

YOJANA

FEW VILLAGERS
KNOW OF PLANS

PAGES 2-5

TENTH YEAR 24

DECEMBER 11, 1966

25 PAISE

NO-24



Yojana seeks to carry the message of the Plan to all sections of the people and to promote a more earnest discussion on problems of social and economic development.

It is issued every other Sunday in two separate editions, English and Hindi.

Although published on behalf of the Planning Commission by the Ministry of Information and Broadcasting, Yojana is not restricted to expressing the official point of view.

Subscription : Annual Rs 5. Single copy 25 paise. For subscribers abroad: annual 10s 6d or \$1.50: single copy 6d or 7 cents.

The **Editorial Office** of Yojana is situated in Yojana Bhavan, Parliament Street, New Delhi-1. Tel. 33367 and 34380.

The **Business Office** is in the Publications Division, Old Secretariat, Delhi-6. All business inquiries are to be sent to the Business Manager at this address. Subscribers are requested to make remittance by postal order. They should communicate with the Business Office and not with the Editorial Office.

YOJANA

This Issue

VILLAGERS AND THE PLANS



In India there is a large vacuum between action and information. The vastness of the country, the size of the population, divided into many languages and dialects, and the undeveloped stage of communications, leave a very large number of people outside the pale of information about things happening in the economic, social and political life. The problem of mass communications remains unconquered. There is a flood of words going out from the top; there is little information coming up from the bottom.

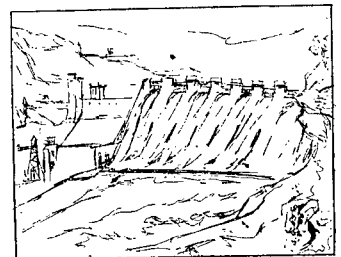
The Spotlight in this issue is on a survey undertaken by the Agro-Economic Research Centre of Allahabad University in a village about 23 miles from Allahabad. The purpose of the survey was to find out to what extent the villagers were aware of the Five Year Plans, their accomplishments and failures, targets and objectives. The results are most revealing. (See Pages 2—5).

How State Plans Are Made

For about three months now, the Planning Commission has been busy discussing the State Fourth Five Year Plans with representatives of the various State Governments. Many people would like to know how the Planning Commission deals with the Five Year Plans of the States; what kind of machinery and what amount of work go into this very important matter. For an informative account of this process, see Page 13.

The Chambal Is Being Tamed

Chambal is one of the projects now in an advanced shape in the country. It is changing the desert landscape of a large area in Rajasthan into blooming agriculture. It is also supplying power to many new industries. On Page 16 is an article on the benefits the people of Rajasthan are deriving from Chambal. There are sketches drawn by R. Sarangan who visited the Chambal project some time ago.



Two Villages

For two success stories turn to Page 25. These will tell you how a village in Assam has, without any outside help, wiped out illiteracy and how a village in Hissar District of Haryana Prant has undergone a peaceful transformation.

COVER by R. SARANGAN

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NEXT ISSUE

YEAR IN RETROSPECT

and a SPECIAL CALENDAR

of major events in India with brief reference material for each of them. A valuable companion for journalists, students, teachers, writers and commentators,

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SHARING OF SCARCITY

THE election months are also likely to be the months of great concern about food. The danger inherent in this situation must not be overlooked. Between now, and election day, leaders of Government, and the administration itself, will be preoccupied with the poll. Will they also be able to devote to the food problem the time, thinking and action that it urgently requires?

The rains seem to have injected a quantity of hope and optimism in official estimates of the coming harvest; but even if the country is able to salvage a reasonably good crop, the overall situation will be far from reassuring. The uncertainty of overseas supplies adds to the urgency of national efforts which can hardly wait for the new Governments to take over at the Centre and in the States.

The first thing to be done with the utmost expedition is to implement the decisions taken at the Chief Ministers' conference. The most important of these is to formulate a national food budget after assessing the surplus and deficit of each State. The budget is to be prepared and implemented by a National Food Council. Another decision is to make the Food Corporation the predominant agency for procurement and distribution of foodgrains throughout the country.

These decisions have been described as highly constructive by almost the entire press, although doubts have been expressed about their timely and faithful implementation.

It is true that the formulation of a national food budget has so far eluded the Government, nor has Mr Subramaniam explained what exactly made him more hopeful of action this year than last year. Perhaps he found a greater awareness in the State capitals of the urgency of a national food budget, perhaps the art of persuasion he has been using patiently for months has at last shown promise of success. The time factor, however, is of the utmost importance. Not merely had the target of procurement to be fixed by the end of November, the overall procurement will have to be much higher next year than the current year's estimated total of 3.5 million tons. This, for the simple reason that we are not likely to get from world markets anything approaching the 10 or 12 million tons of foodgrains imported in 1966. The only way we could hope to tide over the crisis is to procure as much as we can internally and to introduce effective equitable distribution over as large an area as possible.

However distasteful it may be, one cannot deny the fact that many Indians today eat much more and better than many other Indians. About 28 million people in some 15 towns, including the four metropolitan cities, are assured of their weekly ration of cereals. About

93 million others are covered by informal rationing; there is already some pressure on this system in view of the shortage of supply. Three-fourths of our countrymen are, however, not yet covered by any organised distribution network. Many of these, especially those living in the surplus States, have access to a reasonably plentiful supply. But those living in States like Bihar, which continue to be in the grip of a severe drought, have very little to eat.

Commonsense would suggest that those Indians who have more should readily share their rations with those who have very little. This, however, is not being done except in areas brought under statutory rationing. Perhaps after the elections some of the State Governments will find it easier to share their surpluses more generously with the deficit States. But the crucial months may not wait till the poll is over. If the UAR can have a uniform bread ration for its entire people, if the Chinese could share distress on a national scale during the last famine, there is no reason why Indians should lag behind. What the people need is to be enthused to a spirit of sacrifice by examples, not words.

The greatest harm could be done by actions like the relaxation suddenly announced in Delhi, and happily withdrawn with great promptitude, of the guest control order. Already foreign newspapers have been pointing out our failure to share shortage and distress. A nation is judged by its fortitude at times of crisis, by what it can deny itself voluntarily.

Even within the rationing system, there is scope to save cereals. The more well-to-do can very well do with less grains and make it up with vegetables, fish, meat and so on. It should be considered whether rations should not be fixed on the basis of the income of the wage-earner and the size of the families. The campaign for a mealless day in the week needs to be revived. All extravagant use of food should be strictly banned for at least two years. It is not a question of official action alone; every Indian has to feel that the grains he saves go to feed hungry people.

For twenty years we have not had to make any real sacrifice for the sake of the nation. We have had it too easy. The steady economic progress and internal stability have breathed into our minds not merely the habit to criticise and find fault with others, but also a craving for more and more comforts. We have created many pockets of affluence and privilege in a landscape of poverty and hardships. It is these pockets which stand in the way of rational dynamic socio-economic policies being implemented. The total national will must now show itself to be much more powerful than these pockets of resistance wherever they may be.

ONLY 1 OF 3 VILLAGERS

YOJANA
Spotlight

KNOW OUR PLANS EXIST

BRIGHT SPOTS

Teachers, students and other educated people are reasonably well-informed about Plans.

All conscious cultivators favour planning.

Half of the cultivators know about Plans.

44% of them are enthusiastic; 40% ready for hard work and sacrifice.

DARK SPOTS

Housewives, labourers and artisans are mostly ignorant of, and indifferent to, Plans.

Knowledge of details is extremely poor.

Only one in five is enthusiastic about Plans.

80% villagers do not know to what extent Plans succeed.

IF the economic plans which are put under execution by the Government from time to time are to achieve the desired degree of success, it is imperative that they have the enthusiastic support of the masses. This is particularly important in the context of rural areas, especially in a country like India where the bulk of the people live in villages and about 50 per cent of the national income is contributed by agriculture. It is an axiom of economic growth in a democratic country that enthusiastic popular support of economic plans would accelerate development, just as its absence would retard it.

There are at least some national programmes of vital importance for accelerated economic growth which need public support for their successful execution, such as increasing agricultural output, improved housing, increasing the rate of saving and avoiding waste of food. Without mobilising public support and enthusiasm for such programmes, success cannot be achieved. In order to achieve this kind of mobilisation, people must be given (a) an understanding of the tasks, (b) an appreciation of their importance and usefulness, (c) knowledge of the concrete ways in which each class of population can help, and (d) institutional facilities and resources for the fulfilment of these programmes.

Mass enlightenment is the first step. There is empirical evidence of the existence of a positive correlation between education and Plan

consciousness on the one hand and awareness and enthusiasm on the other. This is as much true of rural as of urban areas.

It is, therefore, vital to ascertain the degree and kind of Plan consciousness that at present exists among the people residing in the various rural areas of our country and the agencies which are supporting it, so that a strategy of extending Plan consciousness can be evolved on the basis of local studies.

A. N. AGARWALA

With this end in view, the Agro-Economic Research Centre of the University of Allahabad conducted an on-the-spot study of Plan consciousness in village Dhaharpur which is only 23 miles away from Allahabad and is fairly well-connected with the surrounding urban areas. It is not a shut-in village, cut off from the modern forces of change and progress. Whereas no village in India can be taken to be typical of the 5,64,000 villages sprinkled throughout the country, this study does probably give at least some inkling of the kind of situation that might be prevalent generally in our countryside.

The survey reveals that there is a *shocking degree of ignorance, indifference and psychological black-out in*

Dr Agarwala is Director, Agro-Economic Research Centre, University of Allahabad.

rural areas about the various economic plans. Less than one-third of village-dwellers know that Five Year Plans exist. Persons who have heard about these Plans have very superficial knowledge about their objectives, or their main features, or their achievements. No wonder that most of the villages do not have any enthusiasm for our Plans and are not prepared to make any sacrifice or effort for making sure that they are a success.

In the Dhaharpur village, most of the housewives, labourers and artisans did not know that there have been four Five Year Plans. *Among students and cultivators, only two persons out of every five had this knowledge; but happily most of the teachers and educated persons were correctly informed on this point.* However, there was even greater ignorance about the broad features of economic Plans. Even the major objects of the Plans were generally unknown.

For instance, four out of every five villagers did not know why and with what expectations economic Plans have been initiated. Again, only 10 per cent of the informants could tell correctly the year in which the First, Second and Third Plans were started.

Out of a total number of 188 informants, only 2 could tell as to who formulates the Plans, and only 3 as to who finally approves them. There was a total eclipse of knowledge about the financial outlays of the various Plans; as also about the sources of finance, their relative importance, the major heads of outlay and the amount set aside thereunder. *As many as 80 per cent of villagers had no idea as to whether or not the various Plans have been successful in achieving their objectives.*

RESULTS OF A SURVEY NEAR ALLAHABAD

THE SURVEY ANSWERS QUESTIONS LIKE:
ARE OUR VILLAGERS READY TO WORK
HARDER?

HOW DO THEY SIZE UP THE ADMINIS-
TRATION?

DO THEY FAVOUR DEMOCRACY?

IS ILLITERACY A BAR TO PLAN AWARE-
NESS?

In such a disappointing state of affairs, one cannot expect much genuine support for economic Plans from the rural masses. *Only 22 per cent of informants in village Dhaharia spoke favourably about them though very few were unfavourably disposed towards planning.* But what is to be noted is that about three-fourths of the people were in the zone of complete indifference and did not care as to whether Plans failed or succeeded.

Only 19 per cent of informants— one in every five—stated that they felt enthusiastic about economic Plans. The whole of the unconscious section of village-dwellers was, as a rule, without any kind of enthusiasm.

As one would expect, the participation of the people in the actual execution of Plan programmes or projects was very nominal. It is clear that a great opportunity for kindling a mass upsurge and using it constructively for national growth is being missed.

The survey reveals that Plan consciousness is primarily a function of education; and favourable reaction is largely a function of consciousness. Therefore, spread of education is imperative for winning popular support.

It should be noted that *most of the correct answers came from teachers and other educated persons; and students' response was generally better than that of cultivators.*

Labourers, artisans and housewives could not give practically any answer correctly. They can be said to be in a state of almost total ignorance.

Favourable reaction among the conscious section of the village people was quite common. *Almost all the conscious cultivators favoured economic planning;* and there was a high level of favourable reaction among the conscious sections of students, teachers and other educated persons as well. *It would, therefore, seem that if villagers are given the benefit of education, or are, at any rate, supplied with adequate information about Plans on a systematic and regular basis, one can expect them to lend their support to the Plan programmes and even to make efforts and sacrifices for making them successful.*

The main sources of information about Plans to villagers were conversation, lectures, newspapers and course materials, in the order mentioned. It is our feeling that mass media of oral communication should be installed in the countryside. This should prove to be very rewarding. But systematic diffusion of knowledge through printed words has also proved to be useful and literate villagers can be expected to act as effective multipliers.

Very few villagers had any idea about the benefits that have resulted from the Plans either to them or to the country. When asked leading questions about the social categories which have benefited from them, about one-fifth of the informants stated, somewhat haltingly and vaguely, that manufacturers, industrial workers, salaried people, cultivators and traders have been the beneficiaries. Taking the cultivators as a group, *28 per cent felt that they have benefited from Plans, and 12 per cent stated that they have been harmed by them.* Some informants, though they constituted a

very small fraction, said that Plans had increased personal incomes, added to employment opportunities, given facilities to cultivators, and provided educational and social welfare services.

WHAT THEY WANT

Projecting their vision to the Fourth Plan, some informants made certain specific suggestions about its objectives. Provision of increased facilities for agriculture, greater expansion of education, creation of employment, industrial development, expansion of social services, equitable distribution, provision of transport facilities and provision of power were mentioned as desirable objects. But as to the proper size of the Fourth Plan, most of the informants (85 per cent) had no idea whatsoever. Those who had, wanted a relatively small Plan. Only 5 per cent of them wanted it to be twice as big as the Third Plan; and 10 per cent suggested that it should be $1\frac{1}{2}$ times the size of the Third Plan or of the same size as the Third Plan. About the desirability of using foreign capital, three-fourths of the informants were unable to say anything. But 15 per cent were against its use; and 10 per cent were in its favour.

Questions of a general character, though not altogether unconnected with planning, were also asked to gain an insight into the general thinking process of the informants to have an idea of the breadth of their vision and interest and to know which way their mind was working. These produced an interesting body of answers.

For instance, those connected with the survey were left with the suspicion that our villagers, in their present mental and economic state, are probably not very keen on doing hard and sustained work. There was almost total response to questions about the amount of work that people should put in; but the majority opinion was in favour of putting in six working days per week and six hours of work per day, which is not much in a crisis-oriented situation that the country is facing. However, *one-third of informants did favour an eight-hour day.*

When asked about the efficiency and integrity of the present adminis-

tration, a substantial majority of informants (62 per cent) expressed their satisfaction. This does not, however, seem to be quite a dependable reaction, because cross-questions revealed that an equally substantial majority (62 per cent to be exact) also felt that corruption was widely rampant in society and that there was need for a firmer and cleaner administration. It is, however, significant that only one person out of the 188 who were contacted, was in favour of the establishment of dictatorship in the country; all the rest were in favour of continuing the democratic system.

Villagers Want the Plans to :

Do More for Agriculture

Widen Education

Create Employment

Expand Social Services

Introduce Equitable Distribution

Provide Transport

If one were to determine the position of cultivators *vis-a-vis* other sections of the rural population in respect of Plan consciousness on the basis of this survey, one would place them in quite a favourable light. They constituted an informed and knowledgeable section of the village and fell in the same class as teachers, other educated persons and students in this respect.

Almost half of them knew about the existence of economic Plans; and 40 per cent of them knew that there have been four such Plans. This is significant because most of housewives, labourers and artisans did not know this.

Twelve per cent of cultivators could even tell correctly the years in which the First, Second, Third and Fourth Plans were started; and approximately 40 per cent of them had fair knowledge about their broad objectives. Nearly 30 per cent of them gave tolerably satisfactory answers as to how the first three Plans had succeeded in achieving their objectives.

As many as 44 per cent of cultivators thought that Plans were useful; and 25 per cent of them *definitely stated that they were enthusiastic about these Plans.*

Approximately 28 per cent of them felt that they as a class had benefited from planned efforts; and 40 per cent of them declared that they were willing to make efforts and sacrifices in the interest of Plans. As for using foreign capital for economic growth, 35 per cent of cultivators were in favour.

They stood in general for hard work: 60 per cent of them favoured six days of work in a week. As many as 36 per cent of them actually favoured an eight-hour day, though an equal percentage favoured a six-hour day. In a dark landscape of widespread and colossal ignorance about Plans, cultivators present a somewhat bright patch, which is a matter of some satisfaction.

MASS COMMUNICATION

If we want to raise the level of Plan consciousness and mass support in rural areas, it is imperative that carefully selected channels of mass communications are built up and the wires are kept humming with news.

The degree and depth of Plan awareness on the part of village people depend, *inter alia*, upon () their capacity and willingness to know about the various aspects of the Plans and (b) the availability of proper and timely information.

No empirical evidence has been collected by us to indicate that villagers are inherently incapable of understanding the economic progress that is being made, or are unwilling to do so. There is, no doubt, an enormous range of ignorance and indifference among village population; but there is no basis on which we can ascribe it only, or

principally, to the mental incapacity or sloth of village-dwellers. In fact, the response of villagers to at least some questions was practically cent per cent.

On *a priori* considerations, it may be stated that housewives, labourers and artisans have presumably considerable illiteracy and a narrow outlook; and, therefore, their level of understanding and appreciation of the country's economic progress is bound to be low. Even if this logic is accepted, it only indicates the advisability of feeding them with Plan information in the simple form in which they can absorb it. It is, in other words, a question of choosing the proper or correct communication technology. As such, the conclusion is inescapable that there is a positive correlation between the level of Plan awareness and the degree of availability of Plan information in rural areas. Therefore, the installation of suitable media of mass communication in the countryside should be expected to raise the degree and depth of Plan consciousness.

MAKING USE OF MEDIA

In this context, it would be useful to know what communication media are likely to prove to be the most effective for this purpose. While there is a wide range from which a choice can be made, they can be broadly divided into (a) oral media, (b) audio-visual media, (c) visual aids, and (d) printed media. On the basis of the present survey, it can be said that oral media are sure to produce good results, though other media would certainly help.

Oral communication channels can be expected to work because of widespread illiteracy; but they can be said to be effective on empirical grounds. It has already been stated that conversation and lectures were found to be important sources of Plan information in this particular village. These forms of communication can be usefully strengthened. We should imagine that informal talks with villagers or groups of villagers would produce good results; and that lectures would be effective if they are wholly purposive and are dissociated from all kinds of celebrations and

All media of Mass Communication are useful to create Plan awareness in village people. But the spoken word has the greatest impact. The radio can play a revolutionary role.

Teachers, students and other educated people should form the spearhead of a movement to spread Plan information in villages.

grandeurs which reduce them to the level of *tamashas*.

Audio-visual aids were not tried in this village and no information is, therefore, available on their impact on public mind; but they can be expected to be very effective. This can also be said about purely visual aids, that is to say, exhibitions depicting the progress made under the Plans in a way that simple people can understand and appreciate. Mobile vans moving from village to village and exhibiting documentary, short and feature films of suitable type should help.

Printed literature was found to be a good source of information to villagers, and newspapers and course materials were mentioned prominently in this respect. It would be wrong to conclude that the prevailing illiteracy in villages deprives literature of its power to impress the public mind. It is true that the reach of printed matter would be relatively limited; but the readers act as multipliers and knowledge gets easily and extensively diffused. It would help if suitable literature, oriented to meet the capabilities of village people, is prepared and circulated; and course books for students are made to include elements of Plans and their progress.

A CHALLENGE

We would also like to suggest that any programme for dissemination of knowledge about Plans in the countryside might usefully make teachers, other educated persons, students and cultivators the spearhead of the movement. They would turn out to be effective multipliers of

knowledge and can be expected to encourage and help others to learn about planned efforts and their results. If links are established between universities, colleges and schools and the above-mentioned categories of village people in some kind of institutionalised form, it would be a good supplement to the efforts which are made at the official level.

We may caution against the likely mistake of generalising about the media of mass communication that would prove to be effective all over the country. This would vary according to region, locality and other conditions. Special media and channels of communication should preferably be adopted on the basis of regional and local studies.

It is our feeling that if there is widespread ignorance about, and indifference to, planned efforts in the countryside and a general lack of enthusiastic support for them, it would be very wrong to blame the villagers for this sorry state of affairs. In fact, *it is somewhat surprising that so much knowledge actually exists in the countryside, particularly among cultivators*, in the absence of any systematic efforts to diffuse knowledge among them about the country's Plans. However, the need of improving the present state of affairs is quite obvious. It is an opportunity as well as a challenge to the administration in general and to information and publicity agencies in particular to mobilise the psychological and emotional resources that are at present lying hidden in the sub-conscious of the village populace, and to turn them into vigorous, productive national assets.



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CRUCIAL ISSUES TREATED SUPERFICIALLY

THE CRITIQUE Continued

A. GHOSH

WHILE considering the Fourth plan strategy, one has to keep in mind that it starts with a very ominous background. Serious defence problems, an extremely desperate balance of payment position, a fast rising inflationary wave which is not under control and which is provoking serious internal discontent—these and a host of other serious elements in the situation have taken away all the manoeuvrability of the planners. The days, therefore, of playing with plans are over.

On reading the Plan, however, it is difficult to get the impression that the planners realise the gravity of the situation. One is forced to wonder how serious are the planners regarding the Plan. This impression is brought about by the very superficial analysis the planners make about crucial aspects of the economy and the equally casual happy-go-lucky remedies they suggest.

In two very important aspects planners should have gone into details before formulating the Plan. One of the aspects is the rising food prices and how to control them without stopping growth according to the Plan, and the other is the consequences to the economy of starting with a set of targets but not being able to achieve them. Both require a serious study as they define the upper bound of the growth targets.

The Plan has this to say about the rising prices:

“These shortfalls in domestic production occurred at the same time as aggregate spending in

While formulating the Fourth Plan, the planners should have gone into greater details on two important aspects: (1) the rising food prices and (2) the consequences to the economy of starting with a set of targets but not being able to achieve them.

the economy was rising in both the public and private sectors. In consequence, the Third Plan period witnessed a steep increase in prices, especially prices of agricultural commodities.”

RISING PRICES

The prices of rice and wheat, the available supply including imports, and the per capita income since 1947 (given in a separate table) show that prices have been rising steadily with a rise in per capita supply of both rice and wheat. The indices for per capita supply of rice and wheat in 1964-65 were 124 and 200, compared with 1946-47 as base, while the price index was 120.

A straight forward multiple regression was fitted to the data along with income as follows:

$$P = -64.2 - 57.3R - 22.4W + 1.07Y \quad (\text{See the Table for symbols})$$

A simple calculation shows that a decrease of 24 points and 10 points in price was actually achieved through increased supply of rice and wheat but that a rise of 72 points

was caused by rising income during this period.

Assuming that per capita income goes up on an average by 4 per cent as envisaged in the Plan, the index for per capita income will go up to 250 (approximately). This will mean that there will be an addition of 53.5 units to the price due to the expansion of income. If we assume equal increments in supply of rice and wheat to neutralise the effect of this expanding income, per capita rice and wheat supply must increase in five years by approximately 0.33 maunds each.

The per capita rise in supply during the past 18 years has been 0.43 maunds in rice and 0.46 maunds in wheat, including ever increasing imports. In other words, it would be necessary to raise per capita supply (including imports) by about 16 per cent for rice and 30 per cent for wheat in five years. Without imports these figures would easily go up to 25 per cent for rice and 50 per cent for wheat.

A detailed analysis thus shows that if planned expenditure goes up as visualised, the expansion of agricultural output necessary to keep prices down (good weather or bad) would run into staggering figures.

Even with the most hopeful ideas regarding weather, attempts to keep food prices stable, reduce imports and expand the economy as planned, are incompatible tasks, unless much more serious institutional changes are made in the distributive system. To reconcile a slowly expanding food output with the two other objectives, a very serious effort has to be made by the Government to become the dominant

Dr A. Ghosh is Professor of Applied Economics in Jadavpur University.

element in the buying and selling of foodgrains all over the country.

COST OF FAILURES

The second aspect of the planning procedure worth detailed investigation is the cost of not achieving a Plan. This is necessary in order that the increasing risk of an unfulfilled Plan could provide an upper bound to various targets. The cost paid for the non-fulfilment of a Plan is very high in terms of inflationary pressure.

Physical and financial balances are counterparts of the blueprints of a planned economy. In a free enterprise economy, the operation of market forces equilibrates demand and supply for the commodities and factors in physical terms as also in many terms. In a planned economy this is not done automatically but through the achievement of planned targets.

The imbalance between the financial and physical targets, if any, comes in the shape of an inflationary pressure. This is because all such development is pushed through at a high tempo. It is often, therefore, seen that the physical plan faces shortages and bottlenecks which were not anticipated in the beginning.

Since the financial plan precedes the actual physical execution, it does not have the same rigid inhibitions; and it often happens that during the period of operation, the actual growth of the economy is smaller than the financial counterpart of the same period. This manifests itself in an inflationary pressure, there being a more liberal flow of money than of goods. It is, therefore, a very important task to the planning authority to devise a consistent and balanced financial counterpart to the physical plan. To be forewarned of the possible dangers of a rising discrepancy between these counterparts and to provide adequate safeguards against such possibilities is a sound line of defence.

A calculation can be made of the rate of price rise for each sector, including the interactions, by assuming a simple input-output model formula.

The price rise in different sectors, if a plan is started but the anticipations regarding outputs are not ful-

TABLE

Year	Per capita supply of rice (md.) (R)	Wholesale price index of rice (P)	Per capita supply of wheat(md.) (W)	Wholesale price index of wheat (P)	Per capita income at 1948-49 prices(Rs.) (Y)
1947	1.78	59	0.46	66	228
1948	1.75	83	0.54	121	233
1949	1.83	87	0.62	111	234
1950	1.82	91	0.60	94	234
1951	1.60	104	0.72	96	248
1952	1.62	100	0.32	98	250
1953	1.66	102	0.66	96	256
1954	2.04	86	0.58	79	266
1955	1.74	76	0.64	70	268
1956	1.77	93	0.64	86	268
1957	1.98	104	0.82	90	276
1958	1.69	108	0.70	96	267
1959	1.99	102	0.86	102	280
1960	2.01	109	0.91	91	279
1961	2.11	105	0.86	89	294
1962	2.07	109	0.90	92	293
1963	1.91	122	0.88	91	295
1964	2.12	139*	0.72	104	298
1965	2.21	151*	0.92	113	314

*Estimated.

filled, can be estimated by the model formula.* A three-sector economy for India was used for an exercise and it was found that the lower achievement of the Third Plan with a spending as visualised in the Plan could cause a price rise of 18.8 per cent for agriculture, 22 per cent for industry, and 33 per cent for the tertiary sectors, over the five year period.

CONCLUSIONS

On the basis of these two points, some broad conclusions regarding the strategy of the Fourth Plan may be drawn. Progress in agriculture even in the most optimistic estimates will not be enough to keep prices down, given that the growth of economy is maintained at a high rate. I unhesitatingly support the Planning Commission in the stand that industrial expansion at a high rate is indispensable if we are ever to come out of our difficulties. But at the same time, no false hopes should be put on an unwarranted growth of agricultural output. For reasons stated in my earlier article

in Yojana (September 18, 1966) I am convinced that under the present conditions with millions of scattered and small holdings and our poverty-ridden farmer dependant mainly on weather, our agricultural progress is bound to be slow, to say the least, even though fertiliser and other inputs are made moderately available.

Given that agricultural progress will be slow, progress of the country as a whole will depend on the industrial progress that could be carried out with a comparatively backward agriculture. This means procurement and distribution—a painful but inevitable step to avert agricultural instability from seriously damaging the Plans. Entry of the public sector as a major competitor both in buying and selling in grain trade is a must if Plans are to be executed. Otherwise the future growth of the country will be conditioned by monsoon and foreign aid, and not by our Plans.

With a backward and slowly moving agriculture and a parasitical commercial grip on economic life, the nationalisation of grain trade and of banking is possibly the only way to save planned progress.

*Inflation in a Planned Multi-Sector Growth Process by A. Ghosh. Arthaniti. Vol. III. No. 11.

PLAN INVESTMENT IN HUMAN RESOURCES

THE CRITIQUE Continued

More articles by eminent economists on the Fourth Plan will be published in the coming issues of Yojana

Too Small to Meet the Needs

O. P. GUPTA

FOR achieving its objectives, one of the principal tasks that have been kept in view in the Fourth Five Year Plan; is the "development of human resources, for which substantial additional facilities will be provided in the social services sector, especially for the rural areas, and these will be suitably reoriented in the direction of increasing productivity". (Draft Outline, Page 17).

Before examining the provisions in the Fourth Plan to achieve this task, it would be interesting to see rates of growth in some other countries besides India. The following table shows the annual rate of growth of ten selected countries :—

Country	Years	Gross Products
Bulgaria	1955-61	8.9
China	1953-58	12.6
Czechoslovakia	1953-61	6.8
Hungary	1953-61	7.4
Japan	1954-61	9.9
Poland	1953-61	7.4
Rumania	1953-61	8.5
U.S.S.R.	1953-61	9.4
Yugoslavia	1953-61	8.7
India	1952-63	2.5

(Reference: India Pocket Book of Economic Information, 1965)

Apart from the fact that most of the above mentioned countries are centrally planned economies, the plausible explanation of the higher rates of growth in countries other than India, is the superior application of skills and techniques resulting from greater literacy, investment in

The author thinks that the outlays on education, health and medical services and family planning are too short to raise the human resources required for the Plan programmes. They should be raised by Rs 1,500 crore more, and the money should be collected by cutting by 10 per cent the outlays on all heads except agriculture.

skill training, and the application of superior human techniques.

In the Fourth Plan of India, the social services sector comprises 14 heads of development, namely, education, scientific research, health, family planning, water supply, housing and construction, welfare of backward classes, social welfare, craftsmen training and labour welfare, rural works, hill areas and special areas, rehabilitation, public co-operation, and other programmes. Out of these, only the first twelve contribute directly or indirectly towards conservation and development of human resources. Education, health and family planning are the main contributors, and so, we will discuss them in some detail.

