the country's economic structure. Properly developed, they can provide a large volume of employment, raise incomes and the standard of living and bring about a more balanced rural economy. With technical advances, the pattern of rural industry may also change from simple crafts to small industrial units meeting needs of a more advanced character. Thus village and small industries are to be visualized as eventually forming a progressive and efficient decentralized sector closely linked on the one hand with agriculture and on the other with large-scale industry.

Q. Cottage and small industries sometimes suffer greatly from the competition of large factories. How is this problem to be overcome ?

A. The solution lies in common production

programmes for sectors in which there are both large and small producers. The devices recommended by the Planning Commission to give effect to this idea, singly or together, are (1) demarcation or reservation of spheres of production, (2) non-expansion of a large-scale industry where necessary and (3) imposition of a cess on a large industry to benefit the corresponding small industry. Reservation of spheres of production—whether for independent small industries or those manufacturing parts—is an important means of building up the desired decentralized sector. Any proposal to limit the expansion of a large industry must, however, take into account the total demand for the commodity and the extent to which small units can effectively meet it. The imposition of a cess or excise duty is another device affording time and opportunity to a small industry to strengthen its position, but here again each case has to be considered on its merits.

Q. Competition from mills apart, what are the main difficulties facing these industries and how is it planned to tackle them ?

A. The other main difficulties facing cottage and small industries may be summed up as lack of technical and financial aid, inadequate facilities for repair and maintenance and lack of organized buying and marketing.

The following measures have been recommended for the solution of these problems, in the light of the report of the Village and Small-scale Industries Committee and the Industrial Policy Resolution of 1956 :

(i) formation of industrial co-operatives—both supply and marketing and producer co-operatives—to provide the organizational needs of the decentralized sector;

(ii) enlargement of credit facilities, chiefly through the operations of the Reserve Bank and the State Bank and the State Finance Corporations;

(iii) extension of electric power supply wherever feasible; and

(iv) setting up of industrial estates and rural community workshops to serve as centres for the growth of industry.

Increased technical assistance will be provided as a result of the decision to increase the number of small industries service institutes from 4 to 20 during the Plan period. The National Small Industries Corporation will also help through schemes such as hire-purchase of machinery and procurement of orders.

Q. The Plan provides Rs 200 crore for village

and small industries. How is this money divided among the various competing needs ?

A. The distribution of the outlay is as follows :—

	Industry	*Outlay (Rs crores)*
1.	Handloom	59.5
2.	Khadi (excluding the Ambar Charkha programme)	16.7
3.	Village Industries	38.8
4.	Handicrafts	9.0
5.	Sericulture	9.0
6.	Coir Spinning & Weaving	1.0
7.	Small-scale Industries	55.0
8.	General Schemes	15.0
	Total ..	200.0

9. TRANSPORT AND COMMUNICATIONS

Q. Nearly 29 per cent of the total outlay on the Plan is for transport and communications. Why is such great importance attached to this sector and how is the money to be spent ?

A. The transport system, already subjected to severe strain by the World War and Partition, has in recent years been called on to bear an increasingly heavy burden as a result of the new economic development programmes. These programmes are to be considerably expanded in the second Plan and without adequate transport, particularly rail transport, they would be seriously handicapped. That is why the Plan makes such a generous allocation for the strengthening of this sector, though even larger amounts could profitably be utilized.

Of the Rs 1,385 crore allotted for the transport and communications sector, Rs 900 crore is for the railways alone, Rs 266 crore for roads and road transport, Rs 100 crore for shipping and ports, Rs 43 crore for civil aviation and Rs 76 crore for communications and broadcasting. In

addition to the Plan outlay of Rs 900 crore on the railways, Rs 225 crore will be provided for current depreciation.

Q. What are the main items in the railway programme ?

A. The work of rehabilitating and modernizing rolling stock and fixed assets, started in the first Plan, is to continue. At the same time, big increases in line capacity and rolling stock are necessary in order to meet the expected pressure of the system as production rises and new projects are undertaken. It is estimated that the railways will be called upon to carry about 180 million tons of goods traffic in 1960-61 as against 114 million tons in 1955-56. It is felt that within the resources allocated they may not be in a position to carry all this traffic, and the facilities provided may fall short of requirements to some extent.