EDUCATION

During the Fourth Plan, an attempt will be made to link education more purposively with the requirements of the country's development. There is no doubt that investment in education and educational planning are of cardinal significance to economic growth. The latest UNESCO report on higher education points to the fact that the Soviet Union and the East European countries have looked at educational planning chiefly in its relationship to economic planning. The Soviet Union, it is stated, realised earlier than

other countries that for an economic plan to succeed, the structure of education must produce at the right time and in the right balance, the number of specialists, semi-specialists, skilled and unskilled labour that a plan requires. In broad terms, the educational target in the Soviet Union is the provision of universal secondary education by about 1970, so that from this pool of ability, by 1980, higher education may be available for all who desire it.

In India, programme under education in the Fourth Plan is expected to increase the enrolment from 78.5 to 92.2 per cent in the age-group 6-11 (primary stage), from 32.2 to 47.4 per cent in the age-group 11-14 (middle stage), and from 17.8 to 22.1 per cent in the age group 14-17 (high school stage) and from 1.9 per cent to 2.4 per cent in the age-group 17-23 (University stage). The admission capacity of diploma and degree courses in engineering and technology will be increased to 68,000 and 30,000 in 1970-71 from 49,000 and 24,000 in 1965-66 respectively.

Our educational programme compares unfavourably with the educational target in the Soviet Union for 1970. We should step up our targets for all stages of education. By 1970 we will complete 20 years of planning, and even now we do not have universal primary education. Without cent per cent enrolment at the

Dr O. P. Gupta is a retired Professor of Applied Economics and Ex-Dean of the Faculty of Commerce of Lucknow University.

primary stage, we will not have the broad base required for our educational pyramid. Therefore, our educational target should be as follows:—

1. Free and compulsory primary education for 100 per cent children in the age-group 6-11.
2. The proportion of girls reading at different stages from primary to high school, as compared to boys, being 1 : 4, this big gap should be filled up.
3. The Government of Uttar Pradesh has made girls' education free up to the high school stage. To fill the gap between the enrolment of girls and boys, some further incentives should be given, in the shape of scholarship and book grants.
4. Subsidised mid-day meals should be provided for both boys and girls.
5. Facilities of university education should be increased, as future teachers, managers and administrators will come only from the universities.
6. The quality of education should improve. This will be possible only by improving the quality of teachers.
7. To improve the quality of teachers, adequate emoluments and proper status should be given to them. The teacher should not get less pay than persons of similar qualifications in other occupations.
8. Special steps should be taken to increase the supply of women teachers, specially to teach science subjects in the intermediate and degree colleges.
9. The outlay on education should be increased by about Rs 1,000 crore to make it Rs 2,310 crore in place of Rs 1,210 crore.

HEALTH & MEDICINE

Two economists, Walter Galenson and Graham Pyatt, working on behalf of the International Labour Organisation, have shown that there is a very high correlation between increasing investment in health, housing and social security on the one hand, and the rate of economic growth for a given country on the other hand. In other words, a close positive relationship exists between

the investment in human resources and the rate of economic growth.

In the programme for the expansion of medical and health facilities, stress has been laid on augmenting training facilities for different categories of medical personnel. The aim is to overcome the current shortages in qualified personnel and, at the same time, improve the medical and public health services. This is expected to improve the doctor-population ratio to 1:4600 as compared to 1:5,800 at the end of the Third Plan period. Similarly, it is proposed to add 60,000 beds to maintain the present bed-population ratio of 1:2,000. It can be easily seen that for a vast country like India, this provision is like a drop in the ocean.

Besides, no attempt has been made to introduce any national health service scheme, in spite of the profession that our goal is a Welfare State. In the United Kingdom 3.5 per cent of the gross national product is spent on the national health service, over and above what is spent on medical colleges, hospitals and other ancillary health services. If a national health service scheme is introduced in our country, even in a modest way, it will greatly reduce the pressure of patients on the hospitals.

The outlay on health is Rs 492 crore. This is much too small. It should be increased by about Rs 400 crore to about Rs 900 crore.

FAMILY PLANNING

A family planning programme is an integral part of the conservation of human resources. The basic objective of our family planning programme is to reduce the birth rate from 40 per thousand at present to 25 per thousand as expeditiously as possible. The operational goal for achieving this objective is to create facilities for 90 per cent of the married population of India for the adoption of family planning by group acceptance of a small-sized family.

The size of the family varies generally according to the father's occupation, educational differences of mothers, and early or late marriages. Prof. Ellsworth Huntington of Yale University, in his work "The Conservation of Man", has effectively shown that late marriages systematically reduce the birth-rate. They also reduce the average length of

a generation, thus diminishing the rate of natural increase in population.

Therefore besides the existing programme for IUCD insertions for 10.5 million married women by 1970-71, we should also have a concerted programme of female education as well as giving the girls in marriage at a comparatively late age. The Sarda Act, which has prescribed the age of consent as 14 years, should be repealed or amended, and a new Act, prescribing the age of consent at 18 years should be put on the statute book.

It has been suggested in this paper that the outlay on education should be increased by Rs 1,000 crore, and that on health by Rs 400 crore. From where will these additional resources come? I find that the programmes under 'Public co-operation' and 'Other programmes' are not effective in the conservation and development of human resources, and hence they can be scrapped. This will yield Rs 80 crore. For the rest, if the outlays on all the heads of development, except agriculture, are nibbled off by 10 per cent, the necessary resources required for the conservation and development of the human resources will be forthcoming.

SOVIET AID FOR SEED FARMS

The Soviet Union will give India as a gift agricultural machinery and equipment valued at Rs 1 crore for setting up five State seed farms. An agreement was signed recently. The Soviet Union will also supply shortly as commercial credit farm machinery worth Rs 5 crore for setting up ten more State seed farms and fifteen centres for giving agricultural machinery on loan to farmers.

U.P. to Grow More Food

Uttar Pradesh has increased the target of the Mexican and K 68 wheat areas from 5.25 lakh acres to 9 lakh acres for the current rabi sowing. The district authorities have been asked to ensure that no plot remains uncultivated.

Uttar Pradesh Government has also decided, for the first time, to undertake winter cultivation of hybrid maize and rice this year.

THIS INDIA

YOJANA invites contributions to this feature from its readers all over the country. Each anecdote must be true to life, of less than two hundred words, capturing something significant of India's rich and varied life. Each published anecdote will be paid for.

It was in the morning of the first day of the month. My husband was ready to go to the office when a postman knocked at the door to deliver a V.P. parcel for Rs 21.45.

My husband asked the postman to come the next day since he was yet to get his salary.

I interrupted, and paid the postman the amount.

It was a sweet surprise for my husband to find that big amount in the house on the first day of the month! I explained to him how I used to keep aside the 25-paisa coin whenever I found one in his pocket.

There's a way to save, indeed!

Varanasi Malati. Bhalerao

Recently a new Agriculture Extension Officer joined our Panchayat Samiti. The B.D.O. sent him to a village inspecting a chilli field which was infested with pest. The A.E.O. was a fresh agricultural graduate. In the field the pest he saw was new to him.

When the farmers approached him for a remedy, he replied, "You

have committed a mistake by sowing the seeds of green chillis. Next time you sow the seeds of red chillis which will be free from all sorts of pests."

Newai (Distt. Tonk). R. P. Nag

I went to a remote village in the Cachar district of Assam for demolishing an illegally constructed shed. A poor villager had encroached on government land to make a bamboo shed near his house.

My staff began demolishing the shed. The encroacher stood near me. He did not say a word of protest. Nor did he crave for pity.

Soon after the demolition work was over, the villager went inside his house, brought a glass of milk and offered it to me. I felt embarrassed and refused to take the milk. But in a voice tinged with emotion, the man said, "Sir, it was your duty to demolish and you have done it. But you have come all the way from the town and have not taken anything since. For God's sake please drink this milk. Otherwise I will be disappointed."

He was all smiles when I drank the milk.

Bihupuria Mriganka Mohan Das

Recently when I went to my village, I saw an old man preaching to a young man of about thirty years the advantages of family planning. The old man was persuading the young to get himself sterilised. I asked the old man how he was interested in propagating this idea. He replied: "Babuji, you might have studied the poems of Vemana. One faithful son is worth more than a dozen unfaithful ones. I am a father of four and all have deserted me in my old age. I can't work in the field. If I take this fellow — a father of five — to the family planning centre, they will give me six rupees. After all, I must live too."

Visakhapatnam R. L. Kopparty

Along with other students all over the country, the students of a college in Delhi also went on strike. In support of their demands, they also resorted to a hunger-strike.

But some of them could not withstand their appetite and asked their friends to replace them.

When they were replaced, they went and had a nice meal and returned to resume their fast.

The whole thing was executed in such a manner that no hunger-striker was really left hungry.

New Delhi A. N. Dilip Kumar

On October 23, I kept my bullock-cart standing in front of the Octroi Naka of our town.

"What have you got in your cart?" asked the Naka Chaprasi.

"Gold and some silver," I replied.

"How much?"

"About a kilogram."

"Then I must go to the secretary-saheb to ask about the octroi amount."

The Chaprasi returned after a while and demanded, "Pay Rs. 125"

"What? That's too much", I said.

"Then come with me to the secretary-saheb."

I followed the Chaprasi.

"Yes, you'll have to pay that amount", the secretary said sternly.

"It's too much," I entreated.

"Let's have a way out. You pay only Rs. 25 by way of octroi, and—and—and give me Rs. 25 or so, and we shall square up matters." The secretary suggested.

"No, secretary saheb, I can't pay."

"Then you can't go," the secretary roared. "Bring that gold here. I'll call the police."

I brought the leaves of *shami* and other trees and placed them before the secretary.

"Is this your gold and silver?"

"Yes, of course", I replied. "Don't you know that today is Desehra day, and these leaves are presented as gold and silver on this day?"

Dhamangaon M. B. Ronghe



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HOW STATE PLANS ARE FINALISED

S. R. GUPTA

Since October, the Planning Commission has been busy going over State Plans with delegations from the State Governments. S.R. Gupta, Information Officer, Planning Commission, explains in this article the long process of dialogue that goes on between Yojana Bhavan and the State Capitals before each Five Year Plan is finally processed.

The State Governments draw up their Draft Plans in the light of guidelines supplied from Yojana Bhavan. The Planning Commission sets up a large number of working groups to deal with every aspect of Plan papers received from the States. As a result of long, sustained team work within Yojana Bhavan, and between it and the State Governments, emerge the State Plans.

IN the Draft Outline of the Fourth Five Year Plan the distribution of Outlay in the public sector between the Centre, States and Union Territories is Rs 8,536 crore, Rs 7,073 crore and Rs 391 crore respectively.

The development programmes for the 17 States thus claim nearly 44 per cent of the total public sector outlay in the Fourth Plan.

With the varied geographical features, levels of development and special problems of each of the States (and within the States, in districts), some being less developed than others, the preparation of the State Fourth Plans in the context of the national Plan presents complex issues for the planners.

To meet the challenges underlying these issues, procedures and techniques applicable to the State Plans have been evolved since the beginning of planning in 1951.

In preparing the Fourth Plan these procedures and techniques have acquired a distinctive pattern.

To understand this pattern, it is necessary to recall some of the landmarks in the dialogue between the Centre and the States since the publication in October 1964 of the Memorandum on the Fourth Five Year Plan. The memorandum was endorsed at the twenty-first meeting

of the National Development Council held on October 27-28, 1964.

Of these landmarks the first possibly was the communication sent to the States by the Planning Commission in May 1965. It forwarded guidelines for agriculture and allied subjects. This sector of the economy had been given an overriding priority in the national, no less than in the State, plans for 1965-71. By this time, State budgets in most cases had been adopted by the legislatures. Formulation of programmes for the State Fourth Plans could be undertaken in the light of the points suggested in the guidelines.

First Guidelines

These guidelines indicated in some detail the principal bases—production goals, targets and outlays, as well as programmes, crops and areas—for agricultural development. The lines on which the essential details of State plans for agriculture were to be prepared were also suggested.

For other sectors of development, too, guidelines were laid down, more specially for road and road transport development, craftsmen training, labour programmes, welfare of backward classes and social welfare, hill and border areas and backward regions. To help identify markedly backward areas, selected indicators were developed. The States were

invited to specify how socio-economic activities were to be accelerated in the Fourth Plan.

By September 1965, a revised Plan document on resources, outlays and programmes with marginal adjustments was ready for more precise planning in the States. This document, the second for the Fourth Plan, was endorsed at the twenty-second meeting of the NDC, held on September 5-6, 1965. The country was then facing aggression from Pakistan.

During 1965-66, the States were engaged in preparing their proposals within the broad contours drawn up in these documents and to chalk out their agricultural programmes. Whatever be the other changes thought of or debated upon in these years, because of diversion of resources from development to defence—agriculture had indisputably to be more or less the same as before.

Revised Guidelines

The NDC approved on August 20-21, 1966 at its twenty-third meeting the Draft Outline of the Fourth Five Year Plan, the third and penultimate Plan document. It set out revised outlays and targets and schemes for resource mobilisation which took into account the rigours of defence and a certain decline in economy due to the unprecedented drought of 1965 and to a lower order of foreign aid in 1965-66. The plan-frame underwent a change, though not in essentials. It also became evident that family planning to reduce population growth and higher exports were as essential for a self-reliant economy as agricultural development. All these new factors were fully reflected in the latest set of guidelines sent to the States for their Fourth Plans. These guidelines were much more comprehensive and exhaustive than the earlier ones. With their elaborate proformae, they diverted State planning endeavours towards the refurbished national goals, which past events had made somewhat

compulsive. Four communications, one close on the heels of the other, were sent by the planners within two months beginning September 9, 1966. Each covered every single aspect of development in the States.

1966 Documentation

To begin with, the States were advised to prepare their Fourth Plan proposals under five heads — summary statement of plan outlay proposed; distribution of outlays under selected sub-heads; details of principal schemes and projects, particularly for irrigation and power, and others for which foreign credits were required in 1966-67; key physical targets of production and development; and check-lists of principal projects costing Rs 5 crore and above.

Other suggestions made were for preparation of a set of three principal statements — a short memorandum on the plan, notes on individual heads of development and important schemes; and a review of the progress in the Third Plan.

Simultaneously, attention was drawn to assessment of State resources based on the assumption that physical policies should be pursued in the States in accordance with national goals. For realistic planning, a rough idea was given to the States of the volume of Central assistance proposed for them during the Fourth Plan.

The agriculture guidelines for "preparation of a fully co-ordinated, complete and self-contained Plan" and building up targets from village, block and district levels upwards called for four stages of planning: (i) preliminary work at Centre and State headquarters; (ii) preparation of Plan-frame at headquarters; (iii) provisional plan at district and block levels; and (iv) blueprints for action at local levels.

Within these stages was compressed the quintessence of thinking on agricultural development.

The guidelines, for as many as 11 main sectors of development, with 21 tables for agriculture, 6 proforma for roads and transport development, and a number of annexures for compilation of data, concentrated attention on such diverse socio-economic issues as plans for drought-

affected areas, village and small industries, hill and border regions and backward regions.

Similarly, guidelines on development of roads and transport, welfare of scheduled castes and tribes, craftsmen training and manpower employment services, family and child welfare, were elaborate enough not to admit of any chancy affair or haphazard planning.

A "key" for collation of data for planning district development within State boundaries was also called for in respect of 12 indicators for consideration of levels of development.

Tripartite Consultation

Monumental documentation in many ways as these guidelines are, the written directional material had its own limitations. For instance, it could not obviously anticipate issues emerging from local knowledge of State planners which had to be considered before imprecision and any other lapses odious to the national Plan could be obliterated from their Plan documents.

To tie the loose ends in State development programmes, as it were, a six-week process of consultations between the Planning Commission, Union Ministries and States, beginning from mid-October, was arranged. These tripartite consultations in Delhi, spanning a three-day period in case of each State, ranged over the entire field of development activity.

This was possible as 20-25 working groups were set up for each State, with representatives of not merely the States but also of Planning Commission and concerned Union Ministries. These groups re-analysed, intensively and in depth, all issues, including States' finances, Central aid, and so on, impinging on the State plan, and reported back to one of the Programme Advisers of the Planning Commission. The Programme Adviser, in turn, after carefully analysing the working group reports, submitted crystallised proposals to the Union Minister of Planning and State Chief Ministers who, at top-level meetings, attended by senior officers, reviewed the State proposals, and finally approved the scope and dimensions of State Fourth Plans.

By the end of November, all State Plans would thus have been discussed

and most of them finalised. For the remaining States some more discussions were considered essential. It is expected that their Plans would also be approved by the middle of December.

In a more or less similar manner, the Fourth Plans of the 11 Union Territories are prepared, reviewed and analysed on the basis of guidelines and personal discussions, the latter scheduled for the first half of December.

These procedures and techniques, requiring expertise, both in written documentation and at conference tables, on a wide range of social or economic issues, ensure comprehensive guidance to States to compile data, prepare development schemes and finalise their plans at all levels from village upwards.

The right type of direction is also available to them for not only planning for better living standards for all and for higher growth rates for the economy, but also for correcting imbalances and weaknesses which, despite all precautions, are apt to creep into planning for any five-year period.

116 Lakh Lives Insured

THE Life Insurance Corporation transacted new business of Rs 798 crore in 1965-66 as against the total business of Rs 701 crore in 1964-65. The total business amounted to Rs 4,394 crore under 115.89 lakh policies at the end of March 1966; an increase of 12.8 per cent over the previous year. The total business had grown more than three times while the number of policies increased more than double during the past ten years. The Life Insurance Fund increased to Rs 977.56 crore from Rs. 380.61 crore on September 1, 1956; an increase of 157 per cent.

The premium income for the year 1965-66 was Rs 179.76 crore as against Rs 162.25 crore in the previous year. The total net income amounted to Rs 224.55 crore.

Out of over 15.61 lakh policies issued in India in the year, 70.4 per cent were taken by persons insuring for the first time, and 35.9 per cent came from rural areas.

ROAR HUSHED TO WHISPER

ON November 12 the roar of the mighty Niagra Falls was hushed to a whisper. American army engineers cut the flow of water that cascades over the 1000-foot wide precipice to one-fourth of its normal volume. They were studying how to preserve the scenic beauty of the Falls against the ravages of erosion and rock slides. This was the first time that man ever tried to stay, even partially, the wall of water that tumbles 182 feet over the Niagra Falls. The operations took place on the American side of the Falls known as the "American Falls."

The engineers claimed that the operation was a complete success. Normally, 8000 cubic feet of water goes over the "American Falls" every second. This was cut to 2000 cubic feet a second, and the area above and below the precipice was surveyed by soundings and by aerial and surface photography.

A large heap of rocks and talus deposited by erosion has gathered at the foot of the American part of the Niagra Falls. This has piled more than half way up the face of the Falls in many places. The engineers are trying to find out if anything could or should be done to remove the large heap of rocks.

There are very few people content to leave natural phenomena alone. When they see a mountain they climb it. When they see a channel they swim it. Instead of just goggling at Niagra Falls they go over it in a barrel or cross it on a tight rope.

This is civilisation, isn't it? We are always messing about with Nature and we seem to have a particular grudge against rivers. We exploit them for electricity—the Niagra Falls are already almost completely exploited for this purpose both by the United States and Canada. The brook which thought men might come and men might go but it went on for ever, was babbling a lot of nonsense.

Many Green Eyes

ONE wasn't much surprised to read James Cowley's report in *The Statesman* that the persons in our High Commission in London were singularly unmoved by the choice of Reita Faria as 'Miss World' in the 1966 'Miss World' Contest in London. The diplomats were presumably a little afraid of their wives and the wives themselves were perhaps a wee bit jealous. In any case, some people think that it is outside the Indian Way of Life to make very much noise about a girl wearing the world beauty crown. In most other countries we would have by this time been treated to an impressive array of pictures of not only Reita as she was in Bombay but also perhaps of her family. But not in our Press Till the time of writing only *The Hindustan Standard* of Calcutta has published a number of pictures on Reita, but these too have been received from London.

Reita seemed to have taken the British press completely by surprise. For, a staff reporter of a London newspaper in a pre-contest report on November 15 had nothing to say about her except that she wanted to serve India through the medical profession. In the careful catalogue of the vital statistics of many of the contesting beauties, Reita did not figure at all. The biggest girl was Miss Canada who weighed ten stones, and the tallest, Miss Switzerland, an alpine 5'-9". The shortest was Miss Morocco, 5'-2". Miss Canada scored a record 39" for the most vital of the upper statistics.

Twelve of the girls had green eyes, though the number must have increased tremendously when the crown was bestowed on India's Reita Faria.

He Was a Dreamer

LORD Butler's recent estimate of Jawaharlal Nehru's leadership, in the course of the first Memorial Lecture at Cambridge, is a notable contribution to the contemporary world's evaluation of the shaper of Indian's destiny. Lord



IGNORAMAN

Wants to Know

Why

Married Women aren't
allowed to enter
Beauty Contests

Butler who is Master of Trinity College, said that one aspect of Nehru's stature as an international statesman was his determination to respect human values in the political sense—in other words, his democratic principles. He would be remembered as a man whose contribution to the cause of democracy "ranks as high as those Himalayan peaks which towered his erstwhile prison walls." In spite of Jawaharlal Nehru's tremendous political activity, he had the ability to become a dreamer. "He might be startled as he journeyed along the road by a fine type of man or a beautiful woman who reminded him of some ancient fresco. Then he would slip away into the past and live for a while another life." Lord Butler recalled that Nehru had read Chemistry, Biology and Botany at Trinity. "For those who wish to be Prime Ministers, it is a consolation to know that he got a second class."

* * *

THE election of Mr Ronald Reagan, a former film star, as Governor of California prompted the *London Times* cartoonist to sport the following caption: "Why shouldn't a film-star make a good Governor—if Henry Fonda made an impressive President in *Fail-Safe* and Peter Sellers was an excellent President in *Dr StrangeLove?*"

B. SEN GUPTA

The Chambal Is Being Tamed



THE Chambal, the largest tributary of the Yamuna (which in its turn feeds the great Ganga) flows through three of our largest States, Madhya Pradesh, Rajasthan and Uttar Pradesh.

The Chambal is thus a most shared river. But it happens to be, so far, perhaps the least used river in India. For, until the Gandhisagar storage project and the complementary Kota Barrage were taken up after Independence, the total runoff of 4.193 mil. cu. m. (3.4 mil. ac. ft.) from its large catchment of 22,533 sq. km. (8,700 sq. ml.) were used little for irrigation and less for power.

Apart from the wasted waters, Chambal floods have been carrying away millions of tons of precious soil, leaving thousands of acres gashed into ravines on its banks unfit for cultivation.

The two States of Madhya Pradesh and Rajasthan joined hands to utilise the Chambal waters for irrigation and power for the benefit of both in an equitable share.

Briefly, the overall plan of utilisation of the Chambal envisages a cascade of three dams with a power house at the foot of each, before the waters, headed up at a barrage, are channelled along two of the largest canals in the country.

Of the four major hydraulic structures, the first and the fourth, Gandhisagar Dam and Kotah Barrage, have now been completed and are making a substantial contribution of irrigation water and power to the valley.

Gandhisagar is a straight gravity stone masonry dam 514 m (1,685 ft.) long at its top, rising to 65 m (212 ft.) above its deepest foundation. At its base 381 m (1,250 ft) long and 51 m (167 ft.) wide, the dam tapers off to 6.4 m (21 ft) thickness at the peak



The Gandhi Sagar Dam is changing the face of large areas in Madhya Pradesh and Rajasthan. Power is leading to the sprouting of many industries and is giving agriculture a leap forward.

to carry a road bridge 4.6 m (15 ft) wide, above the crest gates.

Gandhisagar is designed to store the Chambal run-off of two-successive monsoons from the catchment of 22,533 sq. km. (8,700 sq. ml.) above the dam site.

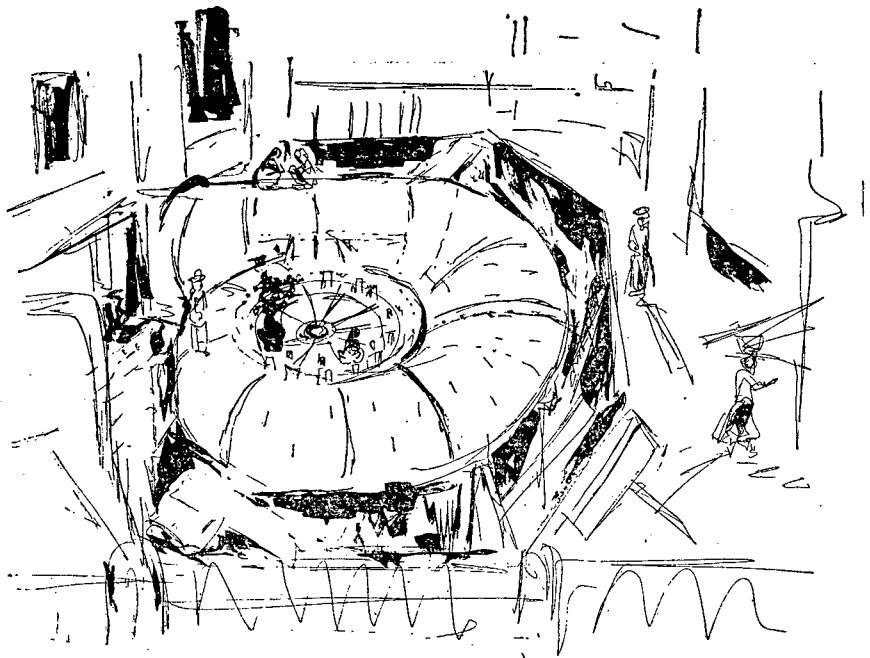
The power station downstream, at the foot of the dam on the right, is built in concrete. Five penstocks of 4.7 m. (15.5. ft) diameter run down from controlled gates on the upstream side through the dam, each to a power unit of 23,000 kW capacity. Four units, with their control panels, have been erected and tested. They have been commissioned. The 11 KV current generated by the units is stepped up to 132 KV at the switch-yard next door before transmission to Ujjain and Neemuch.

The power plants have been largely erected and tested by Indian engineers.

Like the magnificent temples of old, many of the modern places of pilgrimage in new India are being built by hand. Gandhisagar Dam is one such raised, stone by stone, by craftsmen who have inherited their skill from old masters of Andhra, Rajasthan and Tamilnad. At the peak of construction, the dam site was a picture of thousands of human ants at work, raising the edifice, foot by foot. No wonder, a perspicacious visitor commented that Gandhisagar was a 'cottage industry product'.

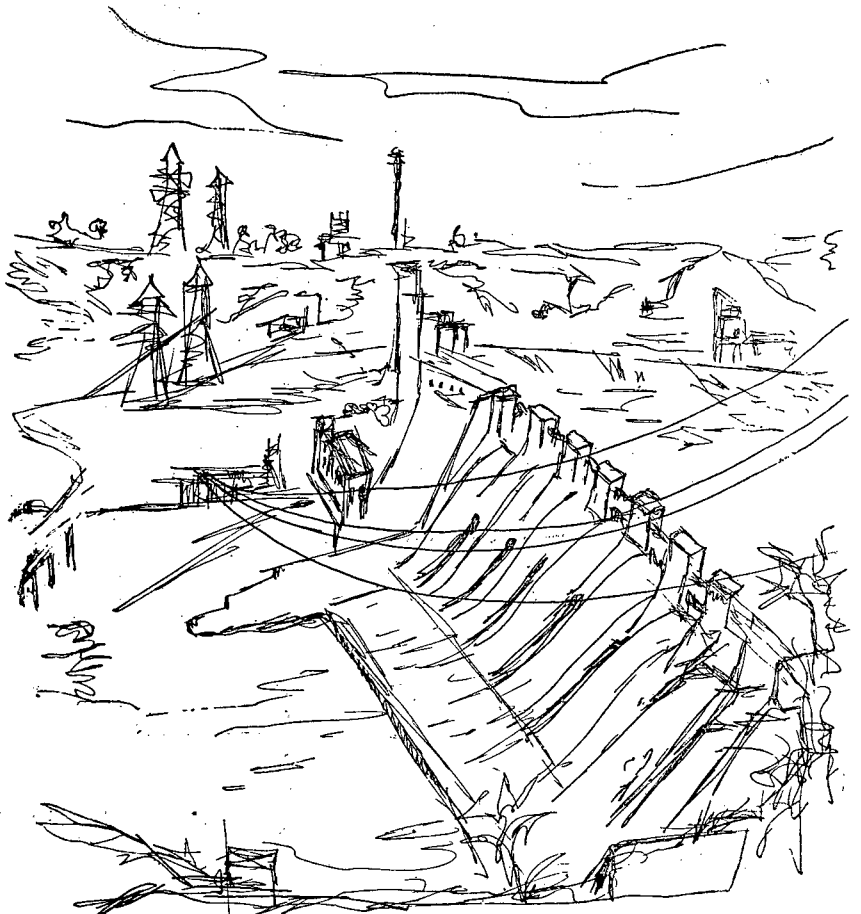
The excavation for foundations of the Gandhisagar Power Station started in 1954 and was completed in time. The excavation for the draft channel for the outflow of water released from the turbines into the river was completed in 1957, ahead of schedule.

turn to PAGE 22

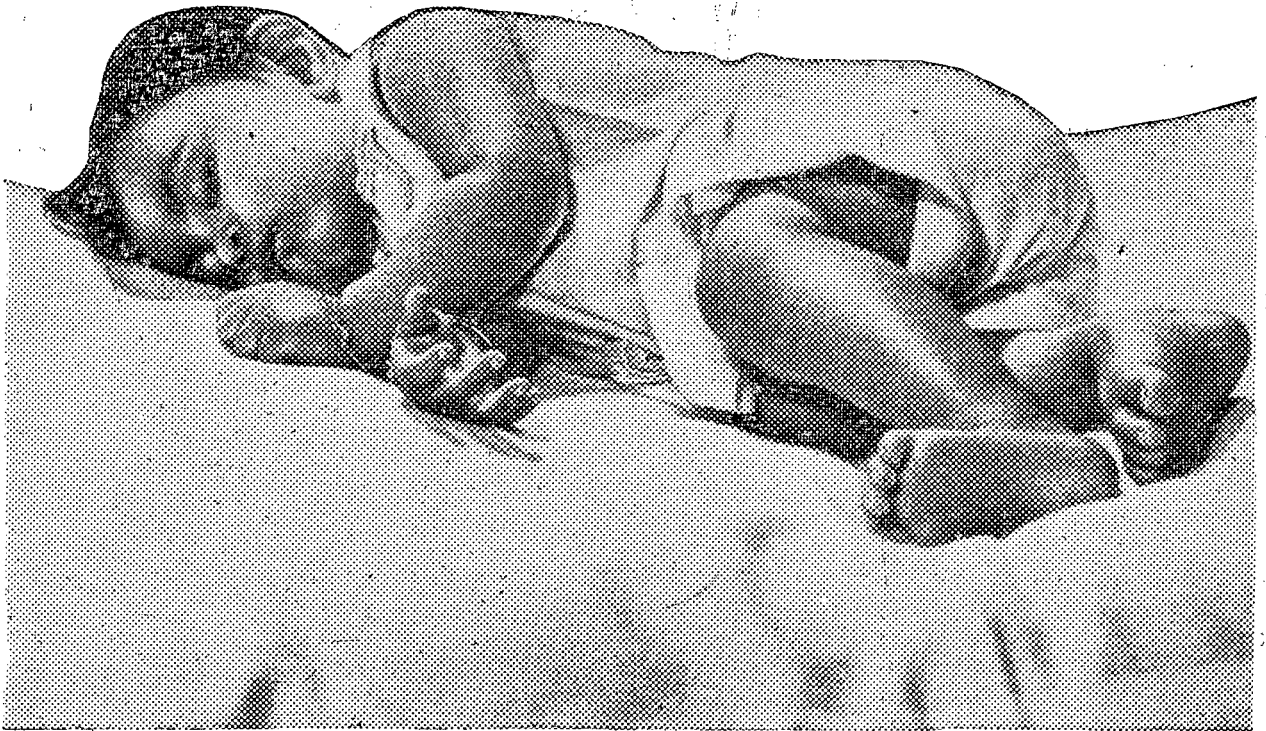


by BALI CHOPRA

Sketches by R. Sarangan



WHY DOES THIS SICK CHILD SLEEP SO WELL?