The railway programme provides, among other works, for the construction of 842 miles of new lines, doubling of 1,607 miles of track, renewal of 8,000 miles of obsolete track, and the procurement of 2,258 locomotives, 11,364 coaches and 107,247 wagons. It includes electrification of services over sections totalling 826 miles and diesel services over 1,293 miles. There is also a

large provision for remodelling existing workshops, overhauling plant and machinery and setting up new units. Finally, further amenities are to be provided for the travelling public and railway staff.

Q. To what extent is indigenous production expected to meet the requirements of railway engines, coaches and wagons ?

A. Of the rolling stock proposed to be secured during the Plan period, 1,750 locomotives, all the coaches and 100,522 wagons are expected to be obtained from indigenous sources. Thus great strides are being taken towards self-sufficiency in this important sphere.

Locomotives are manufactured by the Chittaranjan Works and by the Tata Locomotive and Engineering Company (TELCO). A provision of Rs 5 crore has been made for increasing the annual output of Chittaranjan from 129 in 1955-56 to 300 by the end of the Plan period. TELCO, meanwhile, expect to increase their production of metre-gauge locomotives from 50 to 100. As regards coaches, the capacity of the Integral Coach Factory at Perambur is expected to reach 200 per year early in the Plan period, ultimately rising to 350 broad-gauge unfurnished coaches. A new metre-gauge coach factory is also to be built. The

production of coaches is expected to increase from 1,260 to about 1,800 per annum and that of wagons from 14,000 to about 25,000 per annum by 1960-61.

Q. What steps are being taken to make rail travel more comfortable ?

A. There is to be an increase in passenger train services of 3 per cent per annum or 15 per cent over the Plan period. This is not likely to put an end to overcrowding in passenger trains, however, as the volume of traffic continues to increase at a fast rate.

The passenger amenities proposed include remodelling of stations so as to provide retiring rooms and waiting accommodation, refreshment rooms and vendor stalls, the raising, extending and widening of platforms and construction of overbridges, etc. There is also provision for improved latrines, bathing facilities and water supply arrangements at stations, electric lights and fans in waiting rooms and better passenger coaches. A number of Janta Expresses—three of these air-conditioned—have been introduced for cheap, fast and comfortable long-distance travel. Dining cars and retiring rooms are now open to passengers of all classes.

Details of amenities to be supplied and the

order of priority in which works are taken up is determined in consultation with Rail Users' Consultative Committees.

Q. What is the programme for road development ?

A. Road development is shared by the Centre and the States. The Central Government is directly responsible for the development of roads declared to be national highways. Besides the national highways, provision is made in the Central Government's programme for the development of certain other roads, i.e., the Passi-Badarpur road, a west coast road and an alternative road connection between Pathankot and Udhampur, and for grants to the States for the development of roads of inter-State or economic importance.

The following table shows the programme for roads which are the Centre's responsibility, apart from works carried forward from the first Plan :

1.	*National Highways*	
	(a) construction of missing links	600 miles
	(b) improvement or widening of existing roads	4,000 miles
	(c) major bridges	60
2.	*Selected Roads*	
	(a) new roads	150 miles
	(b) improvement of existing roads	500 miles

3. *Special programme of inter-State roads and roads in border and hilly areas*

(a)	new roads	1,000 miles
(b)	improvement of existing roads	2,000 miles

The States are responsible for their own state roads and for village roads. About 18,000 miles of surfaced roads are to be constructed under the States' programmes during the Plan period. Special attention is to be paid to the needs of backward areas.

In the village road programme, it is not possible to estimate the likely increase in mileage, but considerable assistance will be received from the community development programme as well as other agencies.

Q. What are the broad objectives of the Plan in regard to the development of shipping? How is it proposed to implement this policy ?

A. The objectives are (a) to cater fully to the needs of coastal trade, with due regard to the possibility of diverting some traffic from the railways to coastal shipping; (b) to build up the nucleus of a tanker fleet; and (c) to secure an increasing share of the country's overseas trade for Indian ships.