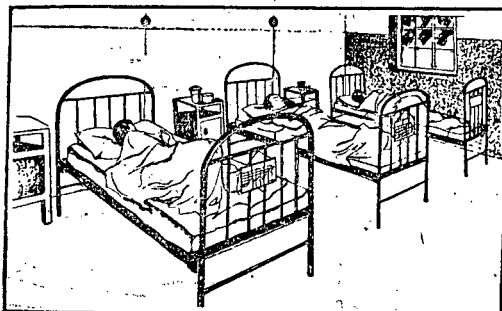
Is it a medicine or Dunlopillo?
It's both—because Dunlopillo, too, soothes the sick and the convalescing, reduces their suffering with that soft, deep resilience.
Yes, Dunlopillo cares for the ailing just like medicines do. And that's why Dunlopillo is being in-

creasingly used by the hospitals and nursing homes of India—as mattresses, pillows, operating table pads and cushions.

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Books

AN 'ALTERNATIVE' TO 4TH PLAN

Seminar on Fourth Plan : Planning for Self-reliance. Edited by Ranjit Gupta. Published by Impex India, New Delhi. 195 pages. Rs 18.

M. R. Kulkarni

THE Sarva Seva Sangh wished it was possible to present an 'alternative' Fourth Plan (wrongly described as 'alternate' plan in the present publication). It soon dawned on the Sangh—what should have been self-evident from the beginning—that it was asking for the impossible. It is not, therefore, surprising that the aim of the Seminar on Fourth Plan, sponsored by the Sangh and organised by the Institute of Gandhian Studies in early 1965, finally came to be modestly defined as assisting the Planning Commission by constructive suggestions for lending "balance" to the Plan within its given framework.

The aim of achieving a national minimum may be regarded as the central theme of the Seminar. On the basis of the outlay and the rate of growth now envisaged in the Fourth Plan, one is doubtful even if a national minimum consumption of Rs. 20 per month per capita (the figure adopted by the Perspective Planning Division of the Planning Commission for its exercise on this subject) could be attained by 1970-71. But the spokesman of the Sangh thought that "through a careful selection of schemes and programmes of investment" it would be possible to realise a national minimum of Rs 35 by the end of the Fourth Plan. This can be accomplished in their view by so recasting the programmes of development as to give a capital-output ratio not lower than 2 : 1.

One only hopes the Sangh will come out with details that will lend some substance to their fantastic

claim. Fortunately, some of the participants in the Seminar were aware of the stupendity of the problem and lent the necessary balance to the discussion, though there was no confrontation of the views to result in a consensus.

On other items of agenda of the Seminar, viz., guaranteed employment, welfare of weaker sections, rural industrialisation etc., the two papers by Prof. D.R. Gadgil, included in part I of the publication,

Mathrubhumi Plan Supplement

Mathrubhumi Plan Supplement 1966. Published by Mathrubhumi Printing and Publishing Co. Ltd, Calicut. 132 pages. Re 1.

THERE is no dearth of newspaper supplements in India but *Mathrubhumi* of Calicut is probably the only major newspaper which brings out a full supplement devoted entirely to planned economic development.

When one finds that the paper has been doing this useful work for the seventh year running, one cannot but congratulate it on its effort. Specially so, when newspapers in this country are so miserly with space when it comes to reporting social and economic change. They have an enormous appetite for politics.

The *Mathrubhumi's* Plan Supplement, published on November 14 to coincide with Jawaharlal Nehru's birthday, is at once satisfying and disappointing. It is satisfying because there is a novel attempt through a series of interviews by two correspondents of the paper to find out how planned economic progress has affected the life of common people. The two correspondents have taken a random selection of people. A barber who was interviewed says that opportunities of better living have improved in the last 17 years although he feels that this has not

were handy for giving a proper lead. However, the agenda was not apparently settled in advance. The discussion was inevitably conditioned by the papers which, in turn, did not fall in a pattern, as they were not contributed specially for the Seminar. Some were just picked up from well-known sources. One, therefore, looks in vain for the fulfilment of even the modest aim of the Seminar, viz., throwing up suggestions which the Seminar was expected to put forth for lending balance to the Fourth Plan.

And finally, what is one to make of the title of the book—'Planning for Self-Reliance'? There is hardly a reference to the objective of self-reliance either in the papers or in the proceedings of the Seminar. But who cares?

been due to the Plans and planning. His explanation is rather interesting. Those who got only one hair-cut in two months were now getting two hair-cuts in a month. Although the Kerala barber did not realise that between two hair-cuts in a month and one hair-cut in two months lies the difference between destitution and the beginning of progress, a Chinese hair-cutter in Peking would have known it very well.

The Supplement is disappointing in the sense that it has far too many articles by dignitaries and officials, including six diplomatic representatives of foreign countries. These articles often tend to be platitudinous and in any case it is doubtful if they enhance the intellectual value of a Plan Supplement. We hope that the *Mathrubhumi's* next Plan Supplement would be subjected to a far deeper probe by members of its staff to the changes which have occurred in the lives of the people in Kerala and, on a wider field, in the South Indian States.

Another point worth noting is that the Supplement has a number of contributions from non-Malayali writers which have been translated into extremely readable pieces by members of the staff.

R.K.P.

CHINA : Growth of Modern Labour

THE labour force in China is estimated to be about 300 million, the largest in the world. Its non-agricultural sector is still rather small, i.e. less than one-fifth of the total. There was a rapid rise in the non-agricultural labour force during the First Five Year Plan and the "Great Leap Forward". But since then there seems to have been a setback.

According to official statistics, 57 million Chinese were working on non-agricultural jobs in 1958. This was more than twice the number recorded in the year of the Revolution. Of this total, one-seventh were non-productive workers: men and women engaged in the service sector of the economy. Employment in the private sector dwindled, between 1949 and 1959, from more than 20 million to less than 2 million. Employment in the traditional sectors fell from over 18 million to less than 13 million. The "modern" sector's capacity to absorb workers led to an increase of registered employment from 8 million to 44 million. Twenty-four million Chinese were employed in industry in 1958.

These statistics are taken from *Non-Agricultural Employment in Mainland China: 1949-1959*, by John Philip Emerson. The book has been published by the Bureau of the Census, U.S. Department of Commerce, Washington.

Mr Emerson says that women continue to account in China for less than one-fifth of the non-agricultural labour force. Some three-quarters of the workers and employees engaged in modern industry and in the State sector are under 35 years of age and, thus, ignorant of the conditions which existed before the Revolution.

INDONESIA : In Four Stages

THE present Indonesian Government has officially laid down a two-year strategy to restore the economy and to attain political stability before elections are held in July 1968. The strategy has two broad aspects: (1) Creation of the

psychological conditions needed to achieve economic and political stability, and (2) creation of infrastructural and "super-structural" conditions required for stability.

The "basic strategy" consists of two phases, each divided into two stages. The two main phases are "Rehabilitation" and "Stabilisation". Each "stage" will cover six months.

At the moment, the first stage, which is called the "rescue stage", is being worked out. During this phase, the nine "basic commodities" including rice, textiles, kerosene, salted fish and cooking oil, will be available only in limited quantities.

FAR and NEAR

A new Yojana feature which will acquaint readers with significant socio-economic developments in various countries, especially those in Asia and Africa.

These commodities will, however, be available in higher quantities during Stage II—"Rehabilitation". The structural organisation will be more effective, though not yet efficient, during Stage III—"Consolidation". The fourth stage is for "Stabilisation", at the end of which will come the first general election after many years.

BURMA : Tractors for the Field

IN Burma an effort is being made to increase the mechanisation of agriculture. Most of the tractors come from Czechoslovakia. They are used in place of draft animals for double-cropping. On an average, tractors are being used one hour a day.

Mechanisation is only part of the Burmese Government's programme to modernise agriculture. It also distributes improved seeds for double cropping, including long staple cotton, sugar and sesamum. Also

encouraged is the greater use of fertilisers, but the high price seems to be an inhibiting factor.

The development plans in Burma have a greater emphasis on agriculture than industry. But certain industrial projects are coming up. A chemical fertiliser factory is being built in Central Burma to reduce the need of imports; Burma at present buys 34,000 tonnes of chemical fertilisers abroad. Under construction are a paper mill at Sittang, two sugar mills, a new cigarette factory, and several other projects.

According to a Rangoon newspaper, there are nearly two million unemployed in that country.

Burma used to be the world's leading exporter of rice. She has now dropped to the third place.

U.A.R : Anti-love Songs

THE UAR Government is planning to step up its birth control campaign by broadcasting "anti-love" songs and making gifts of money to midwives who are likely to earn less if fewer babies are born.

Cairo's Birth Control Chief, Dr. Khalil Mazhar, appears to be rather disappointed at the progress of the Loop in the UAR so far. Only 20,000 Egyptian women (out of 14,885,554 at the last count) have so far taken the Loop. The UAR population has been growing almost at 3 per cent.

A number of lyrics set to traditional Arab melodies will be wafted through the UAR broadcasting system during the winter.

One particularly trenchant stanza is :

"You have beaten the rabbit in having so many children,

Put on your brakes so that you don't have trouble in your family...

Life will be more troublesome for you who have beaten the rabbit

You have put your husband in debt, morning and evening,

You, mother of boys and girls, have created a school class in your house."

—Editor

DEVALUATION:

Time For Stock-Taking

A REJOINDER TO THE "FOUR ECONOMISTS"

IN an article published in *Yojana* (June 26, 1966), four economists made out a case for devaluation. They made several observations and listed some of the possible benefits of devaluation. Some of their statements and views are examined in this article.

1. "If exporters maintain the foreign prices, they will reap substantial profits after devaluation."

If exporters could maintain the same foreign prices, it would mean that our exports had no competitive price disadvantage and there was no need for devaluation. The basic idea behind devaluation is to make our goods cheaper in foreign countries without affecting the domestic prices so that foreigners could be persuaded to buy more of our goods. Naturally, after devaluation, the foreign buyers would expect a reduction in foreign prices. If there is no reduction in foreign prices, they might adopt the policy of wait and see, thus affecting our exports. Press reports confirm this.

We can maintain the same foreign prices only in cases where we have a monopoly and the demand is price-inelastic. If it were so, we did not need the help of devaluation.

2. "There are other commodities where the limitation is not world

demand but inadequate supplies available for exports".

In such cases, devaluation was not at all needed. Their exports could be expanded by expanding domestic output to such an extent that it could satisfy both the domestic and the external demand. Liberalisation of imports and/or expansion of domestic agricultural production could have helped the expansion of domestic production. And liberalisation of imports could have been tried even without devaluation.

In fact, the undue emphasis on heavy industries and the neglect of agriculture, which continues to be a gamble in rains even after 15 years of planning, were the basic cause of our difficulties, and devaluation will not help us to overcome this defect.

R. L. VARSHNEY

3. "In those industries which produce exportables and have substantial idle capacity mainly because of the lack of imported raw materials and spares, any increase in foreign exchange allocation (or availability) will bring particularly large gains in foreign exchange earnings."

Idle capacities in such cases were the result of the defective import policy of the Government which attached more importance to development imports at the cost of maintenance imports. More and more capacities continued to be added irrespective of whether they could be utilised or not. And liberalisation of imports in such cases could be made without devaluation. If exports could be increased by merely

Dr R. L. Varshney is in the Commerce Faculty, Lucknow University.

ensuring adequate imported raw materials, we could have done this by suitably amending our import policy without undertaking such a radical measure as devaluation whose benefits are rather uncertain.

Significantly, the four economists do not mention commodities whose production and/or exports could be increased. That could have enabled the public to exchange their arguments with more thoroughness.

4. *The economists also maintain that selective export promotion measures had led to anti-social practices like over-invoicing of imports and under-invoicing of exports.*

These practices are the direct result of exchange control and had nothing to do with the export promotion incentives. Nor will devaluation completely eliminate them. On the other hand, if inflationary pressures gather momentum, as they are likely to, and if exchange control is not relaxed, there will be a good demand for smuggled gold as the best hedge against inflation and these anti-social practices will only increase in intensity.

Moreover, there is no guarantee that devaluation will in any way make our customs officials more honest and vigilant.

5. "Tourism in India will become less expensive and hence more attractive."

In theory, it seems all right. But the economists seem to forget that more than 50 per cent of the tourists consist of Americans. And the Americans will get the supply of rupees from the PL 480 funds and India will not get anything in foreign exchange.

6. "Repatriation of profits will cause less of a drain on foreign exchange".

To the extent it happens, further

investment in terms of foreign capital will become less attractive to foreigners. The average foreign investor is interested in the repatriation of rupee profits and dividends. And in this respect, every rupee will purchase less foreign exchange than before.

7. *The economists claim that the prices of basic consumer goods will not increase as a result of devaluation. And they cite in support the intention of the Government to subsidise sales of imported food-grains and kerosene.*

But they just omit to mention that, as pointed out by Mr Boothalingam, former Finance Secretary, this subsidy would be given *only in the current year*. If the subsidy is continued in the years to come, the common man will have to bear the cost of subsidy through higher taxes.

8. *They further say that the prices of coarse and medium varieties of cloth will not be affected because of their relatively small import content.*

But the small import content will cost more and it would be too much to expect that devaluation will make our manufacturers so patriotic as to absorb this higher cost themselves without increasing the price of cloth. Thus, in a nutshell, it would be a vain hope to say that "even in the future, prices of items of mass consumption need not be seriously affected." This hope has already been belied.

9. *"In general, if in the wake of devaluation a substantial increase in external assistance comes about and imports are liberalised, idle capacity in the economy will get activated and the increase in output will help dampen any tendency towards price rises."*

It is extremely doubtful whether the reduction in costs due to utilisation of capacity will be so high as to neutralise all price increases due to the higher cost of import content. Then there are not many goods which do not have any import content at all. Hence the assumption that there are many home-produced goods which do not have any import content has a doubtful foundation.

10. *The third part of the article*

begins with the assumption that devaluation will lead to an increase in foreign exchange earnings.

To offset a decline in the unit prices of our goods in terms of foreign currency due to devaluation, there must be an increase of at least 57.5 per cent to maintain the same foreign exchange earnings. If the increase in exports is less than 57.5 per cent we will be worse off than before. For 70 per cent of our exports the Government has imposed export duties to partially offset the effects of devaluation. Yet some margin remains. At best we might not lose in terms of foreign exchange earnings in respect of these goods. For the rest of the goods, neither the foreign demand nor the domestic supply is so elastic as to permit a 57.5 per cent increase in their exports.

As regards export duties, there is already a clamour for the removal of, or reduction in, these duties. The Government stood firm against these demands for some time. However, it seems to be yielding ground. In many cases, the duties have been revised so as to reduce their overall incidence. If this trend continues, our export prices in terms of foreign currencies will decline, and our foreign exchange earnings even from the traditional exports will go down. If the experience of 1949 devaluation is any guide, it is very likely that all export duties might ultimately be removed within a period of three to five years.

11. *The four economists rightly conclude, "The advantages that devaluation is expected to create in export markets will be largely lost if inflationary tendencies are not held in check."*

Unfortunately, the fact is that if the Government could not control inflationary tendencies so far, it would be still more difficult for it to do so after devaluation. The question that arises is: What is the fundamental cause of inflation? It is the Planning Commission's insistence to go ahead with grandiose Plans which is at the root of the trouble. Devaluation has clearly proved the failure of past policies. It is now time for a reappraisal of policies. Yet the Planning Commission seems to be unwilling to learn.

Chambal Project

from Page 17

The 95 m (311 ft.) long and 18 m (59 ft.) wide Gandhisagar Power Station houses four generating sets of 23,000 kW capacity, each driven by a turbine of 34,000 H.P.

The ultimate installed capacity of the power house will be raised to 115,000 kW, from the present capacity of 92,000 kW. Power generation will be 80,000 kW at 60 per cent load factor.

Work on the power station began in October 1957 and it was ready for generation and supply in November 1960. Three of the units were in commission by 1960-61 and the fourth in August 1963.

The storage structure with the power station has been constructed at a total cost of Rs 18.4 crore, of which the Damalone costs Rs 13.6 crore. The cost of water storage works out to hardly Rs 16 per thousand cu.m. (Rs 20 per ac. ft.), the cheapest so far in India, if not in the world.

The first and avowed benefit from Gandhisagar is the large block of power that it develops for the economic advance of the areas commanded by it in Rajasthan and Madhya Pradesh. Power lines run to Ujjain, Indore, Bhopal, Nagda, Ratlam and Gwalior.

The Gandhisagar Power Station is also linked with Punjab, Madhya Pradesh and Uttar Pradesh, to form a vital part of the North-Western zonal grid in India.

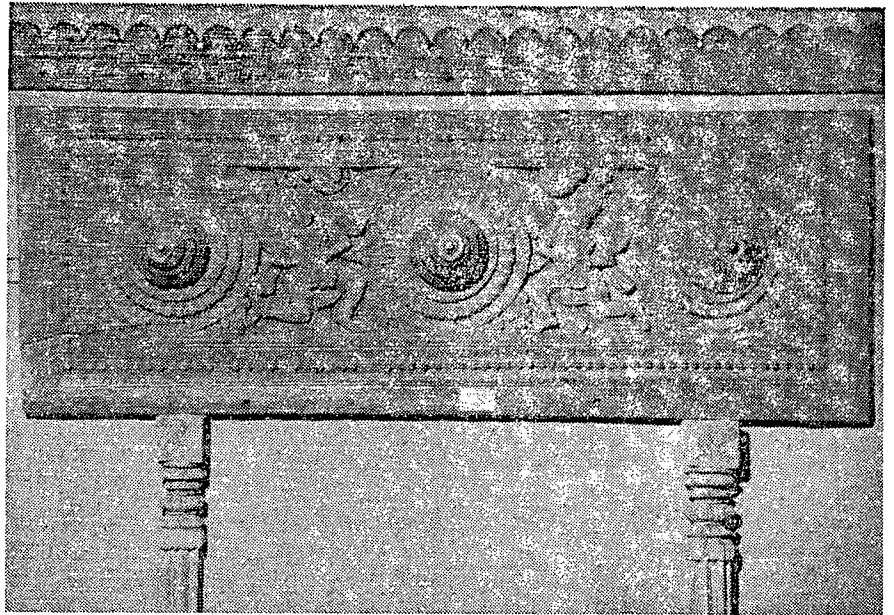
With the completion of the Chambal cascade in 1967, with its three dams, associated power houses, and the diversion barrage, the capricious river will not only have been brought under control but its resources will have been utilised practically to the full. The total storage capacity of the Chambal Scheme will be 8.42 million acre feet, the total installed capacity will be 3,86,000 kW, and irrigation will be ultimately extended to 14 lakh acres in the two participating States.

Availability of power has stimulated a number of major industries. Pig iron and zinc smelters have sprung up at Udaipur. Factories for rayon, tyre cord, precision instruments, fertilisers, cables and cement have come up at Kotah.

BOMMAI KOLU

USHA CHETTUR

Photographs by R. D. LUTHRA



An Exhibition of South Indian Crafts

MR K. Ramamurthy (Kora) is one of those who believe the axiom that the collector's sense in our people does not go beyond Swiss-made cuckoo clocks and American pop-up toasters. Kora is a collector of antiques—antiques which he has grown up with.

The Bommai Kolu—literally, a display of dolls—is actually much more than a collector's antics, or antiques. It is a painstakingly assembled collection of the arts and crafts of the deep South, several of which have been resurrected by Kora himself. Kalamkari, the 'writing craft' of the Telugu-speaking area of South India, is one example. At the instance of Mrs Kamaladevi Chattopadya, Kora started a Kalamkari school at Kalahasti, Andhra Pradesh—the birth-place of the art. The Kalamkari technique is used to depict stories from the puranas and the medium used is vegetable dyes on long cloth panels.

The other striking section of the exhibition is the woodcarvings. The Rajas of Chettinad—a wealthy trading community of the South, in their anxiety to modernise their surroundings, started stripping off exquisitely carved wooden friezes with which their houses were decorated for centuries. Kora smelt a treasure and managed to get together an incredible collection before the Rajas got wise to the fortune

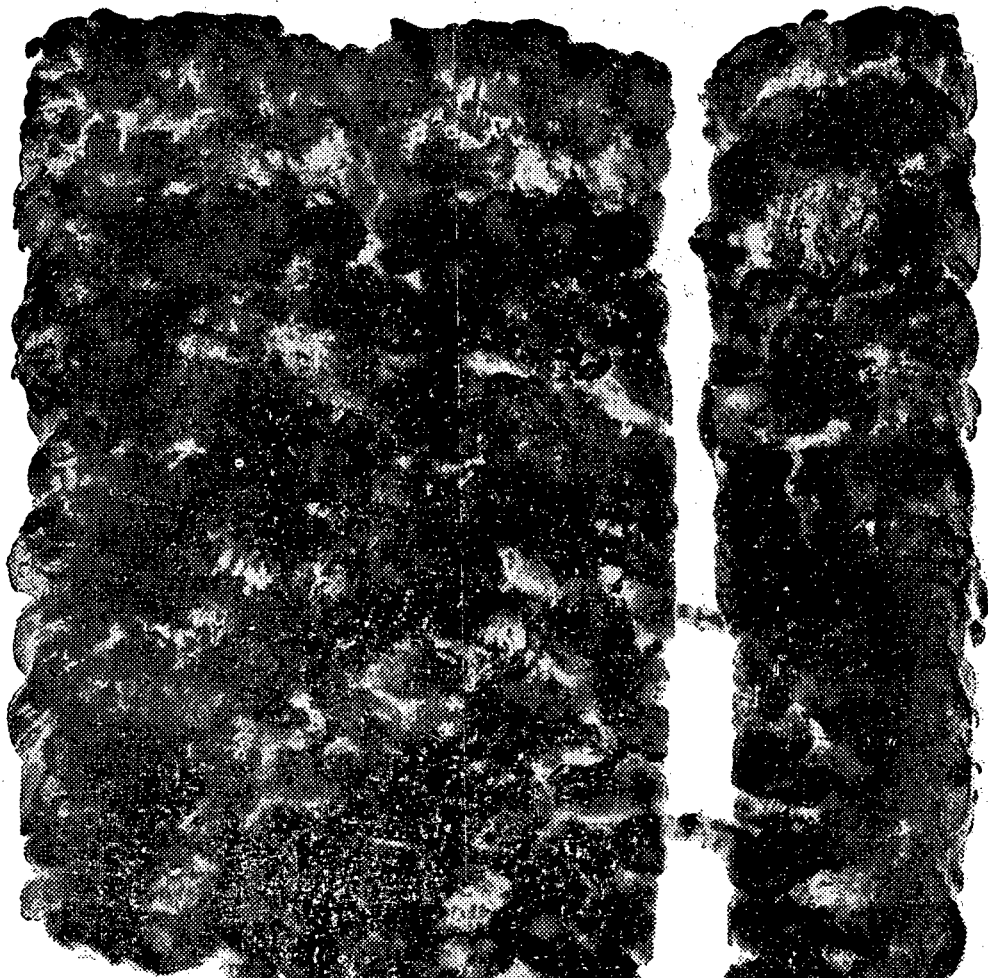
they could amass from these carvings. Chettinad friezes, about 2½ feet by 8 inches, now come for over Rs 1,000. Kora's collection of Ratha carvings (some over 400 years old, auctioned for Rs 40,000 recently) are indeed impressive.

In the actual 'Bomma' or doll section, there are the Griharachana idols used for household worship, Kodampalli toys, animal figures in bronze and wood, marionette puppets of the Kannada area and, of course, the interesting Tholu Bommalattam or colour leather shadow puppetry. These leather puppets are done in pure folk style using vegetable colours on raw hide.

Kora's exhibition of traditional South Indian arts and crafts shows that the artist and craftsman of South India used a variety of media for his work. Exhibits show a wide use of paper, glass, mica, wood and leather. Most of the exhibits on sale had 'sold' tags on them and a quick survey of the buyers' names showed that, besides the usual foreign collectors, there were a heartening number of indigenous art-enthusiasts as well.

Kora announced that this was only one-tenth of his entire collection and to those who did not get to Ravindra Bhawan early enough, there is the hope that Kora will bring out another tenth of his treasures soon.





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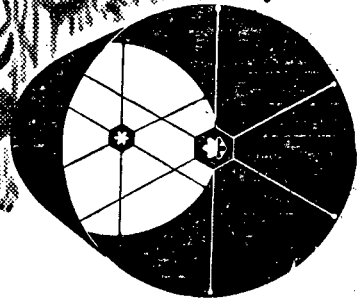
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Two Proud Villages

CHANDRAPUR ACHIEVES FULL LITERACY

How a village can wipe out illiteracy by mobilising its own educated manpower has been demonstrated near Silchar in Assam. The village Chandrapur is in the Sonai Block and, like most other villages in the country, it had until recently, a large number of people who were illiterate.

There is a Rural Club at Chandrapur where people meet to discuss various matters. The Rural Club had heard the story of the widespread literacy movement in the Maharashtrian countryside. Members of the club, its president and its secretary, became interested and a meeting was called. It was decided at the meeting that Chandrapur must be liberated from illiteracy by the efforts of the villagers themselves. A work plan was drawn up with the help of the Social Education Officer of Silchar District.

The first thing was to find out how many people of Chandrapur were illiterate. A survey party went about the job. It discovered that out of Chandrapur's total of 466, only 121 were illiterate.

The next step was how to get together a number of volunteers for literacy classes. Also, how to get books and expert advice. Nineteen volunteers came forward to work for the literacy drive. Nineteen centres were opened each in charge of one volunteer, so that the illiterate villagers did not have to walk long distances to attend classes. The volunteers were given a short orientation course by the Social Education Department.

The literacy drive started on October 14, 1965. Its progress was examined from time to time and whenever necessary the volunteers were given instructions as to how to overcome difficulties and break down the resistance of the people.



On April 9, 1966 the village was declared literate.

This was done after a thorough scrutiny by the District Social Education Officer, Silchar.

The Rural Club held a declaration function to which all the villagers were invited. It was for them a memorable day for they had done something remarkable without outside help.

—A.K. Bose

DIA—VILLAGE OF LIGHT

DIA is a village 25 kilometres from Hissar, where a silent transformation has been brought about by the Sarvodaya Movement. Dia is now a village of light, justifying its name.

It began with the setting up of an ashram and a nursery school in 1946. The Ashram later offered a condensed course for adults to enable them to sit for the middle standard examination as private students. At present the primary school teaches through the montessori method. Children come from about twenty villages. There is a separate hostel for girls.

A large number of cottage industries are being set up in the village. Bed-covers, sheets and durries are woven. There is also a small hospital with eight beds. It attended to 6,034 outdoor patients, 39 indoor patients with general ailments, and 19 delivery cases between April and September this year.

The annual budget of the ashram is Rs 22,000. It gets grants from the Gandhi Smarak Nidhi, the Red Cross Society, the Central Social Welfare Board, the Kasturba Sewa Trust and the Khadi Board.

There is also a *shishu griha* where 18 children are being looked after by three social workers. Working women leave their children in this *griha* and go to work in the morning. A small enclosure has been built for children between two and four; small babies are kept in a cradle hanging in a room.

Before this movement, women were not allowed to step into the village Panchayat Bhavan. Now women are in the forefront in managing the affairs of the Panchayat.

—K.K. AGGARWAL

Jet Gun for Heat

The Atomic Energy Establishment has developed a DC plasma gun, capable of generating very high temperature. The jet in the gun produces gas streams with temperatures ranging between 5,000 and 30,000 degrees Centigrade. The imported cost of a plasma gun is about Rs 75,000.

The gun can be used for welding, cutting, spraying of metals and ceramics, sphereodising, and for chemical synthesis.

The Atomic Energy Establishment has also developed a gas chromatograph, equipped with the flame ionisation detector. It can detect, in a single analysis, all the components as small as 10-9 grammes. Most of the equipment needed in the process are available in the country. It can be made in an ordinary workshop at a cost of Rs 5,000.

PACKAGE PROGRAMME FOR KANGRA

THE Indo-German package programme of agricultural development is being extended to the Kangra district in Himachal Pradesh. A supplementary agreement to this effect was recently signed in New Delhi. Such programme has already been existing in the Mandi district which since has become a surplus area.