To fulfil the needs of coastal trade it is proposed to increase the tonnage engaged in such trade from 312,000 in 1955-56 to about 412,000 tons.

The tanker fleet is also expected to increase from 5,000 tons to 23,000 tons. Altogether the Plan proposes to raise the total tonnage of Indian shipping to about 900,000 tons—about 50 per cent more than it was at the end of the first Plan. This would enable Indian shipping to carry 12 to 15 per cent of the country's overseas trade and 50 per cent of trade with adjacent countries. However, due to an increase in the cost of ships, it is now expected that within the existing provision it may be possible to acquire only 180,000 tons of additional tonnage.

Of the Rs 37 crore provided for the shipping expansion programme, about Rs 20 crore is for direct investment in the Eastern Shipping Corporation and a new corporation which will operate services to West Asia. From the balance of the provision private shipping companies will be assisted.

Q. The Plan makes provision for modernizing the ports. What are the principal schemes to be undertaken ?

A. Broadly, the aim is to modernize and equip the docks to handle the expanded trade arising from the higher rate of development in the country. During the five years of the Plan the capacity of the major ports to handle import and

export cargo is expected to increase from 25 million tons per annum to 32.5 million tons.

At Bombay, the main items on the programme are the development of Prince's and Victoria Docks to permit the entry of vessels irrespective of tide conditions, a large dredging scheme and two additional repair berths. The main schemes envisaged at Calcutta are the development of berths at Kidderpore and King George's Docks, strengthening of the quay walls at Kidderpore Dock and river training works at Fulta Point Reach. There is also a large provision for floating craft.

The programme for Madras port includes the first stage of a wet dock scheme, as well as expenditure on an oil dock, port equipment and floating craft. At Cochin, provision has been made for the construction of three berths and the completion of four additional wharves. In the rapidly developing port of Kandla, which is designed to handle the trade that formerly went via Karachi, two new jetties are to be built, apart from the four recently completed. The displaced persons' township at Gandhidham is also to be developed further. At Visakhapatnam the programme provides for the completion of the two terminal berths for the oil refinery located there, purchase of floating craft and other equipment for handling cargo on existing berths and the con-

struction of two new berths to facilitate the export of iron ore and other general cargo.

Q. The civil aviation programme has two aspects—provision of better aerodromes and auxiliary facilities and development of the air services themselves. What measures are planned in furtherance of this policy ?

A. As regards aerodromes, the general aim is to serve all State capitals as well as other important towns throughout the country. At present 81 aerodromes are maintained and operated by the Civil Aviation Department. During the first Plan period nine new aerodromes were constructed and two others on which work was begun are now nearing completion. It is proposed to build eight new aerodromes and glider-dromes during the second Plan. An extensive works programme is also to be carried out. This includes the construction of runways, hangars, technical buildings, ground lighting arrangements and the provision of telecommunication and other essential equipment.

The air services were nationalized in 1953 to ensure their planned development and two corporations were set up—the Indian Airlines Corporation for internal services and Air-India International for foreign services. These corporations have been consolidating their air services

and strengthening their organization. For Indian Airlines provision is made in the Plan for modernization of its fleet of aircraft. The corporation placed orders for five Viscounts during the first Plan, and an additional five have been ordered. For the external services some turbo-prop or jet aircraft are to be bought. The Plan provides Rs 30.5 crore for programmes covering the activities of these corporations.

Q. In the posts and telegraphs expansion programme is attention paid to the needs of the rural areas ?

A. Yes. In the expansion of postal facilities, special attention is paid to the needs of the rural areas. In the first Plan the aim was to provide a post office for every group of villages located within a radius of two miles and having a total population of 2,000, provided the annual loss was not expected to be more than Rs 750 and there was no post office within a radius of three miles. In the second Plan this same policy will apply to villages within a radius of four miles having a total population of 2,000, i.e., in even more sparsely populated areas. Efforts will also be made to increase the delivery frequencies.

In the telegraphs programme, too, the long-term aim is to make this service available within a short distance, say five miles, of every place in

the country. All rural administrative centres are to have post and telegraph offices.

Q. What are the main features of the broadcasting programme ?

A. In the first Plan, the aim of providing each Indian language with at least one transmitting station was fully achieved. As a result, the objective in the second Plan is not so much to establish new centres as to extend the services now available over as wide an area as possible.

This will be achieved through a judicious combination of medium-wave and short-wave coverage. To meet the growing demand for national programmes, and to ensure a country-wide hook-up of national broadcasts, a 100 kW short-wave transmitter and a 100 kW medium-wave transmitter will be installed in Delhi. The external services will also be strengthened by installing two 100 kW short-wave transmitters in Delhi and 50 kW short-wave transmitters in Bombay, Calcutta and Madras. Facilities for rural listening will be considerably expanded, and in all about 60,000 community listening sets will be installed during the Plan period.

For all these programmes a provision of Rs 9 crore has been made in the Plan.

10. EDUCATION

Q. What provision does the Plan make for Education and to what extent will educational facilities be increased as a result ?

A. The Plan provides Rs 307 crore for educational programmes—Rs 95 crore at the Centre and Rs 212 crore in the States. This pertains only to expenditure on new institutions and the expansion of existing ones and does not include schemes continuing from the first Plan. In addition, the allotment made for the community development programme includes more than Rs 12 crore for general education and about Rs 10 crore for social education. Programmes in various spheres of development such as agriculture, health, rehabilitation of displaced persons and welfare of the backward classes also contain provisions for expanding educational facilities.

The broad targets which it is hoped to achieve are :

(i) to provide schooling for 63 per cent of the children in the age group 6 to 11 as against 51 per cent in 1955-56;

(ii) to provide these facilities for 23 per cent of the children in the age group 11 to 14 as against 19 per cent in 1955-56;

(iii) to raise the percentage of school-children in the age group 14 to 17 from about 9 per cent in 1955-56 to about 12 per cent.

No targets have been laid down in respect of university education, for the problem here is one of consolidation rather than expansion.

Q. The present system of education has come in for a good deal of criticism. What efforts are being made to improve it ?

A. One of the main defects of the education system is that because of its undue emphasis on the academic and theoretical aspects it does not bring into play, or develop, the faculties with which the child is endowed. The Commission therefore suggested in the first Plan that primary schools be gradually converted into basic schools where the entire personality of the child—the head, the heart and the hand—could be developed by education through a socially useful craft. As against 41,989 of these schools in existence in 1955-56 (including 31,989 basic primary schools in U.P.) the new Plan lays down a target of opening an additional 33,400.

Secondary education is to be closely integrated with elementary education. This object is pro-

posed to be attained through the introduction of crafts and diversified courses, better facilities for science teaching and the setting up of multipurpose and technical schools. These measures are designed to enable young men to find jobs more easily as semi-skilled workers or to set up small businesses of their own, thus relieving the problem of unemployment among matriculates and also checking the rush to arts colleges.

For improving the quality of university education, the measures proposed include the institution of three-year degree courses, organization of tutorials and seminars, improvement of buildings, laboratories and libraries, provision of hostel facilities, stipends and scholarships and better salaries for university teachers. In addition, 10 rural institutes are to be set up during the Plan period to provide facilities for higher studies and research, especially in rural subjects, thereby also training personnel for development work in the villages.

Q. There is a rapidly growing demand for technical personnel. What steps are being taken to meet it ?

A. Facilities for engineering education are to be considerably expanded and a provision of Rs 53 crore has been made for the purpose. The Indian Institute of Technology, Kharagpur, was

established a few years ago as the first of four higher technological institutes recommended by the All-India Council for Technical Education. During the second Plan this institute is to be developed and the remaining three institutes established in a phased programme in the western, northern and southern regions of the country. They will be located at Bombay, Kanpur and Madras, respectively. In addition, six institutions of the degree level and 21 of the diploma level are to be set up.

Other new schemes include the expansion of training facilities at the Delhi Polytechnic and the Indian School of Mines and Applied Geology, Dhanbad, as well as a Central Institute for Printing Technology. Provision is also made for developing existing technical schools and colleges and opening new ones, for scholarships, expansion of hostel accommodation and refresher courses for technical teachers.