Another agreement for a similar project in the Nilgiri has also been signed, and the project will be started in January.

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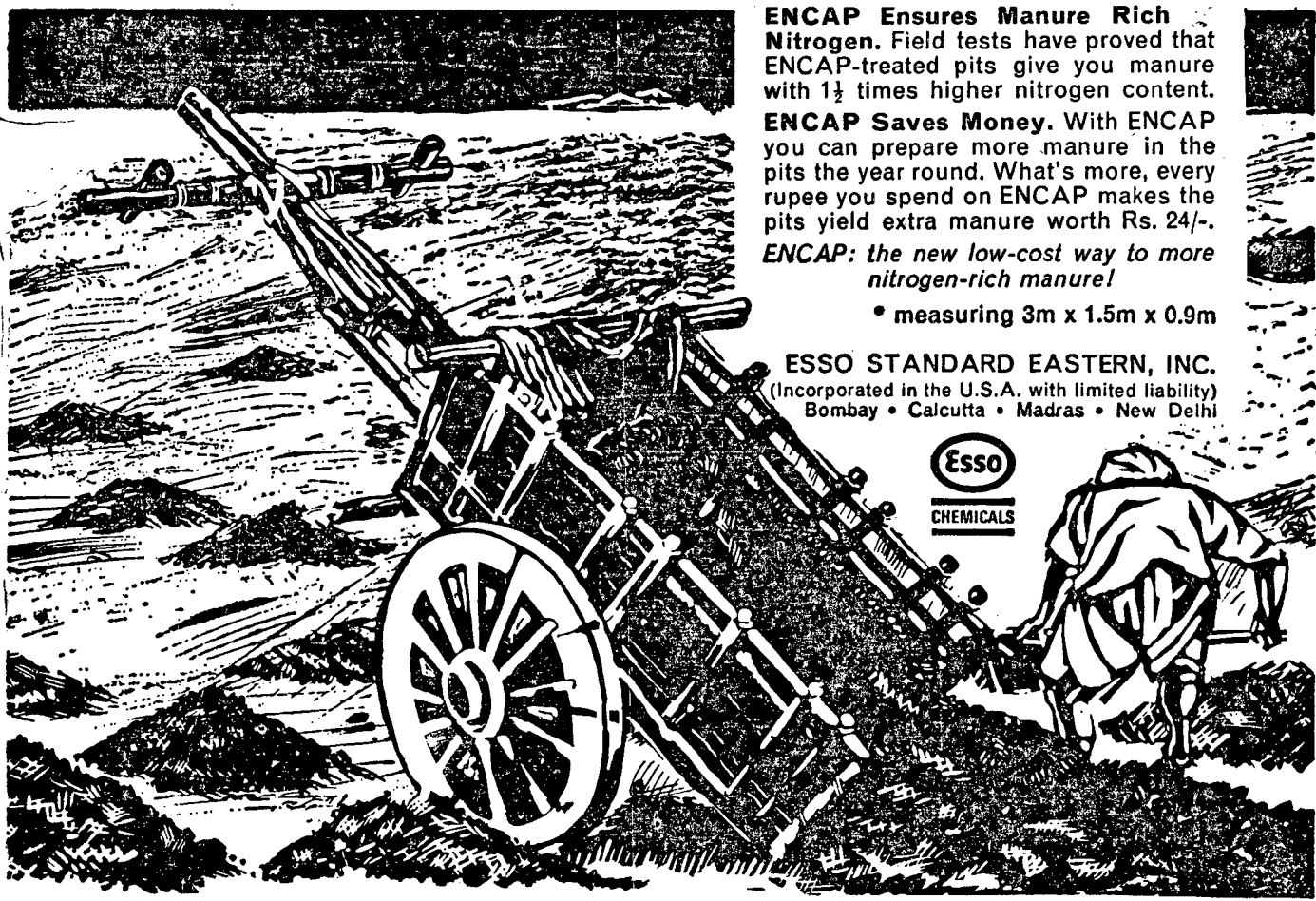
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PILSNER: Where Indians Train at Czech Factory

J. C. JAIN

IN Prague the snowfall usually begins in the first week of December, but last year it started quite early. Prague was covered with a white mantle of snow when I got down at the railway station. Dr Haban, ex-Consul of the Czechoslovak Consulate in Calcutta, who is now Secretary of the Czechoslovak Society for International Relations in Prague, as well as Dr Vincenc Porizka, a reputed scholar of Indology, came to receive me.

Nestling in the hills round the river Valtava, Prague, capital of Czechoslovakia, is one of the most beautiful cities of Europe. It is an ancient city, a treasure-house of interesting *objects d'art* from the point of view of ancient culture. This city which abounds in churches has earned for itself the title "City of Hundred Spires".

Situated on a hill bordering the Valtava, the Prague Castle is known for its magnificent architecture. It had been the residence of the Heads of State from the 9th century onwards. The Castle consists of the Royal Palace with the Chapel of all Saints and several other halls. The Vladislav Hall in the Castle is one of the finest specimen of Gothic art in Central Europe dating from 1486 to 1502. The Royal Summer Palace is one of the fascinating Renaissance buildings in the north of Alps.

On the opposite bank lies the historic Old Town which was linked with the Lesser Town by means of a wooden bridge in 1000 A.D. This structure was replaced by the Charles Bridge constructed by Charles IV, King of Bohemia and emperor of the Holy Roman Empire, in the 14th century. According to a popular legend, the bridge was built with the greatest care by adding eggs to the

mortar to make it stronger. A large number of eggs was required for this bridge which was 520 metres long and 10 metres wide, having 16 arches to support it. Consequently, all the towns in the Bohemian kingdom were called upon to send as many eggs as possible for the purpose. When this too could not meet the demand, a large wagon load of eggs were procured from Velvary.

The bridge is adorned with 30 statues all erected between 1683 and 1714 A.D. The oldest one, after the Crucifix, represents St. John of Nepomuk, who was selected to obliterate the memory of the martyr John Huse during the anti-Reformation period.

The beauty of the bridge is further enhanced by the natural scenery of the surrounding hills, the beautiful gardens of the Lesser Town, the rising steeples and the gleaming river in whose waters the towering buildings are reflected in all their glory.

After addressing the faculty and the students of the Oriental Institute, we set out to Pilsner at the suggestion of Dr Krasa, President of the Czechoslovak-Indian Committee.

Pilsner, or Plzen as the Czechs call it, situated in west Bohemia, is one of the provinces of Czechoslovakia. It is the fifth largest town in the Republic with a population of 140,000. The town has preserved a number of cultural and historical monuments, some of which date back to the Gothic period. The Gothic church in the heart of the town has a 103-metre high tower from which one can get a beautiful view of the surrounding countryside.

SKODA WORKS

At Pilsner many students from India are undergoing training at the Skoda Works (now V.I. Lenin Works, formerly Wellenstein Engineering Works). Occupying an area

of 2.5 square kilometres, the Skoda Works, the largest engineering concern in Czechoslovakia, produces turbines, locomotives, machine tools, ship's engines and other machines.

Pilsner is also famous for its excellent beer. The Pilsner Urquell beer is enjoyed all over the globe.

In fact, Pilsner enjoys a remarkable degree of geographical and geological advantages which favour the brewing of this delicious beer. The rich heavy quality of barley and hops and the minerals of the brewing water, along with the propitious climate of the valley, are all conducive to perfect brewing. Moreover, the massive caves hewn out of the solid sandstone rock form natural cellars for this quality beer.

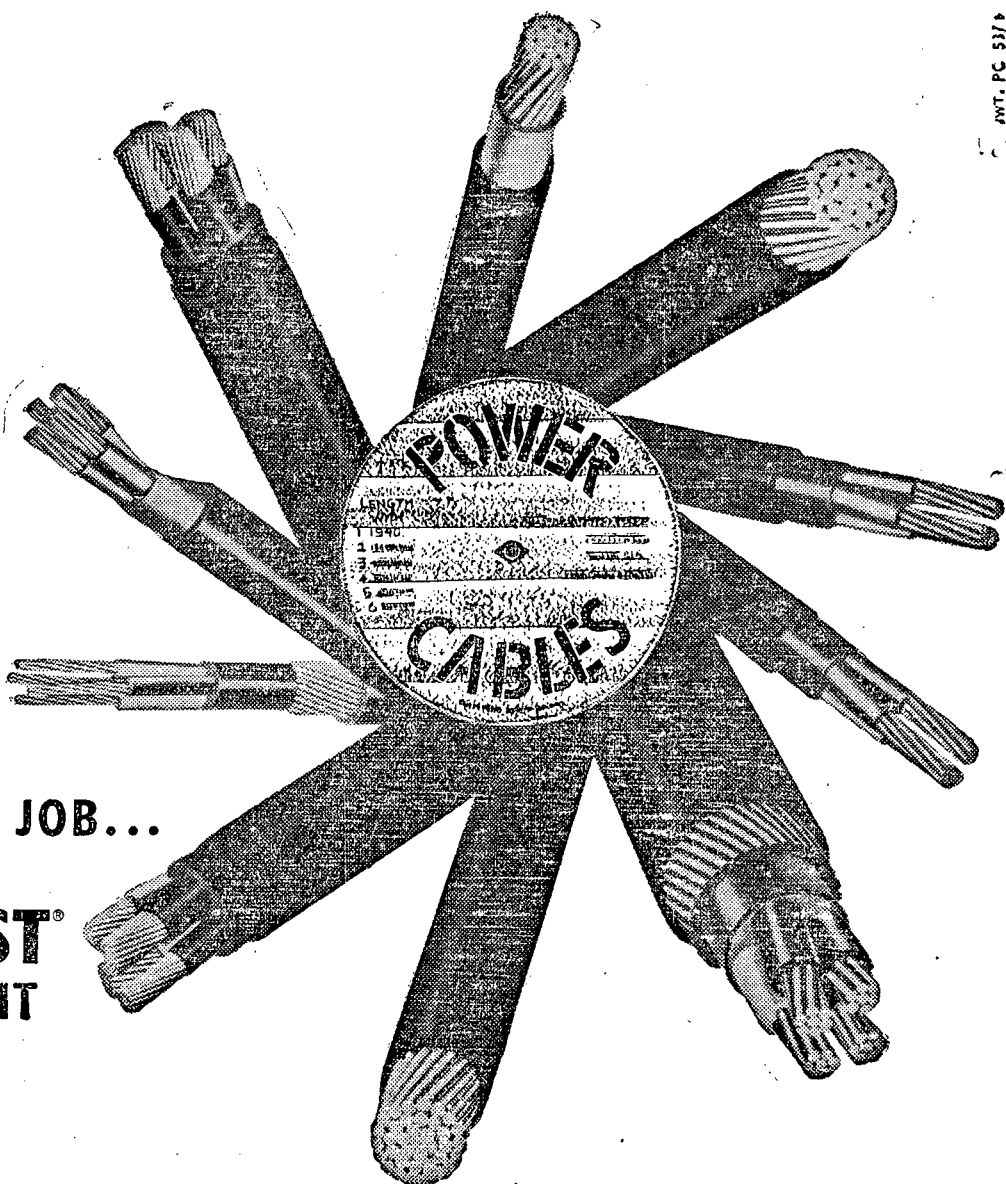
A museum has been erected in the town where beer was manufactured in olden days employing crude methods. Old methods of the manufacturing plant are also preserved here: also the process is explained by means of illustrations. Heaps of barley and hops are also shown. The museum attracts visitors from all over the world.

100 INDIAN TRAINEES

Over a hundred Indian engineers are undergoing training at the Skoda Works under an agreement between India and Czechoslovakia. These young technicians have to complete a basic course in Czech language before they leave for home.

The students are accommodated in a spacious hostel, founded in 1963, and are under the care of Mr. Shevesta. They celebrate National Days and also different festivals in the Indian calendar. Indian embassy officials participate in these programmes.

Recently several meetings have taken place to discuss further collaborations in economic and commercial spheres as well as cultural exchanges between India and Czechoslovakia. The Czechoslovak-India Society is soon holding a conference in Prague.

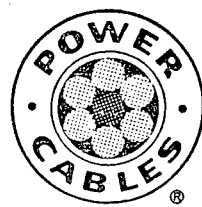


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RURAL INDUSTRY



A YOJANA SUPPLEMENT

industries but also a full-scale development of modern mechanised small-scale and medium industries.

It will be seen that all these expressions have very wide and different connotations. It is not proposed to go into a critical analysis of these expressions here; they are briefly stated here only to emphasize the fact that ideas regarding rural industrialization are still to be formed in concrete terms.

Area Approach

Since the primary objective of the programme involved all-round development of the area, it was obvious that in any area the rural industrialization programme should form a

Importance of Well-co-ordinated Area Plans in Rural Industrialization

THE expression 'rural industrialization' has not been defined in exact terms and consequently only vague ideas have come to be associated with it. In the beginning the objective, as stated, was "to build a pyramid of industry broad-based on a progressive rural economy." In concrete terms it was supposed to mean "a dispersal of industries to the small or urban centres and rural areas." It was presumed that "in such a planned dispersal, there will be room for linking up small assembly units in urban centres with the manufacture of parts and components by ancillary units in rural areas and for small units and artisans in rural areas to be serviced by common facility workshops set up in small towns." At a later stage, the objective was stated to be "to bring about a diversified and balanced rural economy." This was later supposed to mean 'a co-operative agro-industrial economy.' Again at a later stage it was stated that rural industrialization will have to include not only development of agro-industries or processing

S. H. PORE
and
V. D. DESHPANDE

The authors who are members of the Research Staff of Gokhale Institute of Politics, Poona, have, in this analysis, based their observations on a study of the operation of rural industries projects in Maharashtra, especially those at Wardha and Vengurla. Some of their comments may, however, be found to have general applicability.

part of a well-integrated and well-co-ordinated plan of local development. Previous experiences of various organizations, such as the Village and Small Industries Division of the Planning Commission, the Central Small Industries Organization, and the Khadi and Village Industries Commission, all of which worked in the same field, also indicated the necessity of a careful survey of the needs, resources, and the development potentialities of the area, and formulation of a well-conceived and co-ordinated rural industrialization programme on the basis of the results of such a survey. The importance of involving the people of the area and their representatives in drawing up and in executing the programme was also clearly indicated.

Usual Schematic Pattern

Though the importance and the necessity of an integrated and co-ordinated area plan was recognized at the beginning, further developments in the project areas showed that the

directives of the Planning Commission in this respect could not be followed. This might be due to one or more of the following reasons. In the first place, the three months period allowed for the survey, i.e., for the collection of data and their analysis, was not sufficient. Secondly, at the lower level those entrusted with the work of preparing the rural industrialization programme which was to form a part of an integrated and co-ordinated area plan, probably did not have clear and complete idea of what such an integration and co-ordination involved. Consequently, the rural industrialization programmes prepared for the project areas followed the usual schematic pattern, extending the same types of schemes of training and the provision of common facilities; also for preparing the plan, sufficient attention could not be paid to determine the strategy of rural industrialization, both long term and short term, and to the integration and co-ordination of the plan.

Importance of Co-ordination

The rural industrialization programme of the Vengurla project in the Ratnagiri district for 1965-66 included mainly horticultural processing, traditional crafts, small industries in the light engineering, and other demand-based industries. The extent of the programme showed that it was not likely to have any significant impact on the local economy, nor was it likely to create a sufficiently broad base for future industrialization of the area as a whole. This latter point was important so far as the strategy of industrialization was concerned. Unless the resource-based industrial development was simultaneously supported by a substantial overall programme of development of resources, the rural industrialization programme as contemplated in the schematic pattern was not going to yield any significant and satisfactory results in terms of additions to the industrial production or employment generated. Any rural industrialization programme would fail to achieve the expected results unless it was planned ahead for short and long periods with significant emphasis on resource development in agriculture, horticulture, waste land utilization, animal husbandry, marine resources, mineral resources, and so on.

There is need to develop a definite methodology or a pattern for preparing plans and programmes at each level, with built-in safeguards and cross checks, so that integrated and co-ordinated execution would follow smoothly. Integration and co-ordination involve a good deal of thinking regarding the whole strategy and detailed action of development.

We would like to illustrate this point further by taking an instance from the Wardha District Development Plan. Some areas in the district are promising dairy development areas; hence an integrated dairy development programme was chalked out and started in one locality. Such a programme involved not only the marketing of fluid milk, but also schemes for breeding milch cattle, development of fodder resources, provision of water supply, network of proper transport facilities, development of proper organizations for collection and distribution of milk, and, in the long-run, development of processing industry. This involved integration of particular schemes under agriculture, animal husbandry, dairy development, forest, public works, and co-operation. Also it involved co-ordination of different agencies, not only at the local level but, more importantly, at the division and state level as well. Any delay or misunderstanding at any stage of implementation, at any level, was likely to delay or distort the scheme in such a way that it would fail to achieve its objective. As happened in the execution of the particular scheme in Wardha, lack of co-ordination and co-operation among the various agencies, including the producers, obstructed the progress and delayed its execution. The point is that *we have not as yet developed a definite methodology or a pattern for preparing plans and programmes at each level, with built-in safeguards and cross checks, so that integrated and co-ordinated execution would follow smoothly.* This meant that at every stage of execution the programme becomes an experiment and has to be looked at from this point of view. Integration and co-ordination, therefore, involved good deal of thinking regarding the whole strategy and detailed action of development.

Individual Needs Overlooked

In almost every pilot area the rural industrialization programme includes, as a matter of routine, schemes for training, technical assistance, and provision of common facilities. The way these schemes are operated show that we have not taken full advantage of the experience obtained so far. Training programmes have been more or less a failure. This is because the programme is formulated uniformly for all blocks irrespective of the requirements of individual blocks. Further, training programme starts as a matter of routine earlier to the establishment of industries. Thus before the training programme is started, there is no idea as to for what industries the persons undergoing training are being trained. Another example of schematic approach is that of common facilities centre. Provision of common facilities centre is a part and parcel of the pilot project and is implemented in a most schematic manner. The centre is located invariably in the headquarters of the block; there is no reason why this should be so. So also the types of facilities provided in the centre; they are colourlessly uniform. Requirements and conditions of individual blocks are the matters considered as completely irrelevant in this connection.

Three Difficulties

The most important and pressing difficulties experienced by the project officers were thus three-fold. Firstly, no comprehensive, integrated and co-ordinated development plan was prepared in respect of the project areas. This was due to the fact that we have not as yet developed a correct approach and a definite methodology for preparation of

local plans. It was, therefore, very difficult for the project officers to visualize the exact place of rural industrialization in the total development programme of the area. Secondly, whatever data were collected in the quick survey were inadequate to determine the short and the long-term strategy of rural industrialization. This was, in a way, corollary of the first difficulty, viz., the absence of a comprehensive development plan of the area. As a result the schematic pattern of the programme was continued, more intensively. Thirdly, the concept of co-ordinated implementation was not properly understood. Otherwise in the steering committee meetings there would not have been so much emphasis on the achievement of expenditure targets. *Co-ordinated implementation involves prior preparation of detailed action programmes for every scheme, determination of the interdependence of impact of different schemes under the same department, as also under different departments, fixation of a time schedule for every action, and of agencies responsible to execute such actions.* In this way the officer responsible for effecting co-ordination would be able to keep tabs on the smooth progress of the schemes. It is also in this way that attention can be diverted from the mere fulfilment of the expenditure targets and focussed on observing that every action is taken at proper time, and that bottlenecks which obstruct the completion of such a process are removed in due time.

Publicise Aid Schemes

An additional difficulty, not from the point of view of the project officers, but from the point of view of the prospective local investors, such as big cultivators, traders, and other entrepreneurs, was the lack of proper communication between the project officers and the local entrepreneurs. A constant complaint of these people, as voiced through the members of district councils and Panchayat Samitis, was that they were not aware of the types of industries which could be started in the district, or of the assistance, financial and technical, which they could obtain from the project authorities or other government agencies. In order to tap the entrepreneurial talents in the district, and make efforts to mop up the available funds

for investment, a clear statement of the possibilities of industrial development and aids available from government and other agencies is the first requirement of any rural industrialization programme. Similarly, statements of policies have to be very clear so that they are understood by the local people. For instance, if the policy is to promote agricultural processing only in the co-operative sector, then granting facilities to individual entrepreneurs in this sector is likely to defeat the purpose of the declared policy.

Need for Detailed Surveys

The necessity of a detailed survey, not only for the preparation of the rural industrialization programme

The most important difficulties experienced by the project officers are mainly related to the following shortcomings :

1. No comprehensive, integrated and co-ordinated development plan was prepared.
2. The data collected in the quick survey were inadequate to determine the short-term and the long-term strategy of rural industrialization.
3. The concept of co-ordinated implementation was not properly understood.

but also for that of a comprehensive development plan of the area cannot, therefore, be overemphasized. Such a survey and the subsequent analysis and the preparation of the programme should be entrusted to an expert committee and not to the individual officers, though the latter have to be fully associated with the work. The time required for such a work should be sufficient so that adequate thought could be given to the proposed programmes or alternatives and their practicability. We can visualize certain definite steps in the preparation and the execution of a rural industrialization programme for an area. On the basis of the data collected it should be possible to determine the types of industries,

the development of which could be taken up in the area. These would refer mainly to those artisan industries and traditional handicrafts which show some possibilities of survival, activities connected with agricultural processing, animal husbandry, forest, etc., industries relating to building and construction, small engineering activity, ancillary industries, and industrial activities connected with consumption goods like clothing, footwear, food, etc. Once a decision is taken as to what types of industries could be developed, then a definite development programme and action could be chalked out. This would include decisions regarding introduction of suitable techniques of production, either improved or new, location of units, and organizational set up, whether co-operative, semi-government, or private. The implementation of the programme would have to be synchronised with the implementation of the overall development plan of the area. Detailed action programme in respect of financial and technical assistance, supply of raw materials, and marketing of produce would have to be thought out. If necessary the provision of common facilities centres and training programmes have to be undertaken in order to ensure the successful operation of the programme.

Rural Unemployment

The Fourth Five Year Plan started with a backlog of 12 million unemployed persons. Another 53 million are likely to be added to the ranks of the labour force in the country during the next 10 years. It is estimated that nearly two-thirds of the unemployed and of the new entrants to the labour force belong to the rural areas. Even in urban areas a sizable proportion of the unemployed come from villages in search of work opportunities which they cannot find in the countryside.

The Rural Industrialisation Programme started on an experimental basis in 49 selected areas covers about 16,500 villages and a population of 190 lakhs, i.e., 2.9 per cent of the total number of villages and 4.3 per cent of total population.

JAMSHEDPUR STEELMEN WIN SHRAM VIR NATIONAL AWARDS

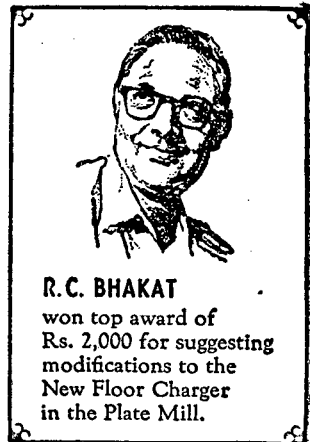
In March 1966, the Government of India held the first ceremony to honour the country's new heroes—technicians and industrial workers—with *Shram Vir* National Awards. These awards will be made every year in recognition of suggestions leading to higher production at less cost.

Of the 27 awards this year, no less than five, including two top prizes, went to Tata Steel employees—the largest number won by any industrial unit in the country.

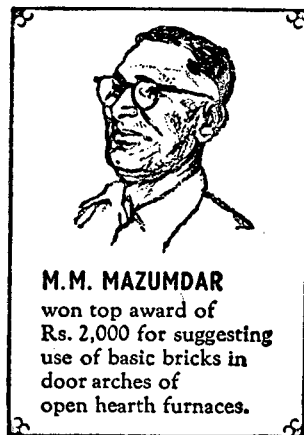
At Jamshedpur, during the last 20 years, employees have put forward over 12,000 suggestions, of which nearly 1,000 have been accepted. These suggestions have helped to increase productivity and make operations safer, and have led to the utilisation of local know-how and materials for self-reliance.

Tata Steel is proud that it pioneered the Suggestion Box Scheme to encourage initiative from the shop floor ... a scheme which is becoming a standard industrial practice in India today.

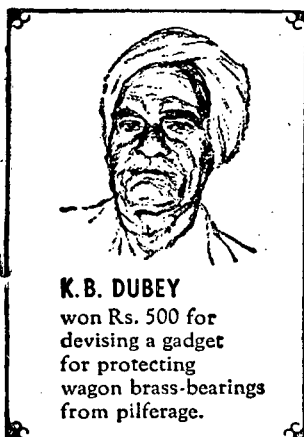
TATA STEEL



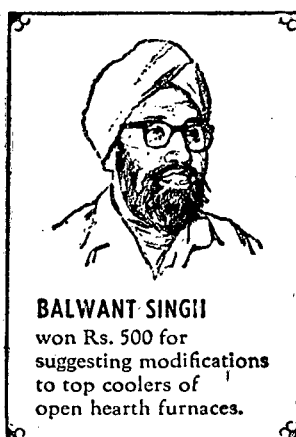
R. C. BHAKAT
won top award of Rs. 2,000 for suggesting modifications to the New Floor Charger in the Plate Mill.



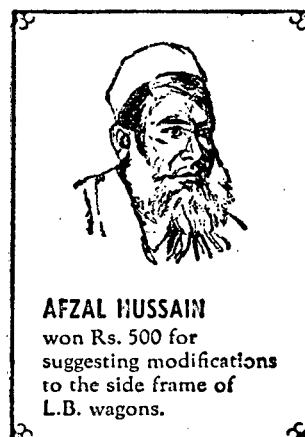
M. M. MAZUMDAR
won top award of Rs. 2,000 for suggesting use of basic bricks in door arches of open hearth furnaces.



K. B. DUBEY
won Rs. 500 for devising a gadget for protecting wagon brass-bearings from pilferage.



BALWANT SINGH
won Rs. 500 for suggesting modifications to top coolers of open hearth furnaces.



AFZAL HUSSAIN
won Rs. 500 for suggesting modifications to the side frame of L.B. wagons.

Tata Iron and Steel Company Limited

JWTTN 3274A

SAINIK SCHOOL · IV Plan Critique

SCHOLARSHIPS

THE survey of scholarship schemes in *Yojana* of October 16 does not mention the scholarships available in Sainik Schools. There are 15 Sainik Schools, one in each State, giving public school education to about 4,900 students. About 75 per cent of these boys receive scholarships from the State and the Central Governments. Merit Scholarships are also tenable.

Various kinds of scholarships are given in the Sainik Schools. In Mysore, Kerala and Assam the scholarship schemes are: full scholarship to those whose family monthly income is Rs 400 or less; three-fourths scholarship to those with family income up to Rs 750; one-half scholarship to those with family income up to Rs 1,000; one-fourth scholarship to those whose family income is up to Rs 1,200. The full scholarship comes to Rs 1,900 plus clothing fees, and the one-fourth amounts to Rs 475. This is the model scheme recommended by the Ministry of Defence to all States which is still being examined by the States which have not adopted it.

In other States, the ratios of family income and scholarship are a little different, the scholarship amount rising to Rs 2200 in Bihar, Maharashtra and Madhya Pradesh on a lower family income.

Clothing fees are at Rs 300 for the first year and at Rs 150 for subsequent years except otherwise stated.

Liberal scholarships are granted by the Ministry of Home Affairs to residents of Union Territories. A limited number of scholarships are also awarded by the Ministry of Defence to sons of serving or ex-service JCOs/OR and equivalent ranks of the Navy and Air Force.

The Jammu and Kashmir Government is also granting scholarships at the rates shown above to boys from J&K studying in Sainik Schools

E. J. SIMEON
Principal

Sainik School, Kunjipura

WITH great interest I have read in the recent issues of your esteemed journal the views of various commentators regarding the feasibility and realism of the Fourth Plan programmes. The remedial measures, suggested by Messrs Baljit Singh and K. T. Merchant (*Yojana*, November 13, 1966) call for serious thinking.

If the difficulties faced in the implementation of the Third Plan are to be avoided, and if self-reliance and stabilisation of prices are to be attained, priorities of production should be fixed in such a manner that the supply of consumer goods should not lag behind the purchasing power of the people. Further, there is an urgent need for adequate supervisory and technical personnel for the effective implementation of properly formulated schemes and stoppage of misuse of public resources. This can be brought about only by the spread of education of the right type at various levels, making each and every one fit for the role to be played by him.

Kota (Rajasthan)

R. P. SINGH

Wrong Approach

MR Paranjoti's story (This India column, *Yojana* October 30, 1966) makes shocking reading.

The very approach is wrong. After all it is not by time and again speaking or writing about casteism that caste system can be wiped out.

It is still wrong to inject into the minds of the young people caste differences as has been stated in the story. The young boy was asked to which caste he belonged and he was made to feel the difference between his caste and another by such a question.

This certainly does not promote or pave the way to a casteless society.

Coimbatore

Y. V. VISVESH

Yojana Bhavan

Diary

The Planning Commission has completed discussion on the Fourth Plans and the Annual Plans for 1967-68 of all the States. The discussion had begun on October 14.

Since December 1, the Planning Commission has been meeting regularly to discuss the Plans of the Union Territories.

Among the important foreign visitors who met Mr. Asoka Mehta were: Mr Ridgeby Foster, Adviser to India, Pakistan and Burma Association in London (Nov. 21), Mr David Holden, Editor, *Sunday Times*, London, and Mrs Dorothy Jacobson, Assistant Secretary, Agriculture Department, U.S.A. (Nov. 24), and the Russian delegation headed by Mr S.A. Skachkov, Chairman of the Soviet State Committee for Foreign Economic Relations (Nov. 30).

Prof M.S. Thacker, Member, left for Prague on December 1, to discuss with the Czechoslovak authorities the future programmes of the Central Machine Tools Institute, Bangalore. From Prague he will go to London to attend the Technical Committee meeting of the Delhi Institute of Technology.

Dr D.K. Ghosh of the Economic Division left for Bangkok to attend an ECAFE meeting.

Dr A.C. Joshi, Adviser (Education), proceeded to Milan to attend the meeting of the Continuation Committee for creation of an International Committee on Educational Exchange, being held there from December 2 to 5.