It is expected that, as a result of these programmes, the intake capacity of engineering institutions in 1960-61 will be 8,120 in degree courses and 11,300 in diploma courses. The corresponding figures for 1955-56 were 6,320 and 8,700, respectively. The admissions in junior technical schools should reach 5,400. The Engineering Personnel Committee has, however, expressed the view that these figures fall short of requirements and it would be necessary to increase

the capacity of graduate training institutions by 20 per cent and that of institutions providing diplomas by 25 per cent. The Committee has also urged the setting up of 18 engineering colleges and 62 new polytechnics.

Besides these schemes, the Ministries of Labour, Railways and Iron and Steel have their own training programmes for meeting the demand for skilled workers and supervisory personnel in their respective spheres.

Q. What does the Plan propose for improving the pay scales and service conditions of teachers ?

A. One of the chief causes of the poor standards of education in schools is the low scale of teachers' salaries and their unsatisfactory conditions of service. The Central Government has agreed to help the States by meeting half the additional expenditure incurred in raising the salary scales of primary and secondary school-teachers. Several State Governments have now taken suitable action.

To improve service conditions, the Planning Commission has recommended that each State consider bringing elementary school-teachers into its service in appropriate cadres. Thus, when the teachers are loaned to local bodies or private institutions, such benefits as security of service, pension, provident fund and opportunities for ad-

vancement would be guaranteed. With such measures, it is expected, better talent would be attracted to the profession.

Q. What is meant by social education and what place does it find in the Plan ?

A. Adult education, if confined to the field of literacy, is too narrow to promote rapid social and economic progress along democratic lines. To fulfil this purpose it must include steps to improve the economic efficiency of adults and their education in citizenship, health matters and the proper use of leisure. To denote adult education in this wider sense, the term "social education" has been coined. It implies a comprehensive programme of community uplift through joint effort. Thus the community development programme, the local works programme, the welfare extension projects, the co-operative movement and local self-government, as well as the programmes of voluntary organizations like the Bharat Sevak Samaj are all facets of social education.

However, for organized social education activities directed to specific purposes the Plan provides about Rs 15 crore, including about Rs 10 crore in the community development programme. This allotment is for such items as the opening of literary and social education centres, establishment of janata colleges, libraries, audio-visual education and the training of workers.

11. HEALTH

Q. To what extent does the Plan seek to overcome shortages of hospital facilities and trained health personnel ?

A. The Plan provides Rs 43 crore for augmenting and improving hospital services, including staff, accommodation, equipment and supplies. As a result, the number of medical institutions is likely to increase to about 12,600 and the number of beds to about 155,000 by the end of the Plan—26 per cent and 24 per cent, respectively, above the 1955-56 figures. In addition, Rs 23 crore is provided for setting up more than 3,000 primary health units in the rural areas.

It is estimated that there are 70,000 qualified doctors in India and that about 12,500 more will qualify by 1960-61. Against this, the minimum number needed is about 90,000. The Planning Commission has therefore recommended that existing colleges should be expanded and new ones opened.

The position in regard to other types of health personnel is even more serious. The following

table shows the extent of the shortages even after the proposed expansion of training facilities :

	1955-56	1960-61	No. needed
Nurses (including Auxiliary Nurse-midwives)	22,000	31,000	80,000
Midwives	26,000	32,000	80,000
Health Visitors ..	800	2,500	20,000
Nurse-dais and Dais ..	6,000	41,000	80,000
Health Assistants and Sanitary Inspectors	4,000	7,000	20,000

Q. Is encouragement being given to indigenous systems of medicine ?

A. The Plan provides Rs 1 crore at the Centre and Rs 5.5 crore in the States for developing indigenous systems of medicine. The programme includes the development of the research centre and post-graduate institute at Jamnagar, the opening of five ayurvedic colleges and expansion of 13 others and the setting up of 1,100 dispensaries and improvement of 255 existing ones. These schemes are expected to bring ayurvedic institutions to a standard which would enable them to take up research programmes.

Q. How is malaria sought to be controlled on a national scale ?

A. The malaria control programme is based

on the spraying of insecticides in affected areas and treatment with drugs. The field operations are carried out by control units under the direction of the State Health Departments. The whole programme is co-ordinated by the Centre, which provides training facilities through the Malaria Institute. The capacity of the DDT plant at Delhi, which began production in 1955, is being doubled and another factory will begin production at Alwaye in Kerala at the end of 1958.

At the end of 1955-56 the number of malaria control units stood at 162. This is to be raised to 200 under the second Plan, which provides Rs 28 crore for the anti-malaria programme. The Planning Commission considers it essential to achieve national coverage before the malaria mosquito develops resistance to DDT.

Q. How is tuberculosis being fought ?

A. A country-wide BCG vaccination programme was launched during the first Plan as part of a vigorous programme to control this disease, which kills half a million people in India every year. By 1955-56 more than 70 million people had been tested for the disease and a third of that number vaccinated. In the second Plan it is proposed to cover the entire susceptible population below 25 years of age. Other aspects of the

programme, for which Rs 14 crore is provided, are the opening or expansion of 200 chest clinics and the establishment of 20 new teaching and demonstration centres attached to medical colleges and a similar number of after-care colonies. About 4,000 more beds are likely to be provided for TB patients in various institutions.

Q. What provision has been made for the improvement of rural and urban water supply ?

A. Waterborne and allied diseases are responsible for an alarming incidence of mortality and general debility. A national water supply and sanitation programme was drawn up in 1954, but little headway was made with it during the first Plan due to difficulties in procuring equipment such as pumps and pipes and in organizing public health engineering services. Steps to overcome these difficulties will be taken under the second Plan, which makes a tentative provision of Rs 53 crore for urban water supply and sanitation, Rs 28 crore for rural water supply and a special provision of Rs 10 crore for urban areas which have Corporations.

Q. Why is family planning necessary and what are the main points in the Government's programme ?

A. Family planning is important because

the country's resources are not sufficient to support a rapidly increasing population. To control this increase there must be a general realization on the part of the people of the need to limit their families. This is also desirable from the point of view of better health for the mother and better care of children. Measures directed to this end are, therefore, a necessary part of India's public health programme.

In the first Plan, an effort was made to build up public opinion in favour of family planning. Clinics were set up to provide advice and help and research schemes relating to the biological and medical aspects of human fertility were undertaken.

The Planning Commission now feels that a stage has been reached when further progress on systematic lines is possible. For this purpose it recommends the setting up of a Central Board which would undertake the following programme:

(i) development of a broad-based scheme of education in family living, including sex education, marriage counselling and child guidance;

(ii) setting up of additional clinics for family planning advice and service;

(iii) research in the biological and medical aspects of reproduction, as well as population trends;

(iv) supervision of work done by assisted agencies, and a periodic evaluation of progress; and

(v) provision of facilities for training personnel for the programme.

An allocation of nearly Rs 5 crore is made in the Plan for family planning. It is expected that about 300 clinics will be set up in the towns and 2,000 in the rural areas.

12. HOUSING

Q. What are the causes of the urban housing shortage in India? Is the situation likely to improve ?

A. The population has been increasing fast during the past 30 years and there has also been a continuous drift of people from the rural areas to the towns in search of employment. This has given rise to a shortage of houses in the urban areas. The situation was aggravated by the war, when there was a decline in building activity, and assumed serious proportions with the influx of displaced persons following Partition. In more recent years the rise in land values and shortages and high prices of building materials have led to a further deterioration in the situation.

In 1951, for an urban population of 62 million there were about 10 million houses. The shortage then was roughly reckoned at about 2.5 million. By 1961, it is expected, the urban population will have increased by as much as a third over the 1951 figure. Thus, in the absence of effective measures the shortage in 1961 may be

twice as much as it was in 1951. In the past few years several housing schemes have been undertaken both by the Government and in the private sector. Comprehensive housing policies designed to end the shortage are, however, likely to emerge only after a few years of experience in the working of these schemes.