WORKSHOP & SEMINAR

The Planning Commission is holding a 3-week training workshop in New Delhi from December 26 to January 14 for middle-level personnel engaged in the preparation and evaluation of projects. There will also be a week's Orientation Seminar for policy makers from January 16 to January 21. Collaborating with the Planning Commission is the U.N. Centre for Industrial Development. Both the Workshop and the Seminar will be held at Vigyan Bhavan.

QUOTATION BOX

Men may come and men may go, but the Planning Commission will go on for ever.

—Mr D. Sanjivayya in the Lok Sabha

Mr Raj Bahadur, Union Minister for Information and Broadcasting, told a Hyderabad audience that "Dr Chenna Reddi, the Finance Minister, and I are both Rafians."

—Correspondent's Diary in the Hindu

The State Government recently received a request from an association of milkmen in Madras city for permission to add water to milk. The reason adduced for the request was that the maintenance of milch animals had become costly.

—Quoted in The Times of India

There has been much talk about spiritual affinity between India and China. But it is only a myth. Since ancient times, the Chinese have always been willing to accept any theory in which there is no God.

—Mr K.P.S. Menon

If you can't get a compliment any other way, pay yourself one. I can do it right now. I can state that at this moment there are two men who are most remarkable. Kipling is one and I am the other one.....Between us we cover all knowledge. He knows all that can be known, and I know the rest.

—Mark Twain in a speech in Bombay in 1896

Under a directive from the Union Home Ministry, the police took back from Mr Roshanlal Gupta, editor of a local (Yamunanagar) Urdu daily, a gallantry medal given to him by mistake at a recent investiture in New Delhi. The medal will be given to the actual recipient, a truck driver of the same name.

—A TOI report

A deaf, dumb, blind and retarded seven-year old child is suing two doctors for allowing him to be born.

—Reuter

India's 16 States regard themselves as individual nations when it comes to food.

—Washington Post

The common reader chooses his newspaper much in the same way as one chooses one's life mate—first falling for the look. Only later would he care to go deeper and seek soul, heart or virtues wherever they may lie.

—Santosh K. Ghosh in Vidura

If repressive measures continued and students were not allowed to hold

demonstrations, they would see to it that no Congress leader or Minister was able to address a public meeting or attend a public function.

—Statement by a student leader in Delhi

A general meeting of the U.P. Engineers' Association has decided to adopt "Er"—an abbreviation indicative of their profession, instead of the usual prefix "Mr"

—A news report

In Washington, one veteran Senator complained to a sub-committee chairman last year that Senator (Robert) Kennedy was given preferential treatment for a freshman member. "Oh, no," was the chairman's reported reply. "I treat him the same way I'd treat any future President."

—Richard Reeves in the New York Times

See Paris and cry.

—An American woman in Paris

Several years ago, an art dealer showed Picasso a new 100-franc note. Picasso immediately began to draw on the empty spaces around the edges of the note. When he finished seconds later, he smiled and said, "Now it's worth twice as much."

—Milton Esterow on Picasso art exhibition in Paris

There is a cement shortage and there appears to have been a bit of a mix-up; I hope that the Government will bring forward concrete proposals.

—Mr Ioan Evans in the British House of Commons

Student picketing before Calcutta University offices and the Presidency College continued on Thursday.

At about 2 p.m., nearly 200 students squatted on College Street in front of Presidency College and staged an open-air drama for about an hour. The police did not intervene and all traffic using the route was diverted. Only tramcars remained stationary.

—A news report

Film stars have more news value than Ministers.

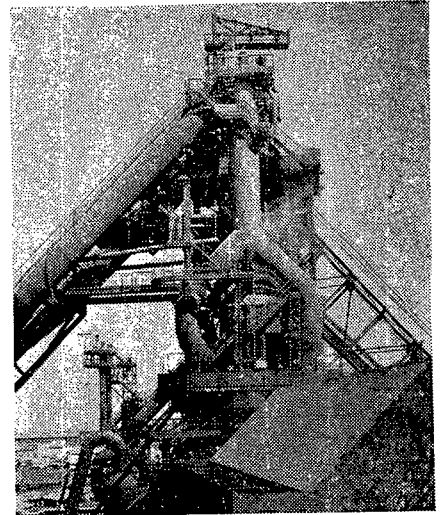
—Prof M. Ruthnaswamy in Parliament

More than one thousand persons throughout the world commit suicide every day. According to the World Health Organisation, in industrial countries suicide is among the first ten causes of death and seems to be increasing. Among students, the rate is higher.

—A.I.R. news

BHILAI'S FIFTH FURNACE

THE fifth blast furnace of the Bhilai Steel Plant has been commissioned. This is part of the expansion programme to raise the plant's capacity from one million tonnes to 2.5 million tonnes of ingot steel.



The fifth blast furnace will use indigenous fire clay bricks in the stoves. Also it uses thinner shell plates of special steel for stoves.

The sixth coke oven furnace was also recently commissioned.

Looking Back

From YOJANA, December 15, 1957

WHEN I returned to India in 1947 after an absence of well over thirteen years, certain things struck me rather forcibly—the bush-shirt vogue, the rarity of public conveniences, the habit of talking loud, of cutting across conversation, the difficulty of cashing cheques in banks, of buying stamps or sending telegrams in post offices, small acts of discourtesy or lack of social sense. Some of these were new; most of them one knew of, but was just jolted back into remembering. Of course they have all their brighter sides as well as the seamy side. The bush-shirt is certainly comfortable and convenient in hot damp weather.....

The one habit which hurt most was the habit of talking during concerts—not gentle whispers about things which couldn't wait, but the aggressive loud conversation the moment a musician started his performance.

DR NARAYANA MENON

25 PAISE

YOJANA

TENTH YEAR 25

DECEMBER 25, 1966

M 25

FLASHBACK ON 1966

SMALL UNITS DO BIG WORK

CHINA'S FIRST PLAN

Yojana seeks to carry the message of the Plan to all sections of the people and to promote a more earnest discussion on problems of social and economic development.

It is issued every other Sunday in two separate editions, English and Hindi.

Although published on behalf of the Planning Commission by the Ministry of Information and Broadcasting, Yojana is not restricted to expressing the official point of view.

Subscription : Annual Rs 5. Single copy 25 paise. For subscribers abroad: annual 10s 6d or \$1.50; single copy 6d or 7 cents.

The **Editorial Office** of Yojana is situated in Yojana Bhavan, Parliament Street, New Delhi-1. Tel. 33367 and 34380.

The **Business Office** is in the Publications Division, Old Secretariat, Delhi-6. All business inquiries are to be sent to the Business Manager at this address. Subscribers are requested to make remittance by postal order. They should communicate with the Business Office and not with the Editorial Office.

YOJANA

This Issue

1966 IN RETROSPECT

Ends 1966. Yojana gives you three year-end features. K. Rangachari, Resident Editor, *The Statesman*, takes you (Page 2) on a round-the-year economic journey, so to say, and you see for yourself how many serious issues faced us in 1966 and how we faced up to them. You also have Mr Rangachari's penetrating analysis of some of the major economic issues.

Parliament Reviewed

1966 has been, for Parliament, a most eventful year. The death of Mr Lal Bahadur Shastri, the election of Mrs Indira Gandhi as leader of the Congress Parliamentary Party and her induction as Prime Minister, devaluation, a Cabinet reshuffle, food crisis, to name only a few of the major events Parliament has had to handle. But by and large economics have dominated its 1966 proceedings. On Page 9, G.S. Bhargava makes his own assessment of how Parliament has approached economic issues. He asks and answers the question whether Parliament was able to provide the kind of leadership the country expects from it.

CHINA'S FIRST PLAN

The world's most controversial, and most problematical, nation is People's China. Almost every day it raises questions which China-watchers try to answer, sometime correctly, sometime not. Underlying most of the tumultuous events in China are the economic, social and political forces at work, and on Pages 5-7, you have an assessment of China's First Five-Year Plan, its objectives, operational techniques and achievements and failures.

Major Events of the Year

The third year-end feature is a special Yojana calendar of major events in 1966. You should like to keep it. See Page 27.

NEXT ISSUE

Yojana staff report on the
BIRTH CONTROL DRIVE
in West Bengal

Cover designed by JIVAN ADALJA

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OUT AND IN

BETWEEN the year that bows out and the year that bows in, Time does not take the slightest pause, nor do affairs of man. We don't really ring out the old, and ring in the new; the past year's problems pursue us in new year, and in the bargain, all of us just happen to find ourselves only a little older. Yet, in man's mind, the New Year means hope and hope is happiness. We like to look back at the year that goes with nostalgia mixed with relief, and we wish that the year that comes will bring in a few smiles on the tired faces around us, a flicker of hope in our breasts, and a feeling of vigour in our muscles.

For us in India, 1966 has not been an exactly uplifting year. It began with the passing of Lal Bahadur Shastri and it ends with widespread food shortage in Bihar and some other parts of the country. We have gone through an economic recession. In the international field, although no fresh crisis has arisen, the old problems remain, and, on the whole, there has been a slight deterioration in almost every major field. Economic problems have haunted almost every nation, big or small, developed or developing. China has fired a nuclear missile of an estimated range of 500-600 miles, and man has not yet landed on the moon.

The Indian landscape, however, has not been without its silver linings. Adversity has breathed wisdom into our approach to problems, and a clear accent on self-reliance has emerged. On economic questions a national debate has raged for about six months, since devaluation, and it will be carried forward in the new year. The Draft Fourth Five Year Plan has been released despite economic difficulties and uncertainties of foreign assistance. On the farm front, the first major effort to modernise agriculture has been launched side by side with the first major campaign for family planning. And the country has been preparing itself, with great zest and much noise, for the fourth general election.

Many of us may have eaten less this year than in 1965, but many must have eaten more, dressed better. The rising prices have hit us all, and most of us have read fewer books and foreign periodicals (and issues of at least one major newspaper), but there have been many more film shows and dramas and art exhibitions; Reita Faria has won the world beauty crown; Krishnan has won us great distinction in tennis; Subbulakshmi has charmed the United Nations with her silken songs; and the Indian *sitar* has been acclaimed as a global musical instrument. Demonstrating students and violent sadhus may have somewhat tarnished our world image; but our borders have been free of trouble and the Chinese have not made more than clumsy noises, which is a tribute to our defence preparedness.

The problems of 1966 will follow us in 1967, but the New Year must be different; better, let us hope. The general election may write a new chapter in the country's political life; in all likelihood, our democracy will enter the first period of real test. The positive results of devaluation will begin to be felt before the new year is old and there is every reason to believe that the economy will enter a period of buoyancy. Even if the rains remain scanty over certain areas, our new food strategy should begin to yield results next year on a scale big enough to inspire national confidence. After the election fever is over, our people will settle down to the normal pursuit of life, and students will resume their main occupation which is study, and sadhus will return to spirituality.

With these hopes, *Yojana* wishes all its readers, friends and well-wishers a happy Christmas and a happier New Year. In January, *Yojana* will complete the first decade of its life, a decade of far-reaching changes in the Indian and the world landscape. Many of these changes have been reflected on the pages of this journal. In our forthcoming Special Number on Republic Day, we will try to capture for our readers, in words and pictures, the qualitative changes that have occurred in the pattern of Indian life since independence. As we plan this issue, we are astonished to find the enormous extent to which life in this ancient land has changed almost in all directions. What is perhaps more astonishing is that in the stride of our daily life, we seem to be quite unaware of these changes. This only means that, having once broken loose from centuries-old stagnation, we all want more of the good things of life, and are not quite prepared to pay the price for them. There has been in India two kinds of population explosion. One is seen in numbers. The other, not always visible, is the explosion of 500 million human minds, asking for more and more of the cake that does not grow by wishes alone.

Let us enter the New Year with some sober thoughts. India is perhaps the most difficult country in the world to manage, because of the simultaneous explosion of all our aspirations — national, regional, tribal, political, economic, cultural. Because of our self-chosen democratic system in which the dignity and freedom of every individual is firmly entrenched. Because of the conflict between the old and the new, between customs and habits and science and technology. India is the only country which tries to mould sixteen or more major linguistic nationalities into a single unified nation through democratic means and, at the same time, to give an economic content to political freedom. Once we appreciate the exacting demands of this unparalleled situation, many of our passing trials and tribulations can be seen in rational perspective, and a New Year can be faced with relaxed nerves.

1966 May Be Turning Point in Economy

K. RANGACHARI

This has been a hard year for the economy. The conflict of last year, suspension of U. S. aid, severe drought and consequent food shortage, and other factors have put unprecedented strain on the economy. To give the economy the push it needs, several radical measures have been adopted, the impact of which will take a little time to be visible.

Mr. Rangachari surveys the 1966 economic landscape, and sees a silver lining in the dispersing gloom. There is "intense rethinking" at the national level, and a continuing search for "suitable economic policies for the future".

The emphasis on development and defence, he says, should now be tempered by a third factor : stability.

ANNUAL stocktaking of the Indian economy in recent years has tended to become a stereotyped narrative of gloomy developments, variations occurring mainly in the magnitudes of the recurring food shortages, the quantum of increases in money supply and price level, and the seriousness of the chronic foreign exchange crisis, all ending, however, with the question of how much optimism would be justified on the basis of the few hopeful features that stand out in the general picture of stagnation.

Conditions in 1966 were more difficult than in earlier years because of the effects of a 15% fall in agricultural production in 1965-66, a barely 4% increase in industrial output and the heaviest dose of deficit financing in recent years (of over Rs 400 crore). The continued suspension of foreign, especially U.S., aid till late in the year introduced an element of considerable uncertainty in the economic outlook, which inhibited both current business activity and forward planning for development. All this happened when there was a change of leadership at the Centre and the new Government needed time to settle down to its tasks and to prepare for a general election. Opposition attempts to make use of economic difficulties to discredit the administration enfeebled political authority and accentuated the adverse economic effects.

The year was marked by two major developments. The first was the very tame end to the ambitious Third Plan because of the decline in national income of 4% in the final year which reduced growth in the five year period to an annual rate of 2½%, just about equal to the rate of increase in population. There was, therefore, stagnation in the *per capita* real income at the levels prevailing at the end of the Second Plan. This low

performance naturally clouded the outlook for the Fourth Plan, the size of which depended on the resources for further investment created in the Third.

The second major event was the unexpected and drastic devaluation of the rupee on June 6, though many were unconvinced of the appropriateness of the step for the difficulties facing the economy. Its contribution to the stability of the currency or the revival of economic activity has not been substantial. So far there is a lack of improvement in any of the spheres in which its effects may be expected to be visibly felt. Devaluation did not add to the external support required and expected for the Fourth Plan; even for the current year's assurances of availability of foreign aid of \$ 900 million, agreements had been signed only for about half of the amount by the end of the year.

Meanwhile, the rupee burden of repayments of foreign credits had increased. An additional burden (estimated at Rs. 150 crore) of subsidy on imported essentials like foodgrains, kerosene and fertilisers has been thrown on the Central Budget. A certain amount of uncertainty has been caused in our markets abroad resulting in a fall in exports, thereby producing, at least in the short term, the opposite of the effect intended on trade. Follow-up action required to make devaluation work successfully remains unaccomplished. There is apparently no consensus on the detailed nature of this action; whether this should mean liberalisation of regulations to let economic forces do their work (as some seemed to think after devaluation) or reimposition of total price and physical rationing is still being debated. The post-devaluation phase of indecision has given the impression that the step taken in June was insufficiently examined. Devaluation has, however, ended the speculation about the rupee abroad; the benefits expected to flow out of it in the shape of improved foreign investors' outlook are yet invisible.

The Government had to fight famine in two areas during the year, first in Orissa and then in Bihar, besides assisting many other deficit pockets. It had to import the record quantity of 10 million tons of foodgrains from the U.S.A. to meet the gap created by the decline in foodgrains output (from 89 million tons in 1964-65 to 72 million tons in 1965-66); in the current year, food

output is expected to improve to a level midway (around 82 million tons). While such a steep fall in production after years of heavy investment in irrigation was disconcerting, it also showed that the minimum level of food production has risen from 51 million tons in 1950-51 to 72 million tons, which is roughly proportionate to the increase in population, though changes in food habits and purchasing power had made this merely proportionate increase quite inadequate.

Further complications have been added to the food situation through the zonal restrictions on movements and the tendency of each State to underestimate its surplus or exaggerate its deficit in its desire to play for safety. In spite of heavy imports, food prices have increased at the end of the year by about 10%; the position could have been worse if prices had not been restrained largely by the subsidy to cover the higher landed cost of imported grains after devaluation. The level of agricultural production also determines the fortunes of a portion of industrial production depending on agricultural raw materials and exports. Except sugarcane, commercial crops had suffered a decline in 1965-66, (jute, oilseeds, being the products mainly affected), while cotton, tea and coffee output was barely maintained at the earlier level. At the year-end, a crisis was brewing in the cotton textile industry due to shortage of raw material.

INDUSTRY: DANGER AVERTED

Industrial production as a whole may have increased by no more than 3% in 1966, but at the end of the year there were hopes for fuller use of installed capacity in many manufacturing industries which have begun restocking imported raw materials after the liberalisation of imports. Earlier in the year there were serious fears, because of continued suspension of aid, that many industries may have to shut down temporarily and lay-off workers, but that danger was fortunately averted. As in the case of food, experience during the year provided a warning against more increases in industrial capacity under planning, which cannot yield benefits without substantial and steady supplies of imported components and materials. Import substitution is an inescapable necessity; but it is too soon to say that this realisation either in Government or in industry is more than a pious hope. Its practical implications remain to be worked out and the massive outlays proposed in the Fourth Plan for industry have to be re-examined in the light of these lessons to ensure that they do not lead to further dependence on imports for maintenance of industrial production.

Low levels of production are always reflected in a weak budget owing to the fall in excise revenues and income tax; slackness in imports (except in foodgrains) had also affected customs revenue, though higher *ad valorem* rates on increased landed costs after devaluation could partly have made up for the loss in volume. Expenditure on relief operations in scarcity areas and on internal security measures following threats to law and order have thrown additional burdens on the Central and State budgets.

In spite of the fact that Plan expenditure in the first year of the Fourth Plan has been held at a somewhat low level of Rs. 2,100 crore for lack of foreign exchange

and due to insufficient preparation of new projects, deficit financing is unlikely to be avoided as originally assumed in the Fourth Plan document. This is one of the factors which has induced rethinking on the size of the Fourth Plan. Money supply during the Third Plan had risen by 58% against the increase in national income of about 13%; prices, accordingly, rose by 32%. If the public sector outlay of Rs. 8,640 crore in the Third Plan had required deficit financing of over Rs. 1,000 crore, the question arises whether doubling of the outlay in the next five years would be feasible without resort to deficit financing at all, when production has not increased sufficiently to provide the required volume of additional real resources.

Considering the inflationary effects of devaluation, prices have been rising only slowly this year. Between January and December the wholesale index rose from 168 to 190 (i.e. about 13%); after devaluation, the increase has been about 3½%, though this holding operation owed largely to the subsidies for its success. Because of the delayed arrival of imported raw materials for industry, there has not been sufficient time for the full impact of devaluation to be felt. The consumer price index has, however, risen much more, the future trend is unlikely to be favourable when the double effect of prices of manufactures and the possible removal of food and kerosene subsidies in the coming year begin to operate on it. With the stagnation in exports and larger imports without adequate aid, the balance of payments has been precariously held, even though a credit of \$ 187.5 million from the IMF has been used up and the Defence Remittance Scheme provided a reinforcement to the country's foreign exchange earnings to the extent of Rs. 70 crore.

With such depressing features in the economy, investment activity in the private sector has been weak and the flow of funds into the capital market too inadequate to meet the demand. Tax relief offered to bonus shares was responsible for market interest in the large proportion of bonus issues. Bank credit to the private sector has remained restrictive during the year, though, at the end of the slack season in October, the Reserve Bank came forward with proposals for substantial credit expansion during the busy season, under strictly controlled conditions.

The silver lining to this cloudy economic outlook is to be found in the intense rethinking at several official and non-official levels on the most suitable economic policies for the future. In that sense, 1966 may well mark a turning point; unrealistic planning has been widely criticised in quarters where apathy was once the rule. Devaluation may also bring its delayed effects; and Governments, State and Central, may act more purposefully after they get over the distractions of the general election. Till now the emphasis was on development and, more recently, on defence; stability, both economic and political, became the casualty in this double preoccupation. There is better realisation today that the single-minded pursuit of growth has not only sacrificed the desirable stability but also failed to yield the desired rate of growth. Stability, with the maximum rate of growth consistent with its maintenance, will now be widely accepted as the motto valid at least for the next five years. This year may therefore come to be regarded as the Great Divide in planning.



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CHINA'S FIRST 5-YEAR PLAN

The number of China-watchers increases every year. Size, population, ambitions, policies and actions make Communist China a major centre of world attention.

For us in India, correct, fact-based understanding of China's internal and external policies and actions is of the supreme importance. And yet few Indians are serious China-watchers.

In this article a young Indian economist attempts an assessment of China's First Five Year Plan. China is now implementing her Third Five Year Plan.

Views expressed in the article are the writer's own. Yojana will welcome comments on the article as well as articles by Indians on economic and social developments in Afro-Asian countries including China.

AN ASSESSMENT

SREEDHAR

"WHEN millions sigh, there is a great wind". This old Chinese saying helps to explain much of China's transformation in the recent past. In China, the land of millions, changes could be made only by winning people's confidence and responding to their desire. An effort was made by the Chinese regime during the First Five Year Plan (1953-57) to provide a strong industrial base to the primarily agricultural economy. Even though the task to be done within a short span of time was tough, considerable success was achieved. An attempt to evaluate the Plan, its operation and its success, is made hereunder. Most of the data have been taken from original sources like the Foreign Language Press, Peking, and publications and translations of original documents by Harvard University.

Planning in China started in 1949. The Planning Bureau was then a part of the Financial and Economic Commission. This arrangement was continued during the entire period of restoration of the economy in 1952. The Government, with the help of the Planning Bureau, used to fix production targets for individual industries in terms of percentage increases over the previous year's production. At the same time, the private sector was kept under check by the government through indirect means like regulations in granting credit, allocation of raw materials and semi-finished products.

Until 1953, planning in China was not a detailed blueprint of the projected development of each sector of the economy over a considerable period. In 1954, with the adoption of the new Constitution, the State Planning Commission came into existence. In May 1956, further changes were made and the State Planning Commission was entrusted with the job of long-term economic development alone. Short-term planning functions, like formulation of yearly plans and their supervision, were given to a new body, the National Economic Commission.

Since quick economic development became a political necessity for the Communist regime to stabilise itself internally, in the autumn of 1952, it was announced that the First Five Year Plan would begin in 1953. The main principles underlying it were mentioned in the *People's Daily* of September 16, 1953. They were: (i) the pace of development of capital goods industries should promote a rapid growth of heavy industry; (ii) the rate of growth of capital goods industries should exceed the consumer goods industries; (iii) development of agriculture should ensure adequate supplies of grain and industrial raw material and help increase agricultural surpluses, and these surpluses should be used for financing industrialisation; (iv) the rate of growth in labour productivity should be greater than the rise in wages in order to ensure accumulation of capital; and (v) new industrial centres should be established close to

sources of raw material supplies. Besides, emphasis was also laid on the importance of making full use of the Soviet Union's advanced experience in implementing the Plan.

The detailed outline of the Plan was made public only in July 1955. This delay in releasing the detailed Plan prompted T.J. Hughes and D.E.T. Luard to comment that "there was, thus, never a First Five Year Plan in the proper sense of the word; there was rather a two-and-half year Plan formulated during the first half of 1955 and announced in July that year"¹. Various reasons have, however, been attributed for this delay. Besides lack of administrative machinery, planning techniques and statistical knowledge, the general economic situation became depressed because of the big share given in the budget to national defence during 1952. This had resulted in inflationary tendencies creeping into the economy. The Government was forced to make a nationwide effort to revive and revitalise industry and trade for improving the economy as a whole.

An investment of 76,740 million yuan was proposed during the Plan period for economic construction and cultural and educational development. Of this, a sum of 74,130 million yuan was direct State appropriation. The remaining sum of 2,510 million yuan was to be furnished by various economic departments under the Central authorities and the provincial and municipal administrators themselves.

The Government depended on internal sources for raising the re-

quired capital. These internal resources were mobilised through taxation, profits from Government enterprises, subscription to Government bonds and other types of forced loans. These had a definite bearing upon the Government budgets in the early years of the Plan. (Table I)

An allotment of 42,740 million yuan or 55.8 per cent was made for investment in capital goods, from out of the above expenditure earmarked for economic construction and cultural and educational development. Besides, an additional amount of 5,300 million yuan was to be invested in capital construction by various departments as per the requirement of their yearly Plans on aspects like geological prospecting, prospecting and designing, reclamation of wasteland and so on. If this sum of 5,300 million yuan is added to the 42,740 million yuan for capital construction mentioned above, the total investment of the State under the five year capital construction programme constituted 62.7 per cent of the total investment. The remaining 37.3 per cent of the total investment was to be utilised for, among others, trial manufacture of new products, technical and organisational improvements in production.

The sum of 42,740 million yuan for investment in capital construction was distributed as given in Table II.

Top priority was given to capital goods industries. Of the total investment in capital construction 88.8 per cent was meant to heavy industry and 11.2 per cent to light industry. Two reasons were given for fixing this ratio of investment. Firstly, China would be able to achieve all-round economic development by rapidly expanding her heavy industrial base. Secondly, the light industry still had considerable unused capacity, while the huge productive forces represented by the handicraft industry was also able to serve as an important auxiliary to it.

It was planned to increase the value of capital goods by 126.5 per cent and that of consumer products by only 79.7 per cent. The Plan called for 2,975 industrial capital construction projects to be newly built or reconstructed—694 in the above-norm of investment⁴ and 2300 in the below-norm of investment.

TABLE 1

Distribution of Investment in the First Five Year Plan^a

(in million yuan)

Department	Investment proposed	Percentage of total
1. Industrial departments	31,320	40.9
2. Agriculture, Water conservancy and Forestry departments	6,100	8.0
3. Transport, Post, Telecommunication departments	8,990	11.7
4. Trade, Banking and Stock piling departments	2,160	2.8
5. Cultural, Educational and Public Health departments	14,270	18.6
6. Urban Public Utilities	2,120	2.8
7. Circulation capital for Economic departments	6,900	9.0
8. Overhaul of equipment in Economic departments	3,600	4.7
9. Other economic items	1,180	1.5
Total	76,740	100

TABLE II

Distribution of Investment in Capital Construction^a

Item	000 million yuan	Percentage of total
1. Industrial departments	24,850	58.2
2. Agricultural, Water conservancy and Forestry departments	3,260	7.6
3. Transport, Post and Telecommunication departments	8,210	19.2
4. Trade, Banking and Stockpiling departments	1,280	3.0
5. Cultural, Educational and Public Health departments	3,080	7.2
6. Urban Public utilities	1,600	3.7
7. Other items	460	1.1

TABLE III

Production Targets during the First Plan^a

(Million tonnes)

Product	Precommunist peak production (including Manchuria)	1952 (Actual)	1957 (Plan target)	Percentage increase in 1957 over 1952 (Plan target)
1. Steel	0.9	1.35	4.12	306
2. Electricity (million KWH)	6.0	7.26	15.50	219
3. Coal	61.9	63.52	112.98	178
4. Pig Iron	1.8	1.90	4.67	246
5. Crude oil	0.3	0.43	2.01	462
6. Cement	2.3	2.86	6.00	210
7. Cotton cloth (million bales)	41.0	111.63	163.72	147

TABLE IV

Percentage Breakdown of Major Components of the Economy in 1956

Type of Economy	Percentage of gross value in industrial and handicrafts production	Percentage of gross in commercial retail sales	Percentage of gross value in agriculture
State	65.5	38.5	1
Co-operative	2.0	29.9	94
Joint (Public & Private)	32.5	28.6	—
Individual	—	3.0	5

The 156 projects which the Soviet Union promised to build were in the former category. The total value of the 156 enterprises was about 3000 million yuan at the official rate of exchange, equivalent to about 6 per cent of Chinese investment in capital construction. These were mainly heavy industrial enterprises, like iron and steel enterprises and non-ferrous metallurgical plants designed by Soviet engineers on the basis of latest Soviet techniques. When these plants were completed and were in operation, China would herself be able to produce electric power and all equipment for smelting required by her. (Table III).

The operation of the Plan was not as smooth as it was envisaged, especially in the first two years. Observers felt that this was because China's ambition had outstripped her efficiency in planning and implementation. Even the Chinese press did not overlook this fact. Commenting on the Plan in April, 1953, the *People's Daily* warned, "Do not bite more than you can chew". Besides this, there were also other factors which made the operation of the Plan difficult. Chinese agriculture which depends on the vagaries of nature had a series of weather calamities during 1953 and 1954. In turn, agricultural production had a set-back. Imbalance between demand and supply of technicians, managers and materials for construction resulted in considerable shortfalls. Besides, the individual enterprises showed a tendency to concentrate on new units of production much to the neglect of the existing industries. There was also an external factor which affected the fulfilment of the Plan. Agreement regarding the extent of Soviet aid could not be finalised until March 1953, and arrangements for securing Soviet aid for the Plan itself could finally be made only in September 1953.

As a result of this, the proposed investment in capital construction during the first three years was only 50 per cent of the total, though by the end of 1955, a firm base had been laid to execute the remaining part of the investment programme. Accordingly, an investment of about 8,000 million yuan was made in 1956, while in 1957 it was 14,000 million yuan. This high rate of investment had created an imba-

lance in the economy and resulted in inflation. To check this, the Government was forced to make an adjustment in the ratio between investments in light and heavy industries. In the last two years of the Plan, the proportion between the light and heavy industries was altered to 1 : 7 as against the original ratio of 1 : 8. The profit accruing from the production of consumer goods could be used for investment and by increasing the supply of consumer goods, the inflationary effects could be reduced, keeping up the tempo of investment at the same time.

Performance Claimed

By the end of 1957, it was reported⁶ that the First Five Year Plan has been overfulfilled by 13 per cent for capital construction and by 17 per cent in its overall achievement. These increases in the value of production relate to 1952 prices. By the end of the Plan, the production of steel reached 5.24 million tonnes, iron 5.86 million tonnes and electric power 19.03 million kwh. The achievement of each of these were about 25 per cent above their targets. The production of coal was 122.44 million tonnes (about 8 per cent above the target). The output of oil was, however, only 1.42 million tonnes, which worked out to two-thirds of the target. The production of cotton was increased by 35,000 tonnes since the beginning of the Plan. Foodgrain production had reached 185 million tonnes.