Q. What is the magnitude of the housing programme in the Plan ?

A. The Plan makes a total provision of Rs 120 crore for housing, to be distributed as follows, the building targets also being shown :

	Cost (Rs crores)	*Target (Numbers)*
Subsidized industrial housing	45	128,000
Low income group housing	40	68,000
Rural housing	10	—
Slum clearance and sweepers' housing	20	110,000
Middle income group housing	3	5,000
Plantation housing	2	11,000
Total	120	322,000

Some of these programmes were started earlier, but rural housing, slum clearance and middle income group housing are new schemes. No target is shown for rural housing as the problem here is essentially one of improvement rather than ex-

pansion. In addition to these figures, housing programmes undertaken by other Central Ministries, the States and local bodies are expected to provide 753,000 units, and new private construction is likely to reach 800,000 units. Thus nearly 1.9 million units are expected to be built during the Plan period.

Q. How are housing conditions in the rural areas to be improved ?

A. A large proportion of the 54 million houses in the rural areas need to be rebuilt or substantially improved. The housing conditions of the under-privileged sections, particularly, require urgent attention. It is proposed to base the rural housing programme on self-help, with aid from the Government in the form of technical advice, demonstrations and provision of new designs suited to local conditions and materials. The Planning Commission suggests that backward classes and landless labourers be grouped into co-operatives and that they be given free building sites and financial assistance.

In the implementation of this programme help will be provided by the development departments of the States as well as the National Extension Service, for housing is to be viewed as part of the general scheme of rural reconstruction. There is also a Rural Housing Cell in the Central Minis-

try of Works, Housing and Supply which is evolving suitable designs and methods of construction for various regions.

Q. What is the programme for slum clearance and sweepers' housing ?

A. Slum clearance is an essential part of housing policy which should proceed hand in hand with town planning. The big towns are still full of slums. Hitherto, proposals for their clearance have been held back by the high cost of acquisition of slums, the unwillingness of the inhabitants to move and the need for subsidizing the construction of new dwellings so that rents will be low. These aspects have been kept in view in evolving the new scheme under the second Plan.

By amendment of the Constitution, the Government has acquired power to take over slums. Slum dwellers are proposed to be rehoused at or near the existing sites so that they may not be uprooted from their fields of employment. Again, in order to keep rents down, stress is laid in the Plan on providing the essential amenities rather than building elaborate structures.

The Planning Commission has recommended that the Central Government should provide 25 per cent of the cost of slum clearance by way of a subsidy and 50 per cent as a long-term loan,

the State concerned meeting the balance from its own resources.

Since a large proportion of slum dwellers in most towns are sweepers, it is expected that large numbers of sweepers will also be effectively rehoused.

13. LABOUR

Q. What is the policy in the Plan regarding industrial workers ?

A. Since Independence, government policy in regard to labour has been guided by the principle that a contented worker is an efficient one. In pursuance of this policy, steps have been taken to confer a variety of benefits on labour in spheres such as working conditions, wages, social security, housing, welfare, employment and training, besides action in regard to the avoidance and settlement of disputes.

While endorsing this policy, which was given a prominent place in the first Plan, the Planning Commission has called for suitable alterations in the various schemes to bring them more closely in line with a socialist pattern of society. In this connection it states that the worker should be made to feel that he is helping to build a progressive State, and should be aware of his responsibilities. The Commission has also drawn attention to problems peculiar to such groups as contract

labour, agricultural workers and women workers and has suggested measures for their relief.

Q. The Plan provides Rs 29 crore for labour and labour welfare. On what schemes is this money to be spent ?

A. The Centre is to spend Rs 18 crore and the States Rs 11 crore on labour schemes during the Plan period. The main programmes are :

(1) Under the Craftsmen Training Scheme nearly 20,000 new seats are to be provided. An apprenticeship scheme for the training of skilled craftsmen has also been drawn up and a second institute for training instructors is to be established.

(2) Changes are proposed in the Employees' State Insurance Scheme and the Employees' Provident Funds Scheme to provide greater benefits to workers. The possibility of merging the various social security provisions into one comprehensive scheme is also being explored.

(3) The activities of the Employment Service Organization are to be expanded. New features proposed are the establishment of a youth employment service and the provision of guidance to job-seekers at employment exchanges. These ex-

changes will also arrange trade tests in collaboration with industry.

(4) Other programmes relate to expansion of the Central Labour Institute, the setting up of a small Film Unit to show training and educative films, workers' housing and education and the undertaking of new investigations.