A number of new ventures were undertaken in the industrial field. Production of light civil aircraft, AN-2, to be used primarily for crop spraying and photography, began in 1957. A Chinese-built oil tanker of 45,000 tonnes was launched in the same year. By 1957 China was in a position to design, without outside help, large-scale iron and steel complexes with an output of 1½ million tonnes a year, hydro-electric stations, steam turbine and boiler factories and shipyards for the construction of ocean-going vessels. Trial production of 40,000 KW transformers, 72,500 KW hydro electric generators, 25,000 KW thermal generating equipment and heat-resisting alloy steel were also started.

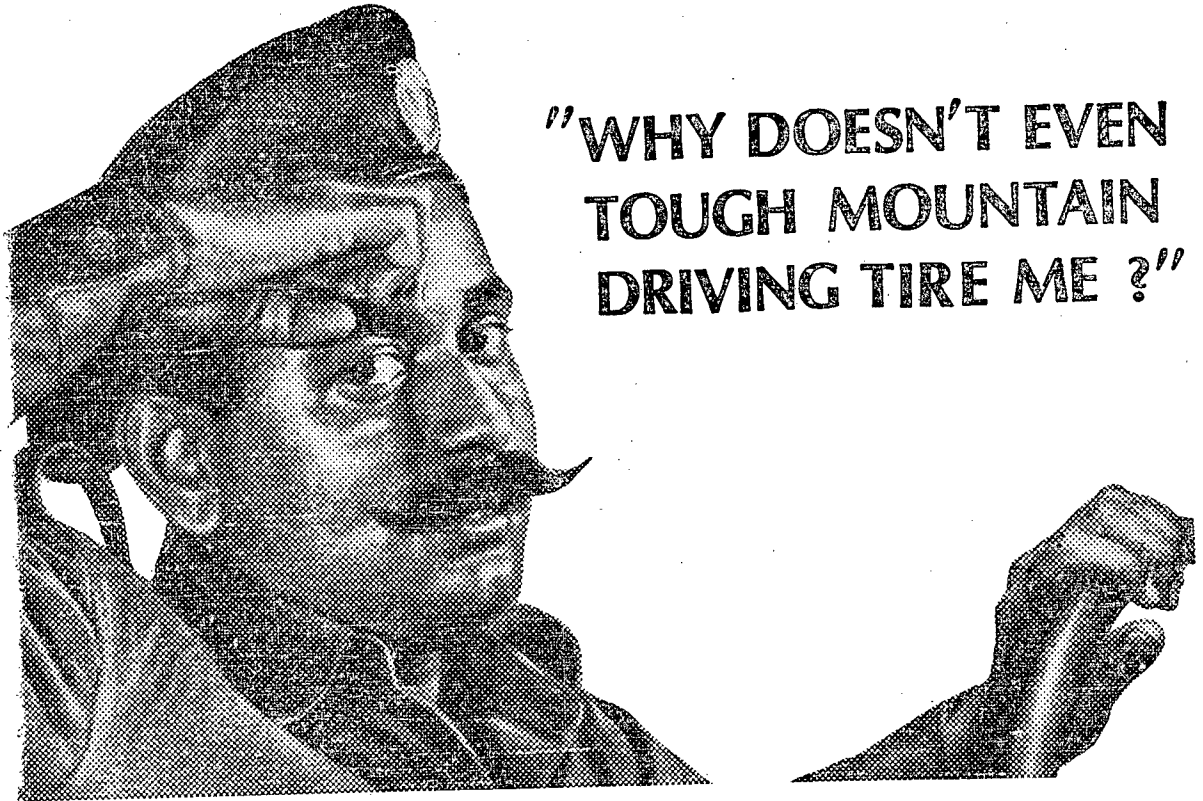
The Plan has laid a firm agro-industrial base for launching further

economic programmes. The extent of nationalisation the regime desired had been achieved. Table IV shows the percentage breakdown in the total value of the national economy in 1956⁷.

These achievements of the Plan are being played down by many on the ground that the statistical data given by the regime are not authentic and the achievements have been exaggerated for propaganda purposes. It is futile to argue on this point. A valid criticism that can be made against the Plan is that the achievements in agricultural production are not keeping pace with industrial production. Undue emphasis was given to large-scale enterprises which can absorb little of the abundant labour force. The standard of living might have gone up more during the Plan period, had attention been given to smaller and less modern plants which could absorb more of the labour force. The Chinese Government was driven by the conviction that rapid industrialisation was the only remedy for economic ills and the only way to all-round economic development. This made it forget the necessity of an equilibrium in a developing economy between development in industry, agriculture and employment.

After the First Five Year Plan, the Chinese Government launched an entirely new series of economic and social policies; but these, and their most controversial and, at least in some cases, devastating, consequences are outside the limit of this article.

1. The Economic Development of Communist China—1949-58 by T.J. Hughes and D.E.T. Luard.
2. First Five Year Plan for Development of the National Economy of the Peoples Republic of China in 1953-57. Foreign Language Press, Peking 1956.
3. *Ibid.*
4. To facilitate management and control of the principal capital construction projects, the Government in China has set an investment norm for each type. Generally speaking, these norms are 5 to 10 million yuan for heavy industrial projects and 3 to 5 million yuan for light industry.
5. As in 2 above.
6. Economic Planning and Organisation in Mainland China, A Documentary Study (1949-57) by Chao Kua-Chun, Harvard University, 1959.
7. *Ibid.*



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DRIVING TIRE ME?"**

Do you know what it's like driving a Jeep or a truck over mountain roads?

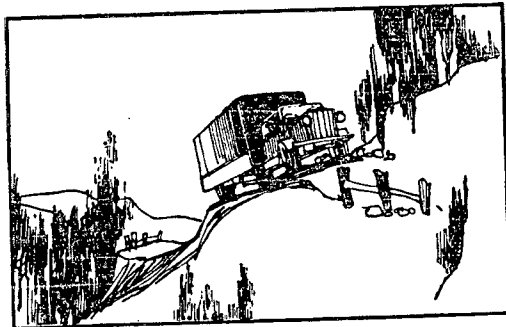
Ask any Army driver, he'll tell you. It's really tough and very fatiguing indeed.

That's why the need to reduce fatigue and strain of the Army driver is so important. And right there, on icy mountain roads or on burning desert tracks,

is Dunlopillo to give him all the comfort he wants. This is the reason why many vehicles of the Defence Services now have Dunlopillo seats and backrests! Today, from Army Jeeps and trucks to railway passenger coaches, from hospitals to public halls and passenger buses, Dunlopillo is comforting millions!

Dunlopillo

COMFORTS MILLIONS!



THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

LACK OF PARLIAMENTARY LEADERSHIP IN ECONOMIC PROBLEMS

In 1966 economic issues have practically dominated Parliament sessions. Has Parliament been able to offer commanding heights in thinking and policy formulations? Mr. Bhargava, well-known parliamentary commentator, reviews the handling of economic problems in Parliament during the year, and comes to the conclusion that the proper kind of leadership did not emerge. He ends, however, on the hopeful note that the new Parliament will establish a firm grip over economic problems.

G. S. BHARGAVA

I venture to submit that at this critical juncture of our history the attention of this Honourable House should be turned to the basic task of improving our general economic performance by exploring every available opportunity for achieving greater productivity and savings and for ensuring adherence to national priorities.....I have every confidence that Hon'ble Members would have valuable suggestions to make in regard to this fundamental task so that the Government, and indeed the nation at large, could benefit by our deliberations in this august House."

These were the words of the Finance Minister, Mr Sachindra Chaudhuri, when he initiated the discussion on the economic situation in the Lok Sabha on July 26, 1966. Judging by the yardstick of giving a correct lead to the country in economic matters, let us briefly review the role of Parliament. Did "the workshop of democracy," to borrow Earl Attlee's metaphor, anticipate and try to avoid the pitfalls which paved the nation's economic path in this crucial year? Did the hammers of controversy yield a democratic consensus?

It is agreed on all hands that devaluation of our currency was the most important development of the year, just as the Pakistani aggression was last year. Though the outbreak of hostilities with Pakistan, at least on such a major scale, could not be

anticipated, Parliament had covered itself with glory when it stood at the vanguard of the nation at war. In contrast, the looming economic crisis was clearly noticed by many on both sides of the House but the lead was wanting. The most obvious reason was, of course, the absence of a consensus on economic matters, reinforced by a desire to inject an element of controversy even where there was no apparent need for one.

Budget Session

Let us look back at the budget session when financial and economic matters predominated. Fears that the economic situation was heading to a pass when drastic remedies might be necessary were widely expressed. Both Mr N. Dandekar and Mr. M. R. Masani, on behalf of the Swatantra Party, dwelt on what the former had called a downward drift in our fiscal management. Mr Masani went a step further and spoke in a language which could be interpreted as welcoming devaluation. He had denounced as "impertinence" Mr Ashoka Mehta's remark in Washington that it was for India to decide the exchange value of the rupee and that he had not gone ten thousand miles to discuss devaluation. Mr Masani had contended that the exchange value of the rupee was a matter of "international concern." (Subsequently, however, Mr Masani explained that he had not advocated devaluation.) The Communist spokesman, Mr Indrajit Gupta, and the PSP leader, Mr Surendranath Dwivedy, also spoke on devaluation,

nearly six weeks before it had been decided upon. While Mr Gupta had used it as a peg on which to hang a diatribe against the World Bank and the United States, Mr Dwivedy merely said he wanted the rupee to be strengthened since devaluation would be against our national interest.

From the Congress benches, Mr Asoke Sen recalled with approval the recovery of the Spanish economy (of all countries!) after the devaluation of the *piesta* in 1950. For the rest, there were demands from both sides of the House for keeping the price level in check, for tax reliefs of different kinds depending on the preferences of the member and lifting of the Gold Control Order. Mr V.K. Krishna Menon highlighted the danger of economic imperialism or domination and said the World Bank was after "changing" the structure of our economy and administration both of which, he had earlier observed in a different context, were inherited from "an empire, from the old feudal conditions and so on."

In other words, there was no guidance at all from Parliament on how the rupee should and could be saved and how the economy could be put back on an even keel. There was no suggestion of a rational incomes and price policy so that the inflationary vicious circle could be cut. There was no undertaking to accept a voluntary restraint on profits and wages, no assurance that productivity would be raised. There was a solitary quip by a Congress member, Mr C. K. Bhattacharya, that the Opposition parties, while advocating economy in administrative expenditure, demanded higher salaries for Government employees. But it was more by way of scoring a debating point than as a concrete suggestion. In short, there was no lead like that provided by the Labour Government in Britain when, a few days later, it pushed through the House of Commons legislation for all-round restraint and hard work.

On the other hand, members were agitated about the continuance of gold control. Mr K. Hanumanthi-aiya quoted Mr Morarji Desai, author

of the Gold Control Act, to the effect that he was in favour of abolishing the law "as it is being implemented today." For a Congress front-bencher, Mr Hanumanthaiya argued that since the law was a dead letter, with goldsmiths everywhere making ornaments of more than the stipulated purity, it should be repealed. If the law were so widely circumvented, the plea that thousands of goldsmiths had been rendered unemployed could hardly hold water. A more pertinent remark of Mr Morarji Desai was the one quoted by Mr N. C. Chatterjee. According to it, Mr Desai said if the implementation of the law was defective, he would plug the loopholes. Such should have been the attitude of Parliament. Instead, Government appeared to have been stampeded by vested interests into scuttling a wholesome measure of economic discipline.

True, the spokesmen of both the Swatantra and Communist parties examined in detail the economic situation. Mr Dandekar who, presumably because of his stint in the civil service, is less political and more objective than Mr Masani, highlighted proliferation of the bureaucracy. He had placed on record that non-developmental civil expenditure of the Central and State Governments had risen from about Rs 900 crore in 1950-51 to Rs 5,300 crore in 1965-66, or a six-fold increase in 15 years. As a contributory factor to inflation, this was a revealing, almost staggering, figure. Mr Masani was also perhaps right when he said that the non-productive "extravagance" of the State Governments was designed to buy another term in office. But in the same House, the leader of the Swantrata group, Prof N. G. Ranga, berated the Centre for what he called "smothering federalism" and "forcing" the States to fall in line with Central policies!

Mr Dandekar had also pointed out that the incidence of additional levies on all kinds of income by the Central and State Governments in 1965-66 was 50 per cent of the additional *per capita* income. He contended that the heavy taxation was coming in the way of capital formation. But he touched on only one facet of the matter because, soon after, Mr. Inderjit Gupta cited the Monopolies Inquiry Commission report to show that taxation

had failed in the social objective of ironing out economic disparities. He recalled that 75 families, controlling 1,536 out of 25,661 non-Government, non-banking companies in India, had cornered nearly 50 per cent of the total assets of the private corporate sector or about Rs 2,600 crore.

Mr Inderjit Gupta had also raised a pertinent point that, if a similar study was made of the agricultural sector also, the same tendency towards concentration would be in evidence. This has a direct bearing on our perennial food problem. Foodgrains are being held back or transferred to urban centres of conspicuous consumption. But the majority of members had no eye for the phenomenon. But for a constructive contribution by Prof D. R. Gadgil in the Rajya Sabha, parliamentary discussions on the food situation even during the winter session when vast areas of Bihar and east Uttar Pradesh were drought-stricken, represented an undisguised exercise in politicking. Members utilised the opportunity for staking larger claims on non-existent Central stocks of foodgrains, while, at the same time, pleading for self-reliance and ending of foodgrain imports.

Mind Unrevealed

As a matter of fact, the most telling criticism of the foodgrain distribution policy came not from Opposition members, nor from Congress M.P.s like Mrs Tarkeshwari Sinha who seemed to back the Bihar Chief Minister, but from Prof Gadgil a nominated Member. He had said in so many words that though drought and the consequent distress, whether in Bihar this year or in Orissa last year, might be due to nature's wrath, the virtual breakdown of the distribution system was a "failure of planning." He had also examined the mechanics of the proposed national food budget.

The same spectacle of non-emergence of Parliament's command over an economic situation was in evidence earlier when the fertiliser policy came in for scrutiny. The "kitchen garden" experience of Mrs Sinha, the theory of Mr K. D. Malaviya that sophisticated means of production could not go hand in hand with a socialist industrial policy, the academic discussion of the relative merits of green manure and chemical

fertiliser and, not the least, the cold war overtones overshadowed the basic questions of need for developing the fertiliser industry and the means of doing it. On the allied subject of foreign aid also, Parliament failed to reveal its mind. In the words of Mr Krishna Menon, "this country, this Parliament, this Government and the previous Governments, have never been against foreign aid..... We require it, but that foreign aid must be in conditions where we, and not the donors, dominate our economy." As a proposition this is unexceptionable. But it has not been spelt out into a concrete policy for a developing situation. For Mr. Masani foreign aid is bad only if it is used for strengthening the infrastructure by developing public sector projects. For most others private foreign investment is objectionable.

Reverting to devaluation, as Mr Masani pointed out, the question is not whether it is good or bad. His over-simplified alternative was scrapping the "wretched" Fourth Five-Year Plan. He was more anxious to point out the mote in the eye of the public sector — the Prime Minister herself has admitted the large leeway to be made up to restore the public sector enterprises to health — than to acknowledge the beam in the eye of the private sector. Lack of entrepreneurship, flair for easy and quick profits, paucity of capital formation and, above all, failure to sell abroad rather than at home in spite of rich export incentives were overlooked.

To sum up, Parliament has failed to throw up a dozen men and women who could put their heads together free of inhibitions and prejudices to hammer out a sound economic policy. This failure is all the more significant because on a subject like the Tashkent Agreement which was free of cold war rivalries, a more constructive consensus was available.

Even leading members of the ruling party like Mr Raghunath Singh and Mr H. C. Mathur, were agitated about cow slaughter for sentimental reasons rather than for economic considerations. One hopes that the next Lok Sabha will regain the initiative in thinking on economic matters because problems which have confronted us in 1966 will in all probability remain with us in the New Year.

THIS INDIA

YOJANA invites contributions to this feature from its readers all over the country. Each anecdote must be true to life, of less than two hundred words capturing something significant of India's rich and varied life. Each published anecdote will be paid for.

Last year a loop camp was organised at a village near Aurangabad. The extension officer had made the necessary propaganda among women.

A woman came to the camp and insisted on having an injection for birth control, instead of a loop. The doctor, of course, had no such injection, but an idea struck him. He asked her whether she had any complaint of pain in the abdomen. Fortunately she had some trouble. So the doctor told her that he wanted to have her examined 'internally'. She readily agreed. Then the doctor, pretending to examine her, skilfully inserted the loop and also gave her an injection of methargene, which is usually given to prevent bleeding after the insertion of loop.

The injection-minded woman was satisfied.

Aurangabad Mrs Sindhu Shelke

I am trying my best as an extension worker to bring more land under cultivation in the Garo Hills area of Assam. The people there practise 'Jhum' or 'shifting' cultivation. In the area there are plain lands in the valleys of streams and rivulets, which can be reclaimed for permanent cultivation. Jungles have grown on such lands.

As a result of persistent persuasion, the people of a village agreed to reclaim such a piece of land provided they could get financial help. The help was given and the land was reclaimed under the supervision of the Block personnel.

The land was sown almost in their own way of dry paddy cultivation. The crop was fairly good. It was harvested and the yield was shared by those who participated in the reclamation.

In my next visit, I saw the same land again covered by jungle. I asked the people why they allowed the land to revert to jungle. Prompt was their reply "It was because of your insistence

that we cultivated the land for some money from the Government. And we can do it again if you give us the money."

Barengapara (Assam) B.C. Takoe

All the demands of the bridegroom's father were met, which meant shelling out Rs. 6,500, and my sister's marriage was fixed. The bridegroom and the bride were on their seventh round around the holy fire when suddenly the bridegroom's father shouted, "Stop!"

Everyone was dazed.

Then turning towards me, the old man said, "Look, the dowry is not enough to compensate for even my son's educational expenses. If you want to consummate this marriage, the price of a scooter has to be added to the dowry. Will you give it now?"

We were completely stunned but regaining my composure I filled in a cheque for Rs. 3,500, and gave it to the bridegroom's father. The old man's face lit up with a broad smile.

The ceremony was about to be resumed, when the bride instantly stood up and snatched the cheque from the would-be father-in-law's hands. She cried loudly, "It seems you want money and not me. Please remember, my father has incurred the same expenditure for my graduation as you for your son's. You can earn as much money as you like by selling your son elsewhere, not here."

Saying this she rushed into the house.

Delhi

O.P. Sharma

The Block Development Officer who took charge of a newly formed Block in a remote corner in Assam visited a village in the Block. He called on a leading village elder and began explaining to him the various development works that he proposed to undertake. The man listened to him in rapt attention.

When the B.D.O.'s peroration ended, the elderman promised all co-operation and said: "You have come in good time. The place was all these years pining for a Block. Now the area will develop well under your care. A number of tubewells will have to be dug in many places here. I shall undertake that work. Please see that I get the contract."

Along (NEFA)

P.C. Sarma

It was a Saturday night. After the supper, I tuned the radio set sitting in an easy-chair in my home. I don't know when I fell asleep, till I was awakened by a child of four years. He was standing attention with his head upright like a soldier. The National Anthem was on the air.

I was happily astonished at the sense of discipline and national pride the child had developed at such a young age. I felt ashamed of myself and stood up by his side till the Anthem was over.

Thally (Madras)

S. Karunakaran

U AND NON-U

ROBERT Millar has published a study of class distinctions in Britain. Called the *New Classes*, it shows that the citizens of Britain, which is now regarded as a Welfare State, are at least as much class conscious as were their parents and grand-parents. The British, he says, are still terribly snobbish and perhaps will always be. There have, however, been certain significant changes in class distinctions. The British may still love a Lord but self-made captains of industry are now more admired. Every grammar school boy still regards himself as a potential Prime Minister. The aristocrats are not yet out of the game. Millar includes them in the top-class of the four into which he divides British society. First are the Elite, along with the top men in industry and the professions. Next come the Administrators covering professional and businessmen, top managers, salesmen and industrial executives. These are followed by Technicians — highly paid manual workers, white-collar employees, small businessmen and poorly-paid professional men. At the lowest rung of the ladder are the Artisans, skilled and semi-skilled workers and people living on their pensions.

Incidentally, American sociologists have found five classes in the United States and have counted up to ten in the Soviet Union.

Will an Indian sociologist attempt a similar study in India?

100 Years Old

THE Paris newspaper, *Le Figaro*, completed last month a century of its becoming a morning daily. To celebrate the occasion the paper's admirers held a special gala performance in Paris and the paper itself entertained distinguished guests with Portuguese and French wine, 100 years old. *Le Figaro* has had a most eventful history reflecting the many ups and downs in the political and social life of France. It began as a satirical weekly in 1826. In 1871, when as a daily it was just five years

old, it was sacked by drunken soldiers of the Paris Commune. In 1914 its editor was shot dead in his office by the wife of a Finance Minister whom the editor had attacked. When Paris was occupied by the Germans during the Second World War, *Le Figaro* first moved to Lyons and then stopped publication in 1942 when the Germans marched into southern France. After the liberation, it was one of the two traditional French newspapers which were considered to be sufficiently clean to resume publication under its name and in its own pre-war plant. Among the newspaper's contributors were Balzac, Zola, Daudet and Anatole France.

French journalism was the "fourth estate" added to the nobility, clergy and merchants. It still functions as the Fourth Estate.

Figaro was a character, witty and rascally, introduced on the French stage by Beaumarchais and to the opera by Mozart. On the stage, *Figaro* observed: "It is not necessary to believe things in order to reason about them." *Le Figaro* took its name from the stage character. But in spite of its conservative views, it has always been eminently reasonable.

Galbraith's Lectures

PROF J. K. Galbraith's Reith lectures on the BBC last month have been inadequately reported in the Indian Press. Some of the points made by Prof Galbraith are familiar, some, however, are challengingly new. In his book *The Affluent Society* the distinguished Harvard economist, who served President Kennedy as the United States' Ambassador to India, showed how the old distinctions between *laissez-faire* capitalism and planned socialism had been blurred by modern science and technology. Galbraith returned to this theme in his Reith lectures when he observed that in the capitalist economy of the United States, the State played a much larger role in almost every facet of economic activity than in the planned and socialist economy of India. By its nature the modern industrial economy is a planned economy. And as a result, industrial



IGNORAMAN

Wants to Know

If

we could all

spend X-mas

Bobbing with Hope

societies display strongly convergent tendencies, whether the Government is called capitalist, socialist or communist.

Prof Galbraith emphasised the challenge of modern technology to man's ability to make use of it for the solution of his physical problems. Technology has given us the knowledge that problems can be solved; what we do not know is how to solve them. Prof Galbraith said that it was reasonably certain that man could be landed on the moon within the next five years or that air and water pollution could be more effectively controlled. How to do so has still to be determined. This problem-solving, with its high costs in time and money, is a recognised feature of modern technology. Expansion of research and development makes the need for planning still more essential because this may well be beyond the capacity of private enterprise, however large and powerful.

B. SEN GUPTA

Collector's Item

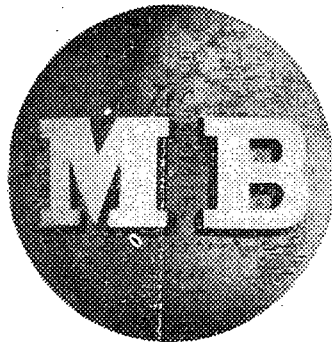
An advertisement in a daily begins as:

MODELS

Female—Sale

for advertisement modelling in
black and white and colour

The one world of packaging technology—



collaboration and import substitution go hand-in-hand at Metal Box.

Over the years we have made considerable progress towards import substitution. But the process is still not complete. And with devaluation, whatever is imported—essential raw materials and indispensable equipment—costs more. This is why, we believe, import substitution must be speeded up, more than ever.

In the last ten years Metal Box's requirement of imported machinery and materials has been reduced dramatically until today only a little over 16% is imported. There was a time when we even imported components for our packages. *Not any more.*

All this was made possible by planned and sustained development efforts, imaginative design and ceaseless research

in India. And in all this we were helped by our access to the mainstream of international packaging technology and know-how, possible through technical consultancy arrangements with associates in the U.K., the U.S.A. and other advanced countries of the world.

At Metal Box we always think of technical consultancy as an investment, never as a crutch. It means spending a little foreign exchange to be able to earn and save a great deal more. It means some dependence now for greater self-reliance in the future. It means that at any time our own Research Laboratories and Development Works can pick the brains, borrow the tools, apply the know-how, lean on the experience of our international associates.

Collaboration—including technical consultancy—has helped us to build up and sustain a world-class packaging industry. Collaboration must be encouraged if we are to remain citizens of the one-world of international packaging technology and, at the same time, secure progressive freedom from our dependence on imports of packaging machinery and materials.



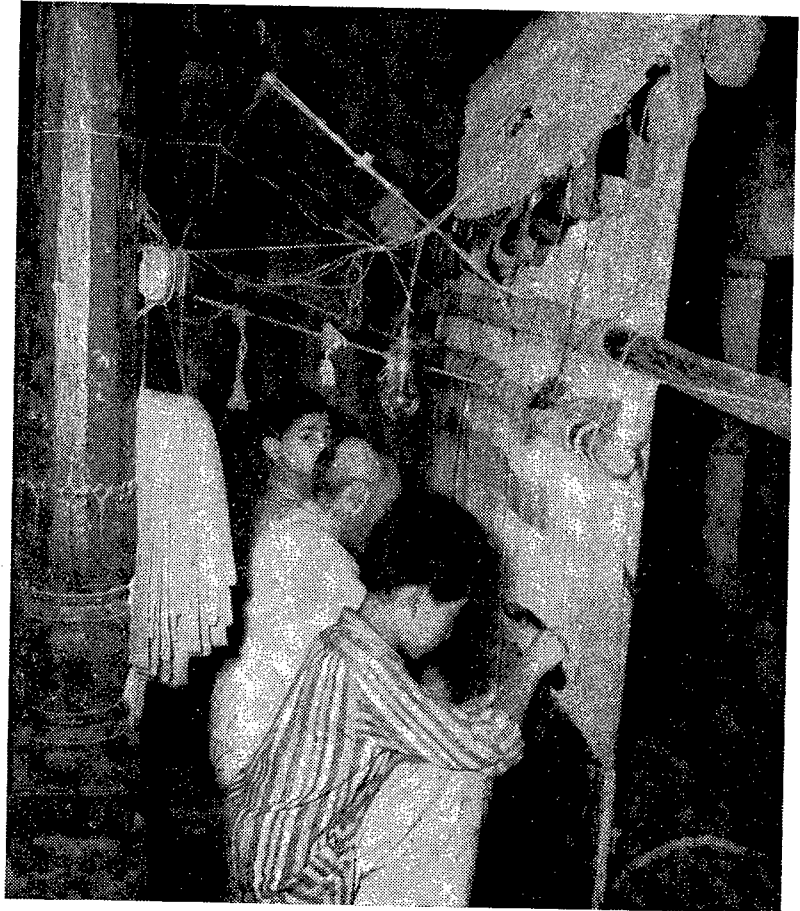
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PHENOMENAL GROWTH OF VILLAGE AND SMALL INDUSTRIES

S. R. Gupta

In this article Mr S. R. Gupta, Information Officer, Planning Commission, while presenting an overall picture of the progress of small industries, including rural industries, achieved in the first three Plans, outlines the policy and programmes being implemented in the Fourth Plan.

One of the significant features of Planning in India since 1951 is the encouragement and support given to small production units functioning in the thousands of tiny hamlets, villages and towns of India and contributing unobtrusively but effectively to the growth of national income. For these small units, scattered in what has been generally called the "diffused" sector of industry, this has been a life-giving boon as in



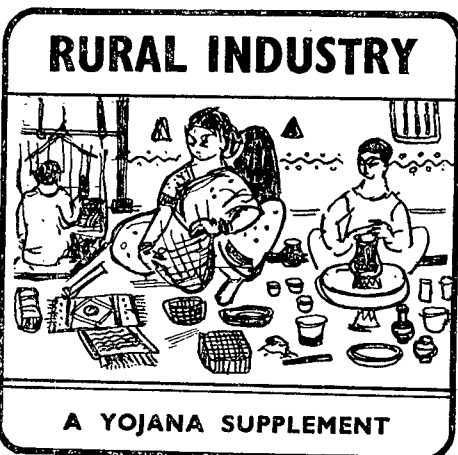
A carpet weaving family of Kashmir busy at work.

many traditional industries and in the rural areas these one-family or one-man concerns were languishing at the time of Independence because of economic difficulties and the jolt given to them by the growing mechanised section of industries, such as textiles and sugar.

The *swadeshi* movement or popularisation of indigenously produced goods during the pre-Independence period had, no doubt, given much moral strength to these small industries, but it was only with the introduction of Five-year Plans that attempts were made to study and remove the difficulties confronting them, and to plan systematically

their growth as an integral part of the industrial upswing of the country.

To start with, development programmes were formulated, backed by substantial State-aid, in the First and Second Plans for handlooms, powerlooms, khadi and village industries, sericulture, coir and handicraft units, and small-scale industries having a capital investment of less than Rs 5 lakh. *Among the facilities extended to them were direct financial aid, institutional credit, introduction of improved technology supply of scarce raw materials, expansion of training programmes, subsidy on power supply and organisation of cooperatives.*



No. 6

At the same time, it was decided to establish industrial estates, where essential services like electricity, water, transport and communications, should be assured by the State to these units at nominal cost. This programme was enlarged in the early years of the Third Plan. More recently, intensive development of small industries primarily based on agriculture and local resources was undertaken in selected rural areas.

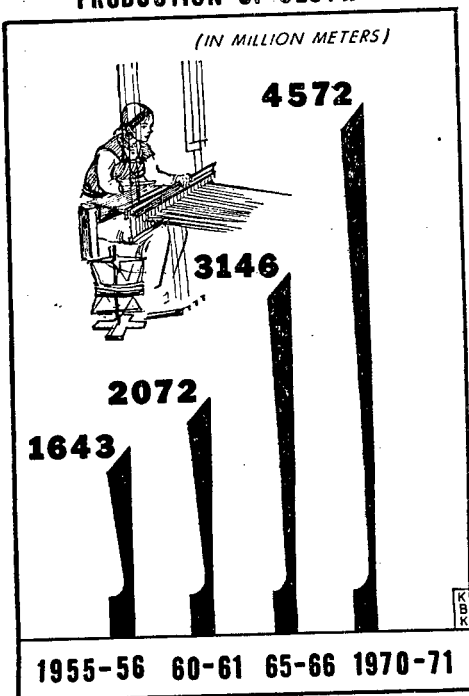
The principal objectives the planners had in mind were to build up a second line of industrial activity consisting of small efficient production units so as to widen employment opportunities, improve wages of artisans and craftsmen, mobilise resources of capital and skill, particularly in the countryside, help them to earn valuable foreign exchange through exports, and promote a more widespread distribution of opportunities for productive work and income.

In other words, opportunities were given to the small producer—be he an entrepreneur or a semi-skilled or unskilled worker—to share more fully and effectively in the processes of production as well as in the resultant benefits.

In the fourth Plan, a new turn is being given to these programmes,

PRODUCTION OF CLOTH

(IN MILLION METERS)



The sorting of coir is usually done by women. The experts sort yarn into as many as 27 different

the intention being to widen the range and variety of goods produced by the small-scale industries. As the bulk of products of these units are articles of daily consumption or simple tools of production, these enlarged supplies of durable and semi-durable goods would help the consumer and simultaneously benefit the small producer. The policy of decentralised growth of selected industrial activities and co-ordinated development of small industries as ancillaries to large industries—to be extended to newer fields—is expected to double the rate of growth of this sector in the Fourth Plan.

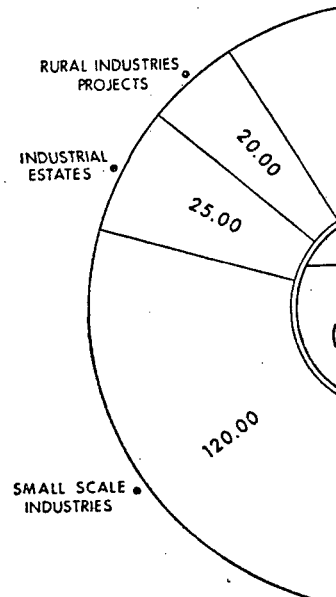
TANGIBLE RESULTS

An all-round expansion of industries, gradually unfolding a vista of rising incomes to the small producer, has marked the progress of the three Plans since 1951. A few figures will suffice to substantiate this assertion. It is estimated that employment in this sector was available to as many as 17.5 million people by 1960-61 and 20 million people by 1965-66. By 1970-71 it is planned to provide employment in these industries to 24.5 million people, or roughly a tenth of the total labour force at that time.

Though no data could be compiled for the total value of products of

these industries—so widely dispersed as they are—selected indicators give ample evidence of the production spurt in them. The production of cloth in the decentralised private sector, which covers handloom, powerloom and khadi, was 9

THE STATE NO



An all-round expansion of industries, gradually unfolding a vista of rising incomes to the small producer, marks progress of the three Plans since 1951. The policy of decentralised growth of selected industrial activities and co-ordinated development of small industries as ancillaries to large industries is expected to double the rate of growth of this sector in the Fourth Plan.

million metres at the beginning of the First Plan in 1950-51. In the following 15 years, the total production had risen to 3,146 million metres, or nearly three-and-a-half times the previous figure. In the next five years the target is 4,572 million metres. With mill-made cotton cloth target at 5,486 million metres by 1970-71, one way of looking at it would be to say that *the clothing requirements of every two out of five persons would be met by the small producer.*

The purchases by the Government of its needs of consumer goods for official work have also risen phenomenally—from the low figure of Rs. 600,000 in 1957 to Rs. 3.88 crore in 1960-61 and, again, to Rs. 21.94

crore in 1965-66, or approximately 36 times in no more than eight years.

Even more significant is this sector's contribution to exports, the value of exports of handicrafts, coir, handlooms and silk products alone having increased from Rs. 22 crore in 1950-51 to about Rs. 25 crore in 1960-61, and Rs. 53.8 crores in 1965-66. To express these figures differently, the export contribution from these industries was more than doubled in 15 years. And this doubling performance would be repeated by 1970-71, the export target being Rs. 114 crore.

It is noteworthy that about half of the total exports in 1970-71 would be handicraft products, pro-



Finishing touches being given to artistic Moradabadi wares

duced largely by craftsmen and artisans, and inspired by and firmly rooted in the artistic and cultural heritage of an ancient people.

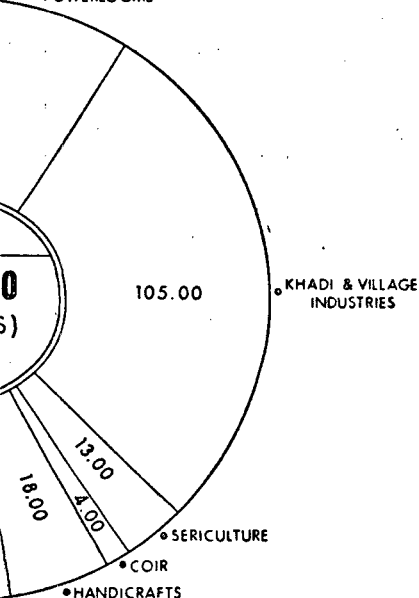
The number of rural industries projects taken up in selected areas, was 45 in 1962. According to a recent review nearly 1,450 new units had been set up in these project areas up to 1964-65. Those of the units which had gone into production by that time provided employment opportunities to 32,000 persons and produced goods worth Rs. one crore. Recently, four more projects have been taken up in the vicinity of large-scale industrial complexes at Ranchi, Durgapur, Bhadravati and Bhilai.

On a rough reckoning, the number of small units to-day is over ten million. The number of small-scale units, using small machines, including oil ghanis, khandasaries etc., many of which are one-worker units, and skilled or semi-skilled labour alone, is over 300,000.

During the Fourth Plan the objective will be to make the entire sector

ISHES SMALL PRODUCTION UNITS

IDLOOMS & POWERLOOMS



(Left) Fourth Plan outlay for village and small industries in various sectors (Below) A brass-ware peacock from Rajasthan.



The manifold schemes for development of village and small industries have helped the small entrepreneur, artisan and craftsman to acquire his rightful place in Indian economy and to enrich it by his industry, skill and resourcefulness.

economically viable, the principal aims being to promote decentralised growth of industries; raise the earnings of those engaged in small industries by providing positive forms of assistance for improving their skills and productivity; and organise artisans and craftsmen on cooperative lines.

With this approach, it is natural that the coverage of such industries would widen as new lines of production are undertaken by them. Some of the products taken up by the small producer are sophisticated items like refrigerators, electrical gadgets for commercial and domestic

use, precision instruments like hearing aids, radios, tape-recorders, and gramophones and their accessories, plastic products, mechanical devices and paints and varnishes. These industries are largely operated by entrepreneurs drawn from the middle levels of society.

TECHNICAL AND FINANCIAL AID

Looking at this picture of progress it may be useful to bear in mind that the State has done a great deal to resuscitate village and small industries, and nourish and strengthen the small man with his tiny investment, the village artisan and handicraftsman, and the weaver of artistic cotton and silk fabrics.

This nourishment was available from the State mainly in the form of financial outlays in the three Plans—the actual expenditure being Rs. 43.95 crore, Rs. 191.19 crore and Rs. 223.15 crore in the First, Second and Third Plans, respectively.

The total outlay for the current Plan for this sector will be Rs. 370 crore—or nearly nine times the original expenditure in 1950-51. For separate sectors of these industries as well, expenditures and Fourth Plan outlays have risen on an average from two to three times in successive Plans.

These expenditures and outlays are exclusive of estimated private investment, which was also generally of the same order as in the public sector. The estimated investment in the private sector in the First Plan in the village and small industries was Rs. 50 crore, in the Second Plan Rs. 175 crore, and in the Third Rs. 275 crore. In the Fourth Plan the investment in the private sector is estimated at Rs. 400 crore.

COOPERATIVE AND CREDIT FACILITIES

Another type of assistance to these industries was in the form of

machines supplied to them on hire-purchase terms by National Small Industries Corporation, a public sector project. The number of machines supplied to these industries in 1957-58 was 978, which rose to 3,060 in 1963-64. The value of the machines also similarly increased from Rs. 80 lakh to Rs. 6.51 crore in this period.

Yet another indication of the growth of this sector is in the expansion of

INDUSTRIAL ESTATES

Completed Functioning

	Completed	Functioning
1950-51	—	—
1955-56	1	—
1960-61	66	52
1965-66	283	198

In the functioning industrial estates

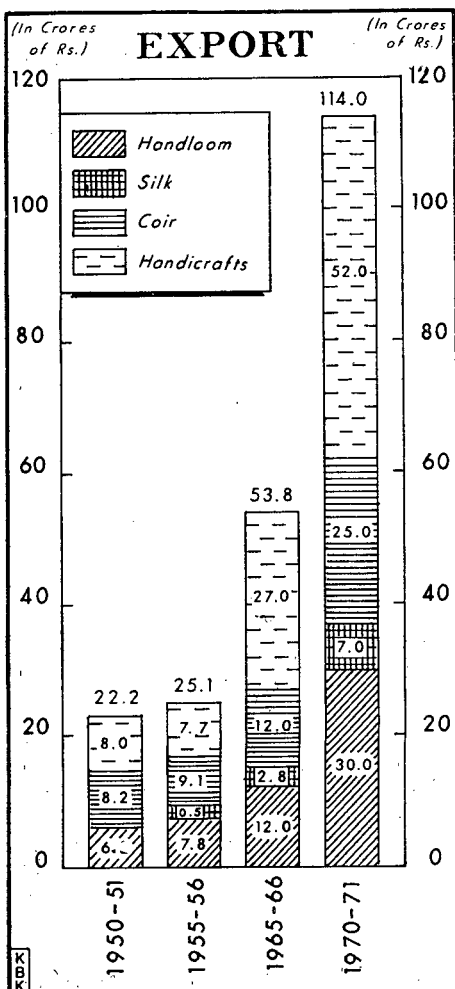
	1960-61	1965-66
(a) No. of sheds completed	1853	6326
(b) allotted	1872	4947
(c) occupied	1569	4562
(d) working	1049	3709
(e) Labour employed	13,200	54,651
(f) Annual production (Rs Crore)	14.04	50.20*

*Represents production of 65% of functioning units.

sion of cooperatives, the number of industrial cooperative societies having increased from 7,105 with a membership of 0.8 million in 1951 to about 46,800 with a membership of 3 million in 1963-64. In 1964-65 industrial cooperatives numbered 51,000 with a membership of 3.2 million.

Considerable progress has also been made in providing credit facilities to small industries from institutional agencies. The credit limits sanctioned by the State Bank increased from Rs. 8.8 crore at the end of March 1961 to Rs. 65.7 crore by March, 1966. Guarantees for loans amounting to Rs. 104.8 crore were also issued by the Reserve Bank of India by March 1966, as against Rs. 2 crore by April 1961.

These manifold schemes for development of village and small industries have helped the small entrepreneur, artisan and craftsman to acquire his rightful place in Indian economy and to enrich it by his industry, skill and resourcefulness.



Books

AGRICULTURE AS AN ENTERPRISE

Entrepreneurship and Agricultural Development by D.L. Narayana. Published by Asian Studies Press, Bombay. 128 pages. Rs 10.

Ashok V. Desai

ACCORDING to one of Dr Narayana's sources, "entrepreneurship may be defined as the purposeful activity of an individual or group of associated persons, initiating, promoting and maintaining business activity for the production of wealth and distribution of goods and services with a pecuniary motive, or such benefits in the given social and political conditions, and enjoying an appreciable measure of freedom of choice and decision to run business units." In simple English, entrepreneurs are people who run business. On such a definition, all self-employed people are entrepreneurs including all independent farmers: nearly three-quarters of working population would consist of entrepreneurs.

This definition would be all right if one wanted to give a generalised account of business; but it is hardly promising as a beginning for a book on development. There Narayana needs entrepreneurs of another kind—people characterised by 'ingenuity', 'remarkable aspiration', 'a peculiar knack for perceiving production resources and for utilising them in unfamiliar ways', 'implacable dissatisfaction with the gap between their achievements and opportunities' and so on. To get to these people, Narayana divides the genre of entrepreneurs into innovators, imitators, over-cautious entrepreneurs, fabians, drones and parasites. Only the first are *real* entrepreneurs in his view; the second kind are *okay* once in a while, while the rest are just not up to the mark. Obviously, *real* entrepreneurs are very good for

economic development; in fact, the problem of development boils down to one of breeding entrepreneurs.

If one took this breeding problem seriously, one would perhaps go on to study genetic characteristics of entrepreneurs and the mechanism of their inheritance. Or, if one thought enterprise was not inherited, one would formulate training schedules and aptitude tests for potential entrepreneurs; this is just what large companies do. But this is not what economists would do. They would not choose candidates for entrepreneurship. They would just make conditions favourable for the growth of enterprise. It might look rather funny if a cattle breeding farm were to limit itself to spreading straw everywhere; but presumably the seeds of enterprise are abundant in all soils.

There is some disagreement among economists on the correct method of encouraging the growth of enterprise. The hard-liners believe that the right way is to make things tough for entrepreneurs so that they learn their business intensively. The soft-liners believe in being nice to entrepreneurs — giving them tax rebates, subsidies, raw materials, technical help and so on. Narayana belongs to the soft-liners. His book catalogues the things the government should do for farmers' benefit.

The list is a familiar one, and includes such things as land reform, vocational training for farmers, efficient extension service, supply of agricultural inputs, agricultural productivity councils, and so on.

After going through the discussion of all the measures one is left wondering: where does the entrepreneur come in? The suggested measures might increase the income and consumption of farmers, but will it make them innovators? In fact,

by serving them everything on a platter one would be making anti-entrepreneurs out of them. Narayana's prescription might well be indiscriminate.

Further, must farmers become entrepreneurs? In Narayana's view, 'entrepreneurship and progress are synonymously interdependent'. Entrepreneurship is a flexible concept, and it could be defined so as to become synonymous with progress. But in very few of the countries that have progressed do we find that innovation came from farmers; in fact, Britain and Germany just about exhaust the list. Everywhere agriculture depends heavily on industry for innovation in inputs like machinery and fertilisers; this dependence has certainly not retarded its development. If farmers are not receptive to innovations there might be a problem. But to make them receptive would require a more detailed, operational kind of answer than Narayana gives. The encyclopaedic-superficial treatise Narayana has written instructs neither those who know something about the subject nor those who know nothing.

A Maratha Calendar

WALL calendars and diaries are now-a-days the craze of the fashionable and the elite. It is no wonder that like firms, governments also resort to the production of their own wall calendars and diaries to publicise their wares. The Maharashtra Government has brought out a 12-sheet wall calendar through its Information Centre in Delhi. Beautifully produced on art paper the calendar depicts some of the valiant heroes and heroic battles of Maharashtra, besides showing the Saka year 1888.

Maratha Confederacy occupied one of the foremost places among the native rulers of the country for at least a hundred years. The names of Shivaji, Nana Saheb, Bajirao I and Rani Lakshmbai of Jhansi are cherished by the people of India as sweet memories of a glorious past. The calendar of the Maharashtra Centre well serves the purpose of recalling to us that brilliant Maratha past and kindling in us nostalgic sentiments.

R. K. P.



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HOW TO PLAN FROM BELOW FOR AGRICULTURE

THE CRITIQUE
Continued

A. S. KAHLON

THE current stress on agricultural development has stimulated thinking in many directions. It has been emphasised that unless our planning strategy incorporate the local levels of village, block and district areas more effectively into functional framework, gains in agricultural production will continue to remain at levels not commensurate with the needs of a developing economy. The Draft Outline of the Fourth Five Year Plan has focussed rather sharp attention on this problem :

"An agricultural plan becomes a plan in the true sense of the problem and the targets acquire real meaning, validity and sanction only if the national goals, or broad targets, are concretised into a set of specific programmes through village, block and district plans and are accepted by the farmers as their own, and there is a joint commitment on the part of farmers and their institutions (cooperatives and the Panchayati Raj) and the State and the Central Governments to play their respective roles".

The closing part of this statement is rather important from the point of view of evolving a practical planning approach at local levels and involves group dynamics concepts and principles. Since the plans so envisaged are not only to be a blue-print of the physical and financial targets but also instruments of group action programmes, it is very necessary to inject into their structure such elements which would facilitate widest possible involvement of village community groups both with respect to what should go into these plans and how best they should be implemented. It is in a setting of the proper knowledge of social processes and social management that the contents of the local area planning approach should be conceived.

The past experience with village planning as an integral part of the national economic and social planning effort has, however, revealed that they ignored the use of a proper theory of social group action with the result that these plans have almost entirely ended up as statistical statements of a whole lot of information and mass of data about villages, number of farmers, land use patterns and physical targets of all kinds of activities in which people in the villages are engaged as farmers. There has been a very negligible village community owning and committed to these plans despite the directions that these plans were to be prepared every year. In most cases they were just abandoned soon after the blueprints were drawn up.

Social Group Action

The scope of the local area agricultural plans should cover only such goals and activities to the attainment of which the related group as a whole becomes naturally mobilised and energised. It would, therefore, be restricted only to such items for the solution of which the available material and non-material resources of the farmers as individuals are inadequate and further where they are conscious that without an organised group co-operative effort, the particular problems will not be solved. For example, plan activities, like drainage, anti-flood measures, construction of link roads, pests and disease control campaigns, in certain cases, are very realistic items which can form the content of a realistic local area agricultural plan. Particularly, plant protection measures to be fully effective have to be carried out on large contiguous areas on co-operative basis.

Local area and village plans have not laid proper stress on motivating group action to solve such problems. Consequently, they have not succeeded in mobilising local opinion to

More articles by eminent economists on the Fourth Plan will be published in the coming issues of Yojana.

fight out the menace of crop pests and diseases through joint action. Collective efforts to promote plant protection measures could be promoted by encouraging functional leadership in the rural areas. Also, the extension agency will have to change its approach to solve such problems. Instead of limiting their contacts with a few progressive and better-off farmers, they should extend their contacts to the mass of farming population, and particularly to the small farmer to motivate his participation in this joint enterprise of controlling crop pests and diseases which are depressing the yields of various crops.

On the other hand, there are a number of farm activities where farmers take a strictly individualistic view and in a sense develop a competitive, rather than a co-operative, relationship in their community and would, therefore, always shy away from participating in any meaningful joint commitment to achieve them as a goal for the whole group. The examples of such activities are uses of improved seeds, fertilisers, green manuring and other such cultural practices where they would like to do their own planning and mop up consequential gains in the most individualistic sense. It would be rather unrealistic to try to appeal to their group loyalties to achieve stipulated targets. Local area agricultural plans for action and implementation purposes should leave out of their scope the latter type of activities. This type of direction is very necessary in our local plans to offer dynamism and direction to local efforts.

In summary, village plans should carefully distinguish such actions which require individual action from those which demand group action. Our village plan proformas do not

Dr. A. S. Kahlon is Dean, Punjab Agricultural University, Ludhiana.

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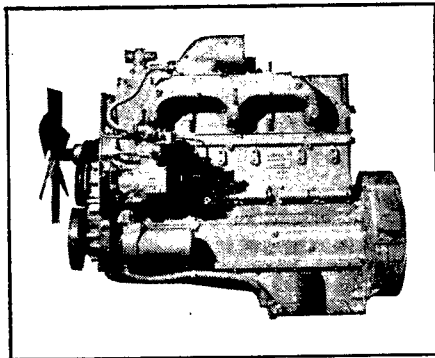
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normally provide for identification of common problems of the village which affected agricultural production. As a matter of fact, most of the items included in the village plan required individual action. This was the main reason why the concept of village plans failed to motivate group action in the Community Development Blocks.

Inter-Village Planning

There are certain production constraints which extend beyond the frontiers of one village and cannot be removed at the level of one village (through village plans). In such cases inter-village planning becomes necessary and the concept of area planning emerges in its full significance.

How to exploit production potential of an area to its optimum remains an unsolved problem. The C.D. block today forms the administrative unit for the purpose of implementing the local area plans. But the block is not a homogeneous area. Within the block there is considerable variation in resource endowment and production constraints. So, the type of farming area within the block must be demarcated. The various area units having different combinations of common production constraints could be obtained by superimposing one problem over the other.

First step would be to identify physical constraints which hamper progress. Drainage may be problem No. 1 of a cluster of villages in the area because its solution lies beyond the control of individual farmer. Electrification of villages, supply of production elements and other common problems could be superimposed one by one over the drainage problem to remove all such bottlenecks of the area which stand in the way of the individual farmer increasing his farm production.

Following this procedure, an exploratory study* was conducted on the concept of area planning in agricultural production in the Dehlon block in the Ludhiana district.

For the final demarcation of various area units, only those problems were considered which were not unique in one village, but were linked up with

TABLE
Area units having common specific problems in Dehlon block

Area-unit	Problem	No. of villages	Physical spread
A-1	Drainage	17	Two clusters of 15 and 2 villages
A-2	(a) Drainage and (b) electrification	14	Three clusters of 7, 5 and 2 villages
A-3	(a) Drainage, (b) electrification, (c) transportation and (d) supply factors	4	One cluster
A-4	(a) Drainage, (b) transportation and (c) supply factors	5	One cluster
B-1	Electrification	11	Two clusters of 6 and 5 villages
B-2	(a) Electrification, (b) transportation and (c) supply factors	12	One cluster
C	Transportation	3	One cluster
D	—	13	Three clusters of 6, 2 and 5 villages

Source: The thesis by Aulakh, Mukhtar Singh.

other villages and demanded common action. For example, 40 villages covering 17 per cent of the total cultivated area, located in two clusters of 29 and 11 villages, suffered from drainage problem. Of these 40 villages, 18 were yet to be electrified and the area was, therefore, divided into two clusters having 22 and 18 villages, the former having the problem of drainage alone and the latter suffering both from the problems of drainage and electrification. With the introduction of the problem of transport, the area was demarcated into 4 clusters of 17, 14, 4 and 5 villages. The first cluster (A-1) having the problem of drainage alone, the second cluster (A-2) having the problem of drainage and electrification, the third (A-3) having the problem of drainage, electrification and transportation, and the fourth (A-4) having the problem of drainage and transportation. When the problem of supply factors was superimposed, the clusters remained unchanged with the only difference that clusters A-3 and A-4 each had the problem of supply factors also in addition to the other problems already identified.

This procedure was repeated for other common constraints of different clusters in the area. The different area units that emerge after final

demarcation on the basis of superimposition of one production constraint over the other are shown in the Table above.

It is apparent from the Table that there were 7 different combinations of common production constraints covering 66 villages. The remaining 13 villages of the area were free from the common problems identified for the final demarcation of the various relatively homogeneous area units. This stratification of the clusters of villages on the basis of their specific problems could be used as problem-solving approach by the block administration.

In this study, some economic and institutional factors were not superimposed over the physical production constraints to obtain type of farming areas within the block. These refinements could be built to secure a still better assessment of the production potential of the area. Till that is done, identification of common production constraints examined in this study would help to attack such physical constraints which are hampering individual farmer's production programme. The removal of these bottlenecks is bound to stimulate individual action that would go a long way to increase farm production in the country.

*Aulakh, Mukhtar Singh, "An exploratory study of the concept of area planning in agricultural production". Unpublished. M.Sc. thesis, 1966.

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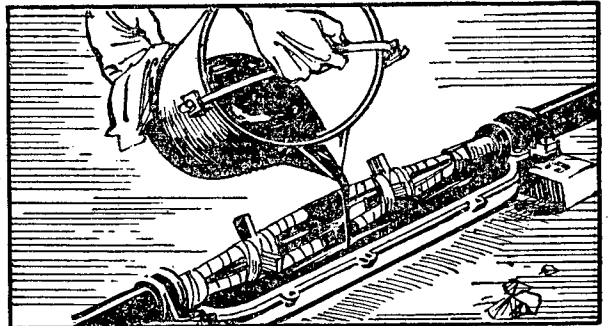
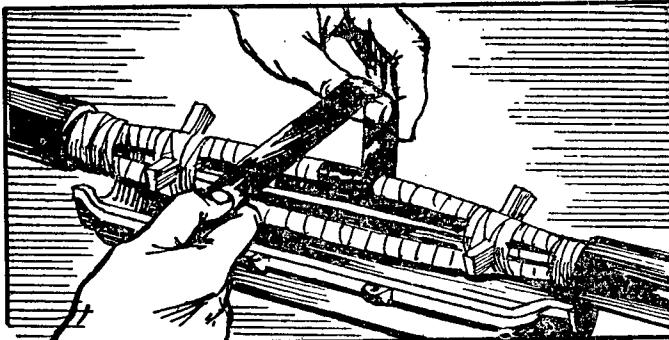
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NEPAL: Oil Discovered

PLANNED efforts to develop Nepal's natural resources have met with some success. The country has been found to possess deposits of a number of economic minerals such as iron ore, limestone, talc, mica and slate. There is also an oilfield in the northern region of Nepal. It is not easy to undertake a survey of industrial resources in Nepal, nor to develop them. The mountainous terrain makes transport a stupendous problem. Nepal has only two narrow-gauge railways totalling 59 miles. This is too little for a country of 54,362 square miles.

Under the Second Five Year Plan, Nepal is trying to further diversify the pattern of products and exports. The Plan includes an iron and steel works and a cement factory. Industrialisation, of course, will depend on the supply of electric power. A survey conducted by the United Nations shows that Nepal has considerable hydroelectric potentiality. There are possible sites in 31 places situated on 18 different rivers, with a potential output capacity of 8.5 million KVA.

At present about 90% of Nepal's export trade is with India.

LAOS: Gold Rush

LAOS is reported to have become the "gold-smuggling capital of Asia". Every week more than a ton of gold bars is flown into the capital city of Vientiane. The gold is sent from this city to neighbouring countries where the prices are higher and import restrictions are rigid. The gold traffic has become the largest single source of earned income for the Laotian Government. There is a 6.5% import duty on gold. This duty brings in 40% of Laos' customs receipts and about one-fourth of the total revenue of the kingdom.

The price of gold in Vientiane is about Rs 9,225 per kilogram. This includes the 6.5% duty. Anyone is free to import as much gold as he likes. Gold sells in Saigon, in the neighbouring South Vietnam, at about Rs 12,000 per kilogram. So

there is a large margin of profit for the smugglers. A great deal of the gold, however, is melted down in Vientiane into crude chains and bracelets and carried out of the country on the necks and wrists of air travellers. Laotians call it "smuggler's jewellery".

JAPAN: Soviet Collaboration

1967 is likely to witness a major expansion of economic collaboration between Japan and the Soviet Union. The Soviet Government has sought Japanese collaboration in the economic development of Siberia and the offers made are really tempting. Western Siberia has 40,000 million tonnes of oil in reserves, 42,000 million cubic metres of lumber, vast amounts of iron ore, coal and

FAR and NEAR

A new Yojana feature which will acquaint readers with significant socio-economic developments in various countries, especially those in Asia and Africa.

non-ferrous metals—all waiting to be tapped. The Soviet Union has asked for Japanese participation in the building of a 4000-mile, 48" pipeline with branch lines of 500 miles. They are prepared to buy a massive quantity of equipment from Japan including cargo-loading equipment, ice-breakers and machinery for the lumber industry.

Several economic missions from Japan and the Soviet Union have exchanged visits during 1966. The obstacles to Russo-Japanese economic collaboration were to a large extent cleared during Mr Gromyko's visit to Tokyo last August. Japan is already the Soviet Union's second largest non-Communist trade partner. It had \$462 million worth of

trade with the Soviet Union in 1965. Britain continues to be the Soviet Union's largest non-Communist trade partner.

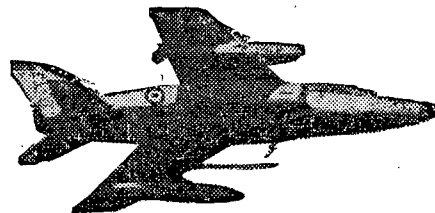
SAIGON: A Moral Question

Two important meetings took place in Saigon some weeks ago. A group of intellectuals met at the City Hall to discuss the problem of cultural and moral "depravity" and how to check it. Half a mile from there, South Vietnamese students were debating what they called "current problems" of the country; actually, the debate turned out to be mainly an indictment of inter-marriage between Vietnamese women and American men and alleged American pressure on the Government in the economic field. The first meeting was quiet, probably because it was held by elderly people. But as the correspondent of the *Far Eastern Economic Review* put it, it went much deeper. It examined the problem of "foreign" cultural invasion and its erosive effects on national cultural society. "Of course, the word American was not mentioned ... Instead, the word foreigners was used. Problems such as the growing prostitution of women and the part of the foreigners in this depravity were naturally the main subjects, together with the effects of pornographic and immoral literature and films on Vietnamese youth".

A few weeks earlier, an Association had been set up in Saigon for the Protection of Vietnamese Women's Rights and Dignity. It was an association of mothers worried by the "moral depravity" of their daughters.

Vietnamese young men also are reacting rather sharply to the marriage of many petty South Vietnamese girls to American soldiers. The students at the meeting mentioned above denounced this "escalation" of inter-marriage between Vietnamese and Americans and called for a stop to it. Many young men complained of unfair competition. As the *Review's* correspondent put it, "Many Vietnamese youths, unable to afford the hair-spray, the evening out or the lipstick, have lost their girl friends to their American competitors. Hence the anger."

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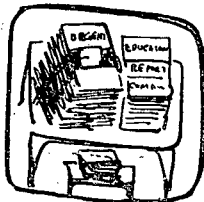
PASSING PARADE OF EVENTS

Compiled by J. L. SAAZ

JANUARY

1. Mr. T.T. Krishnamachari resigns as Finance Minister and is replaced by Mr Sachin Chaudhuri. The resignation is occasioned by his differences with Prime Minister Shastri on procedure of enquiry into charges levelled against him by some opposition M.P.s.
3. Prime Minister Shastri in Tashkent for talks, under Soviet auspices, with President Ayub Khan of Pakistan to end the conflict and improve relations between the two countries.
4. The historic Tashkent talks begin. Prime Minister Shastri asks President Ayub Khan to join in renouncing the use of force as a means to settle disputes.
India signs a loan agreement with the U.S.A; the U.S.A. to provide Rs. 23.8 crore (\$ 50 million) to finance the fertiliser orders placed by the Indian Supply Mission in the U.S.