14. WELFARE OF BACKWARD CLASSES

Q. Does the Plan provide for the uplift of the backward classes ?

A. Yes, there are separate programmes designed to improve the economic and social conditions of the backward classes. The Plan provides Rs 47 crore for work among the scheduled tribes, Rs 27.5 crore for the scheduled castes, Rs 3.9 crore for the former criminal tribes, Rs 9.7 crore for other backward classes and Rs 2.9 crore for administration, etc.—Rs 91 crore in all.

Q. How are the special needs of the backward population to be met ?

A. In all the programmes for the welfare of the backward classes education is the central theme. Assistance by way of free primary education, award of scholarships and free studentships at the higher stages, grants for books and payment of examination fees, construction of free hostels and provision of stipends for vocational and technical training is designed to afford them

adequate opportunities for advancement. In this connection the Plan makes provision for more than 3 million freeships and scholarships and for the opening of 6,000 schools and hostels. These facilities will enable the backward classes to take advantage of reservations in the services and other administrative concessions made by the Central and State Governments.

In the past, the Scheduled Castes have suffered much from the practice of untouchability. Since June 1955, however, untouchability has been a cognizable offence. Special schemes of housing, water supply and economic uplift are sponsored by the Centre for the Scheduled Castes, apart from the betterment programmes of the States.

Tribal people have their own culture and traditions and have therefore to be assisted through their own institutions to avoid giving offence. The development programmes here may be grouped under four heads—better communications, educational and cultural facilities, development of the tribal economy and improvement of health, housing and water supply. Increasing stress is being laid on the formation of co-operatives.

As regards the former criminal tribes, efforts are being made to train them in the ways of settled community life and to wean away the younger generation from the anti-social habits of the past.

15. SOCIAL WELFARE AND REHABILITATION

Q. What are the main organized activities in the field of social welfare ?

A. The Central Social Welfare Board, with branches in the States, was set up during the first Plan to assist voluntary agencies engaged in organizing welfare programmes for women and children and the handicapped groups. Apart from this work, the Board took up a scheme of Welfare Extension Projects, designed to provide organized welfare services for women and children in the rural areas.

During the second Plan it is intended to provide four such projects to a district, as against one at present. This will raise the total number of projects to 1,320, covering 50,000 villages. Other aspects of the Board's programme are the extension of Family Welfare Services—a scheme to provide work in their homes for women of lower middle class families—and the provision of homes for women rescued from moral danger as well as

after-care services for persons discharged from correctional and non-correctional institutions.

The Central Ministry of Education has been promoting youth welfare activities, including a scheme of youth camps and a National Discipline Scheme—the latter in conjunction with the Ministry of Rehabilitation. As part of the second Plan a National College of Physical Education has been established at Gwalior. The Ministry gives financial support to several organizations engaged in youth welfare. In its programme there is also provision for assistance in the form of education, training and employment to the physically and mentally handicapped.

Other Central Government programmes relate to the prevention of juvenile delinquency and vagrancy and welfare services in prisons. Finally, the State Governments have been asked to draw up phased programmes relating to prohibition so that this policy, which is laid down in the Constitution, can be implemented within a reasonable time.

Q. What are the main tasks remaining in the matter of the rehabilitation of displaced persons and how are they being tackled ?

A. The larger part of the task of rehabilitating displaced persons from West Pakistan was

accomplished by the end of the first Plan. Provision is, however, made in the second Plan for the completion of approved housing schemes, for training and education as well as steps to mitigate unemployment in the new townships by setting up industries. The Compensation Scheme is also being implemented.

The continuing influx from East Pakistan has, however, made the problem of settling displaced persons in the eastern States very difficult. Efforts are being made to resettle displaced agriculturists in States other than West Bengal, where suitable land is no longer available, though they are reluctant to move from this area.

Meanwhile, aid is being continued in the form of educational concessions, medical facilities and vocational and technical training. Loans are given for housing and for resettlement on land or in business. Industries are also being fostered in the new townships to provide employment. Increasingly, the rehabilitation programmes are being co-ordinated with the general development programmes of the States which have absorbed displaced persons.

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