5. The Government of India sets up an Administrative Reforms Commission under the Chairmanship of Mr Morarji Desai "to examine the public administration of the country and to make recommendations to reform and organise where necessary."



7. India and Russia sign an agreement to double Indo-Soviet trade by 1970. The total volume of goods to be exchanged between the two countries is to go up to Rs. 1,300 crore from Rs. 500 crore during 1961-64. The agreement provides for repayment of Soviet aid for industrial development in kind.
10. India and Pakistan sign the 'Tashkent Declaration'. Both countries pledge to abjure force to settle disputes and agree to steps for normalisation of relations. All armed personnel of both countries are to be withdrawn to the August 5, 1965 positions.
11. Prime Minister Shastri dies of heart-attack at Tashkent; body flown to New Delhi. India and the World pay homage to the late Prime Minister. Mr Kosygin arrives to attend funeral.

Mr G.L. Nanda sworn in as Prime Minister.

12. Over a million attend Mr Shastri's funeral. Leaders from many lands pay tribute at a mammoth memorial rally in Ramlila Grounds at Delhi.
18. The U.K. Government offers an interest-free loan of Rs. 10 crore to help India tide over food difficulties.
19. Mrs Indira Gandhi elected leader of the Congress Parliamentary Party. She defeats Mr Morarji Desai by 355 votes to 169. The President invites Mrs Gandhi to form a new Government. Mrs Gandhi reiterates her faith in the accepted national policies.

22. India and Pakistan Army Chiefs formulate an agreed plan to pull troops back to August 5, 1965 positions.
24. Mrs. Indira Gandhi sworn in as Prime Minister. Senior Ministers retain their portfolios. Mr. Asoka Mehta, Mr. G.S. Pathak, Mr. Fakhruddin Ahmed and Mr. Jagjivan Ram are included. Mr A.K. Sen and Mr Humayun Kabir are dropped.
Dr. Homi J. Bhabha, Chairman of the Atomic Energy Commission, is among 117 killed as Air India's 'Kanchenjunga' crashes on Mt. Blanc in a snowstorm.
29. A three-year agreement for the supply of about 2,50,000 tonnes of potash fertilizers to India signed between India and East Germany.

The West German Government announces its decision to give India assistance of Rs. 1.82 crore; major portion of the loan to be utilised to buy fertilisers from West Germany.

FEBRUARY

3. The un-manned Soviet Satellite Luna-9 makes the first ever soft landing on the moon and transmits unique pictures of the moon. The feat is hailed as a key step in landing man on the moon.
9. The Bokaro Board approves a Rs. 626-crore project for the first stage of the steel plant with a capacity of 1.7 million tonnes of steel and 8,88,000 tonnes of pig iron.
15. Railway budget presented; Rs 22-crore net surplus shown. Passenger fares remain unchanged while a 3% surcharge on goods rates is announced. Rs. 4 crore provided for amenities to passengers.
17. The U.S. Vice-President, Mr. Hubert Humphrey, on conclusion of his visit to India, announces the United States's decision to give India a \$ 100 million loan for the immediate import of essential raw materials for industry.
23. India and Hungary sign three agreements, including the offer of Rs. 25-crore credit for India's Fourth Five Year Plan. A protocol to extend the trade and payments agreement between the two countries up to 1970 envisages the two-way trade to rise to Rs. 31 crore in 1968 as compared to Rs. 18 crore in 1965.
24. The Finance Minister, Mr. Sachin Chaudhuri, in the Economic Survey presented to Parliament, stresses the need for adequate mobilisation of national resources to avoid excessive expansion of money supply and check inflationary pressures.
An official review of the country's foreign trade reveals a Rs 50 crore increase in trade deficit in 1965 as compared to 1964. The value of exports falls from Rs 809.8 crore in 1964 to Rs.807.5 crore in 1965 and that of imports increases from Rs 1334.4 crore in 1964 to Rs. 1382.7 crore last year.
25. India and Pakistan complete exchange of prisoners and withdrawal of troops to August 5, 1965 positions under the Tashkent Agreement.

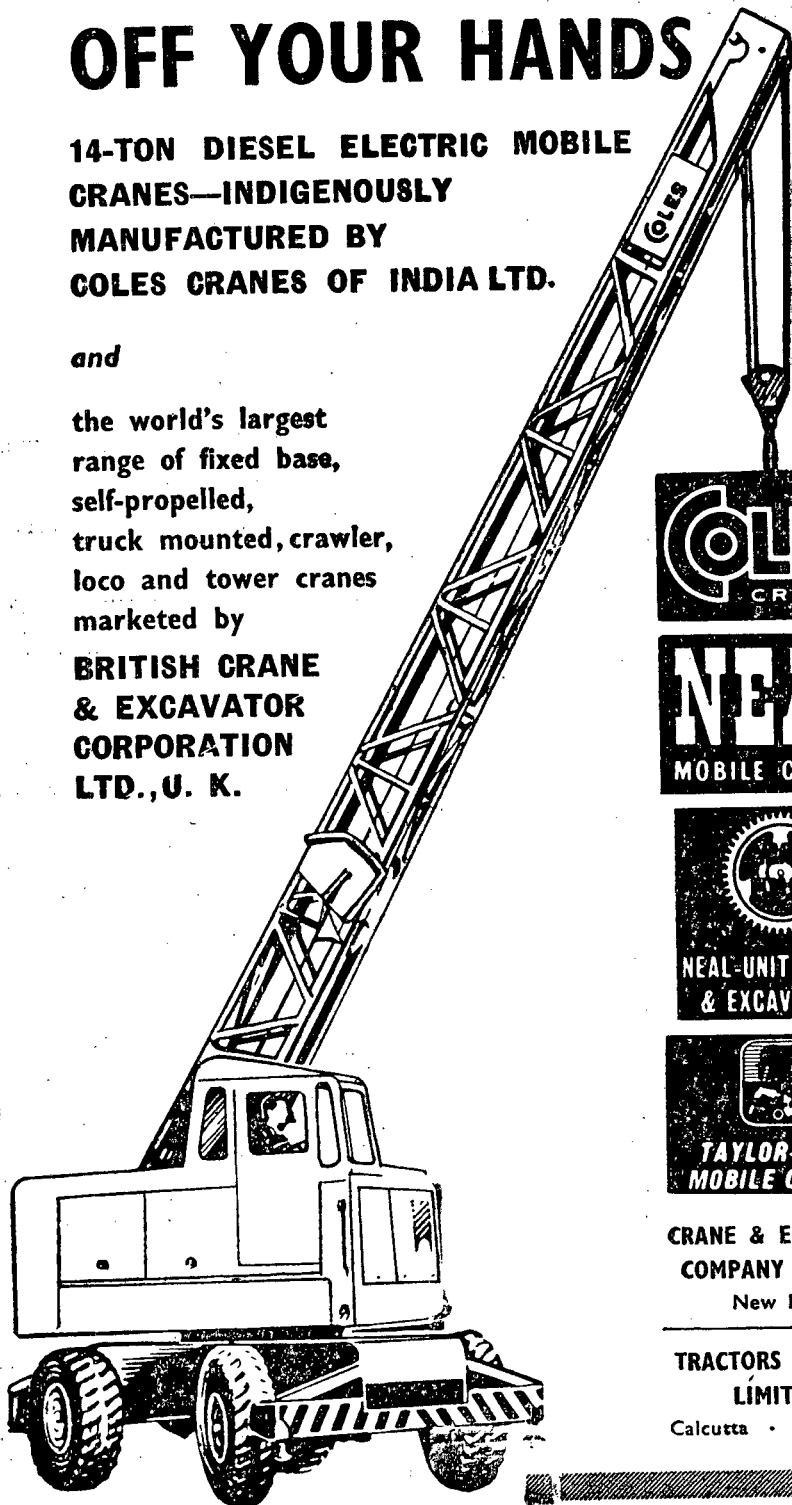
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TU/e/297

28. Finance Minister, Mr Sachin Choudhuri, presents Rs 210-crore surplus Budget. Total revenue receipts during 1966-67 at existing levels of taxation estimated at Rs. 2617 crore and expenditure on revenue account at Rs. 2407 crore. Additional direct and indirect taxes to net in Rs. 101.5 crore. Duty on sugar, cigarettes, diesel oil, cotton yarn, cloth and synthetic fibres raised; a special surcharge of 10% on incomes levied; while tax on bonus issues and expenditure tax are abolished, and gift tax and surtax on companies reduced.

MARCH

1. In pursuance of Tashkent Declaration, India and Pakistan Ministerial talks open at Rawalpindi.
A Russian spaceship lands on the planet Venus after a 106-day voyage through space covering a distance of 175 million miles. The first ever landing of a man-made object on a planet.
2. India and Pakistan Ministerial talks end without any agreement being reached on problems arising out of the September 1965 war between the two countries. Both sides agree to meet at 'a later date'.
9. The Congress Working Committee adopts a resolution requesting the Government to take necessary steps for the formation of 'a State with Punjabi as State language out of the existing State of Punjab.'
17. The United States Gemini-8 achieves the historic first docking in space, but is ordered back as it develops trouble with its main thruster rocket system shortly afterwards.
The Parliamentary Committee on Punjabi Suba recommends the reorganisation of Punjab on a linguistic basis and formation of a Hindi-speaking State to be called the Haryana State.
23. Pakistan Army displays Chinese jets and tanks for the first time in the 'Pakistan Day Parade'.
Government of India accepts the Project report prepared by the Soviet Union for the Bokaro Steel Plant.
24. Mrs Indira Gandhi leaves for Paris on her way to Washington. Mrs Gandhi holds talks with President de Gaulle of France.
25. Both call for closer relations between the two countries. France promises to give India industrial and economic aid.
28. The Prime Minister arrives in Washington and begins talks with President Johnson.
29. India and the USSR sign an agreement signifying the formal acceptance by India of the Russian project for the Bokaro Steel Plant. The first stage of 1.7 million tonne of the 4-million tonne steel plant to be completed by the end of 1970. The cost estimates are Rs. 626 crore for the 1.7-million tonne stage and Rs. 921 crore for the 4-million tonne stage. The Plant to have an inbuilt capacity for expansion up to 5.5 million tonnes.
President Johnson proposes establishment of a 300-million dollar India and America Foundation to promote the study of advanced science and encourage research in India. The funds are to be in U.S.-owned Indian currency accumulated as a result of P.L. 480 purchases by India.
Prime Minister's talks with President Johnson conclude. The talks pave the way for the resumption of U.S. economic aid. The meeting ends with mutual understanding as well as with appreciation by each other of their respective stands on Tashkent Declaration, Vietnam and China.

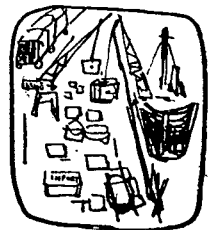
APRIL

2. The Prime Minister holds talks with the British Prime Minister Mr Harold Wilson, in London on her way back home. Britain to help India solve her economic problems.
3. Mrs Indira Gandhi returns home after a stop-over in Moscow and talks with the Russian Prime Minister, Mr Kosygin, which lead to better Soviet appreciation of India's Fourth Plan needs.

6. Mihir Sen swims across Palk Strait separating India and Ceylon to become the first Indian ever to cross this stretch of sea.
7. Mr Asoka Mehta presents to Parliament the Annual Plan for 1966-67—the first year of the Fourth Plan. The outlay envisaged: Rs. 2081.54 crore—Rs. 926 crore for the State annual Plans and Rs. 1155 crore for the Central Plans. High-priority given to agricultural production, particularly quick-yielding schemes.
10. Crash agricultural programme approved in a 2-day meeting of the Chief Ministers of States with the Union Food and Agriculture Minister. 6 million acres to be covered under high-yielding grain varieties during 1966-67 and 15 million more acres to be covered under the scheme in 1967-68. Fourth Plan target for the crash programme: 32 million acres.
18. The Planning Minister reaches New York to discuss India's Fourth Plan needs with the U.S. Govt. and the World Bank.
21. India and Britain sign agreements for two loans totalling Rs. 6.67 crore from Britain to India. The bigger loan of Rs. 6.44 crore to be utilised to finance purchase of equipment from Britain required for Heavy Electricals, Bhopal.

MAY

8. Mr Asoka Mehta returns home after a 8-day tour of USA, and expresses hope and optimism about prospect of foreign assistance for India's Fourth Plan. No specific aid figures: World Bank team to visit India as soon as the Fourth Plan Outline is ready.
9. China explodes her first Hydrogen bomb and third nuclear device; the first was on October 16, 1964 and the second on May 14, 1965. The test conducted in the air had an explosive yield in the 'same general range as its two previous tests.'
10. India strongly condemns Chinese bomb blast. Indian policy on atom bomb remains unchanged but the "policy is to be kept under constant review".
14. The Government of India and the American International Joint Company sign agreement for the Madras fertiliser plant. A controversial deal which gives American collaborators with 49% of the shares the right to block decisions.
16. The Chanda Committee on Broadcasting and Information media recommends formation of separate statutory and autonomous corporations for radio and television. It also recommends import of 2 million radio sets and foreign collaboration for the installation of a T.V. net-work in India as well as for the manufacture of T.V. equipment and sets.
18. The Government of India announces its intention to amend the Defence of India Act so that only the Centre has the power to act under it and the D.I.R. in all States and Territories except 5 (Assam, Nagaland, Nicobar, Tripura and J&K).
25. India and the U.S.A. sign an agreement for the U.S. loan of 3.5 million dollars (Rs. 1.7 crore) to India for meeting foreign exchange cost of a joint air and ground survey of non-ferrous metal deposits in the country. (Operation Hardrock).
26. India unilaterally lifts ban on trade with Pakistan to normalise trade relations under the Tashkent Declaration.
Dr. Vikram Sarabhai, Director of the Physical Research Laboratory in Ahmedabad, appointed Chairman of the Atomic Energy Commission and Secretary in the Atomic Energy Department.
27. India and the United States sign an agreement for the supply to India of 3.5 million tonnes of grain, bringing the total P.L. 480 grain to be supplied under the programme of accelerated shipments to 8 million tonnes.



between you and me...
Wonderful machine, this pump!

For a mere ten paise this does a full-sized man's job during the day, irrigating over an acre.

When I was of your age, we worked on the wheel (rahat) whole day, day after day..... that is, if we were lucky to have a well in the field. . . . Otherwise we would look up and pray, consult the elders, and wait for the rain. We had a terrible famine when I was ten. My father had seen two.

Who heard of tractors or fertilisers then? We did farming the way our fathers did, and their fathers..... and their fathers. Now you come and tell me of,—what?—improved variety of seeds!

Well, things have changed. But I suppose

**Plan
means
Progress**

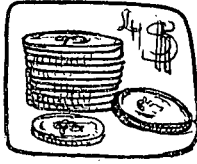


DA66/437

31. The Punjab Boundary Commission submits its report to the Union Government.

JUNE

5. The rupee devalued by 36.5 per cent; the value of the U.S. dollar rises to Rs 7.5 from Rs 4.76 and that of the pound sterling to Rs 21 from Rs 13.33.



The consequential measures include imposition of export duties on 12 items, downward adjustment of basic import duties on several items and the abolition of all special export promotion schemes providing for grant of import entitlement licences.

6. Following the devaluation of the rupee, the Government takes a number of decisions aimed at liberalising imports of certain raw materials and essential items like vegetable oils.
7. A cultural and scientific co-operation accord between India and France signed in Paris. Among other things the agreement opens up opportunities of Indo-French collaboration in the nuclear field.
12. Mr C. Subramaniam, Union Food Minister, announces the Government's intention to set up big department stores in 50 towns with a population of 2 lakh and above to check the rise in prices.
15. The U.S. decides to resume financial aid to India and Pakistan suspended following the conflict between the two countries in September 1965.
16. India and the U.S.A. sign an agreement providing for an American loan of 33 million dollars (Rs 24.75 crore) for the Beas Dam.
18. Mr Manubhai Shah, Minister for Commerce, announces Yugoslavia's willingness to give India a long-term credit of 80 million dollars to be paid back by export of Indian goods to Yugoslavia.

21. The Government announces, as a first step towards import liberalisation, a list of 59 priority industries which will be allowed to import raw materials, components and spares needed for production up to full capacity.



27. Planning Minister Mr Asoka Mehta leaves for Moscow to discuss with the Soviet leaders the "quantum, terms and pattern" of the existing and future Soviet aid to India.
29. The International Development Association announces a 68-million-dollar loan to India to assist the railway development programme.

JULY

3. Prime Minister Mrs Indira Gandhi inaugurates the Rs 16-crore tank factory at Avadi (Madras State). Production of 'Vijayanta', the first India-made tank, marks a milestone on road to self-reliance in defence.
6. The Government of India floats two new loans of 5 and 25 years' maturity totalling Rs 260 crore. The loans are expected to take care of almost the entire public borrowings assumed in the Budget for 1966-67.
7. The first rocket with equipment and payload entirely made in India successfully fired at Thumba (Kerala).

Mr Asoka Mehta, on return from Moscow, indicates that the flow of machinery and equipment from Russia to India during the Fourth Plan period may be of the order of Rs 830 crore.

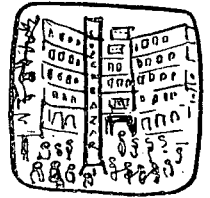
8. India and the U.S.A. sign an agreement for a U.S. loan of 150 million dollars (Rs 112.5 crore) to finance a broad range of commodity imports to help increase industrial and agricultural production.

11. India and Russia sign in Moscow a protocol laying down the three principles to govern Indian and Soviet trade after devaluation. These are: no loss to either India or Russia; no discrimination between Indian trade with Russia and that with the rest of the world, and cases of hardship to importers or exporters in either country to be attended to.

14. As a result of talks between Mrs Indira Gandhi and Mr Kosygin in Moscow, Russia agrees to give to India aid totalling Rs 750 crore during the Fourth Plan.

Mr Orville Freeman, U.S. Agriculture Secretary, makes it known in New Delhi that in future India will have to pay for all U.S. food imports in dollars.

15. Super Bazar—the first big co-operative department store to arrest high prices—starts functioning in New Delhi.



17. The World Bank affiliates agree to loan the Indian Railways 25.5 million dollars for buying diesel locomotive parts.

25. The Planning Commission decides to draw up a Rs 16,000 crore 4th Plan for the Public Sector.

A review of the food situation issued by the Union Food Ministry reveals a fall of 17 million tonnes in food production in 1965 as compared to 1964 (1965 production: 72 million tonnes).

28. Finance Minister, Mr Sachin Chaudhuri, announces a total commitment of 142.8 million dollars as non-project aid by 5 West European countries for the current year of the Plan.

AUGUST

3. 5 lakh acres of land in Andhra Pradesh start receiving irrigation from Nagarajunasagar; the project is to irrigate 32 lakh acres on completion.

16. Government announces cash assistance ranging from 10 per cent to 20 per cent of F.O.B. value to selected industrial products with sizeable export potential to give boost to their exports.

18. The Union Government approves a Rs 23,750-crore Draft Fourth Plan—Rs 16,000 crore for the public sector and Rs 7750 crore for the private sector.

19. The World Bank; acting through the International Development Association, announces a fresh loan of 150 million dollars to India aimed at supporting measures to accelerate the country's economic growth.

21. The National Development Council approves the Draft Outline of the Fourth Plan. The Prime Minister announces that the Fourth Plan in its final and detailed form will be ready by the end of the year.

23. Fourteen States announce issue of their net loans for the current year for amounts aggregating to Rs 93.50 crore.

24. Mihir Sen swims the Strait of Gibraltar separating the continents of Africa and Europe.



29. The Draft Outline of the Fourth Plan is presented to Parliament. It envisages an annual rate of growth of 5 per cent in national income and 3 per cent in per capita income. Self-reliance and discontinuance of foreign aid by 1976 among the principal objectives of the Plan, the others being price

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Vol. XVII :	(Feb. 1920—June 1920) :	Birth of non-cooperation.
Vol. XVIII :	(July 1920—Nov. 1920) :	Gandhiji describes foreign rule as 'Ravanarajya'.
Vol. XIX :	(Nov. 1920—April 1921) :	Congress accepts new objective for the national struggle.
Vol. XX :	(April 14—Aug. 15, 1921) :	The year of slogan "Swaraj in one year".

(Volume XVIII in Hindi is being released shortly)

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stability and progress towards socialism and equality. Top priority given to farming and family planning and stress laid on maximising exports and selectivity in investment. The Plan aims for the common man: 3 ozs more of foodgrains a day and 2 metres more of cloth every year.

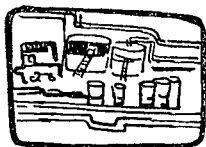
SEPTEMBER

2. The Government of India relaxes the Gold Control Order to permit making of ornaments of more than 14 carats. The measures to check gold smuggling include a ban on the possession of primary gold and the bringing of gold refining under State control.
18. The Commerce Minister announces import allocations at 1964-65 level, for certain industries not included in the list of 59 priority industries.
22. India and Indonesia sign an agreement for the grant of a credit of Rs 10 crore by India to Indonesia. The credit is to be utilised mainly for the purchase of consumer goods from India.
23. Prime Minister Mrs Indira Gandhi inaugurates the Rs 30-crore Cochin Refinery near Ernakulam. The refinery has a capacity of 2.5 million tonnes of crude oil.
27. U Thant, Secretary General of the U.N., chosen for the grant of the first Jawaharlal Nehru award for International Understanding. The President, Dr Radhakrishnan, will give away the award of Rs. 1 lakh.



OCTOBER

6. India promises to give Rs 40 crore as aid for Nepal's Third Plan. Announcement made by the Prime Minister while inaugurating the Rs 1.27-crore Kathmandu Water Supply Scheme, built with Indian aid, during her visit to Nepal.
15. The keel for the first Indian warship to be built in India and scheduled to be launched in October 1968 laid at the Mazagaon Docks in Bombay.
18. President Radhakrishnan inaugurates the Koyali Oil Refinery's second unit.
21. Tripartite meeting between Mrs Indira Gandhi and President Tito and President Nasser begins in New Delhi with an exchange of views on world situation.
23. Tripartite talks conclude in New Delhi. The three heads of State in a joint communique call for an immediate end to the bombing of North Vietnam without pre-condition.
27. China fires a nuclear weapon with a guided missile.
31. Mihir Sen swims Panama Canal in 35 hours and 30 minutes covering about 41 miles.



NOVEMBER

1. Punjab Reorganisation Act comes into force. As a result, two States, Punjab and Haryana, come into being. President's rule ends as Ministries of Punjab and Haryana are sworn in. The interim report of the Administrative Reforms Commission is laid on the table of the Lok Sabha. The Commission recommends the appointment of two Ombudsman-type institutions to deal with complaints by citizens against the administrative acts of Ministers, Secretaries of the Union and State Governments and officials.

9. The President accepts the resignation of Mr G. L. Nanda, Home Minister, as a sequel to the anti-cow slaughter demonstration and violence in New Delhi on November 7.
11. India elected to the United Nations Security Council for a two-year term.
13. Central Cabinet reshuffled, Mr M. C. Chagla appointed Minister for External Affairs, Mr Chavan for Home, Mr Swaran Singh for Defence and Mr Fakhruddin Ahmed for Education.
14. 29 more industries to be delicensed, making a total of 42 industries exempted from the provisions of Industries (Development and Regulations) Act.
16. The Union Food Minister, after his meeting with the Chief Ministers, announces that a National Food Council will shortly undertake the formulation of a Food Budget of the country laying down deficits or surpluses for each State.
17. Miss Reita Faria, a 23-year-old medical student from Bombay, chosen as Miss World, 1966.
18. The Prime Minister constitutes the Drought Relief Fund for the relief of people in the affected areas in Bihar, Eastern and Central U.P. and some other parts of the country.
19. Mr. G. Sankara Kurup receives the first Gyanpeeth award of Rs one lakh and Vagdevi symbol for his anthology of Malayalam poems, "Otakkuzhal".
21. The Soviet Government announces a gift of agricultural machinery for the setting up of 5 State seed farms in India, along with the grant of credit for the purchase of equipment from the Soviet Union for 10 more seed farms and 15 machinery-hiring centres to step up agricultural production. The Soviet Government will extend a credit of Rs 5 crore for the purchase of this equipment.

24. 600 delegates from 30 member countries and observers attended the inaugural function of the Asian Development Bank in Tokyo. The Bank's authorised capital rises from one billion dollars to one billion and 100 million dollars. India subscribes 93 million dollars as the second largest subscriber among the regional members.
27. The Kothagudem thermal power station in Andhra is commissioned (two generating sets, each of 60 MW capacity).

DECEMBER

5. Polling schedule for 4th General Election announced; votes to be cast from February 15 to 21, 1967 and the results to be declared up to February 24.
India and Britain sign an agreement for a fresh British loan amounting to Rs 28 crore.
10. India signs an agreement with the Soviet Union for additional Soviet credit of 300 million roubles (Rs 250 crore) for 12 projects to be undertaken under the Fourth Plan with Soviet assistance. With the signing of this agreement the total Soviet aid for Fourth Plan comes to Rs 750 crore.
14. The tripartite meeting of Economic Ministers of the U.A.R., Yugoslavia and India concludes. The main decisions: reciprocal expansion of trade and special payment arrangements; preferential tariff; establishment of a joint shipping service; and greater utilisation of the free trade zones of the three countries for storing and transhipment of goods.
15. India and the U.A.R. agree to increase their trade by Rs. 13.55 crore over the levels for the current year.
Canada agrees to give India \$ 21 million aid for emergency food shipments.
16. Japan agrees to give India yen credit worth about \$ 42.5 million.

QUOTATION BOX

Enough Food in India if Rats
Do Not Share It.

—*Heading of an article in a daily*

Disunited Against Congress.

—*A heading in The Statesman*

I once found myself out of a job.
So I hired a hall and gave a lecture
and I have never had to do a day's
work since.

—*Mark Twain in one of his speeches
in India in 1896*

When a man undertakes a task,
he allots it a proportionate part of
the day and balances the rest of his
time with involvements at home.
But when a woman takes up work
outside the home, she redirects all
her enormous energy into that single
channel. A woman in politics is
formidable.

—*Chinese Premier Chou En-lai
quoted by Albert Axelbank*

A witch has replaced Britain's
Prime Minister, Harold Wilson, as an
honorary member of the Oxford
University Liberal Club.

The witch, Mrs Gleanor Bone,
High Priestess of the Worshipful
Conven of London Witches, said of
Mr Wilson's ouster, "Poor Mr
Wilson. I did not even cast a spell
on him."

—*J. Errol Bowmen*

After a brief address from the
Colonel (at a British Territorial Army
Parade at Huyton)... the Prime
Minister made a 'somewhat longer
speech', which was so long, in fact,
that one or two members of the cadet
squadron, drawn up at the rear of the
parade, found time to faint, regain
consciousness, stand up again, faint
again, and then be carried off.

—*The Times, London*

What is the answer? That is the
question.

—*An M.P. in the House of
Commons*

If divorce by consent were to
be introduced, what would the marri-
age vow really amount to—"Till death
do us part" or "When both decide to
call it a day"?

—*The Bishop of Exeter in the
House of Lords*

A surprisingly large majority of
Democrats and Republicans are
agreed on what is to be done by the
90th Congress. They are convinced
that the recent spate of social legisla-
tion has brought about an acute
state of administrative constipation,
and that relief is essential.

—*The London Times Washington
correspondent*

Political analysts agree that
Governor George Romney of Michi-
gan would make a good Presidential
candidate if he knew something about
foreign affairs and something about
domestic affairs.

—*The New York Times*

Those who do not dream at all
are opportunists. Those who only
dream, turn into ineffective eccentri-
cities removed from reality.....

In the past I have made the mis-
take of advocating unreal idealism
in certain situations.

—*Dr R. M. Lohia*

It is possible that a few clever
Pakistanis might have told their
friends in Peking that Miss Faria's
appearance, in a sari or a bikini,
finally laid bare India's hypocrisy
about being non-aligned.

Ditcher in Capital

The holymen are too pre-occupied
just now with their campaign to save
cows to spare a thought for human
beings.

—*Economist's Correspondent from
India*

Bored of Trade?

—*A heading in The Economist*

Dr P. V. Sukhatme, Director of
the Statistics Division of the F.A.O.,
has recently estimated that the level
of diet in the developing regions is so
low that one in every five people
goes hungry, and three out of five
suffer from evident malnutrition.

—*From an article in The New
Statesman*

Looking Back

From Yojana, December 29, 1957

While scarcity exists, we must re-
fashion our food habits to combat it.
Since the main victim of the drought is
rice, we have to learn to eat less of it.
The Government has successfully
induced people of Bengal to take a
certain quantity of wheat with their
ration of rice. In Madras, the con-
sumption of wheat has steadily gone
up. In Kerala there is still resistance
to changing from an all-rice diet to a
mixed one. It is for the Malayalis
to realise that eating a little wheat is
not only better for their health, it is
also better for the nation. The wheat-
eating North must now give up the
festive eating of rice for those who
need it more. This is no time for
feasting. If we all realised that, not
one person in the country would need
to go hungry.



To Contributors

In view of heavy pressure
on space, contributors are
requested to keep their
articles strictly within 1200
words; longer pieces have
little chance of being pub-
lished. Preference is given to
empirical studies, studies on
regional economies and as-
pects of socio-economic-
cultural life in the States.

It is not always possible
to acknowledge receipt of
articles. *Yojana* being a fort-
nightly and of limited space,
articles often take a long
time to be published, and the
Editor may have to send back
scripts even after keeping
them for several weeks.
Contributors who may like to
place their articles elsewhere
when *Yojana* cannot publish
them within stipulated dates,
should write to the Editor
who will return the scripts
or fix the date of use in this
journal.

Rejected THIS INDIA
entries will not be returned.
Contributors have to watch
Yojana to find out if their
entries have been accepted
or rejected. If an entry is
not used within two months
of its arrival, it may be taken
as rejected.