



PREFACE

Until the release of Political leaders, in June 1945, the National Planning Committee was unable to function with the regularity and expedition originally intended, as its Chairman, Pandit Jawaharlal Nehru, was inaccessible practically all through 1940-45. Informal consultations were held at the very first opportunity, after his release, in June 1945; and in the September following, an informal meeting of the Committee and some of the Chairmen and Secretaries of Sub-Committees was held in Bombay. At that meeting the following resolution was passed :—

"In view of the long period that has elapsed since the last meeting of the National Planning Committee and the vast changes that have taken place due to war conditions and otherwise, it is desirable that the National Planning Committee should issue directives to the Sub-Committees about future work. In considering this the previous resolutions of the Planning Committee as well as the various plans for National Planning placed before the country should be reviewed, with a view to speed up production and to organise distribution in such a way as to bring about the maximum increase in the standard of living of the people within a minimum period of time."

"It is also necessary to prepare a factual statement of the changes that have taken place in the country and outside and their effect on any scheme of planned economy. Further it is desirable to draw up a list of priorities, with the resources which may be available to us that may be taken up immediately with a view to meet the problems of varying urgency that are likely to confront the country in the immediate future."

"These questions be considered by the National Planning Committee at its next meeting to be held in November 1945, onwards. Meanwhile a Sub-Committee consisting of Sir C. V. Mehta, Dr. John Mathai, Col. Sockhey, Mr. A. D. Shroff, Mr. Manu Subedar and Prof. K. T. Shah (Convenor) is appointed to consider these questions and to report thereon to the next meeting of the National Planning Committee."

This Sub-Committee submitted its report within the time prescribed; and a full and formal sessions of the National Planning Committee was held on the 8th, 9th and 10th of November 1945 when new Directives were issued to the Sub-Committees.

At the same time a resolution was passed appointing another Sub-Committee consisting of Pandit Jawaharlal Nehru, Dr. John Mathai and the Hon. Gen. Secretary, called a Co-ordinating Sub-Committee,

"appointed to consider particularly the more urgent problems of food, housing and education especially literacy and recommend specific schemes. The Chairman was authorised to appoint this Sub-Committee."



While the original view of the Committee, viz. that the National Plan must be a comprehensive, co-ordinated endeavour for simultaneous development in all fields of production, cultural as well as material advancement,—the immediate problems which faced this country, as many other parts of the world, mainly as the result of the War, had to be tackled first, if only to afford immediate relief.

This Sub-Committee met several times between December 1945 and March 1946. It drew up its report and made recommendations on each of the several sections of its reference, by the end of March, 1946. Owing, however, to developments in the political field, it was impossible to hold a plenary sessions of the National Planning Committee till the 9th of July; and even then the sittings had to be informal, as it was impossible to give adequate notice to members all over the country to attend.

The informal meeting of the National Planning Committee, held on July 9th, 1946, had neither sufficient time, nor adequate attendance, to consider properly these reports, and other matters that awaited decision. It, accordingly, passed certain resolutions, one of which authorises publication of the Priorities Sub-Committee's Report in full.

“This informal Meeting of the National Planning Committee, having considered the reports of the Priority and Development Sub-Committee, appointed at the last Meeting of the National Planning Committee to consider the urgent National problems of Food, Education, and Housing, realise the grave importance of those questions at this juncture, particularly in regard to Food, and to consider that the ways and means recommended by the Special Sub-Committee in regard to each of these problems deserve the most careful consideration by the Provincial and State Governments. The Meeting accordingly authorises the Honorary General Secretary to publish these Reports and forward copies to all the Provincial and State Governments which have co-operated with the National Planning Committee, and such other Bodies and Authorities as may be interested and invite their opinion to enable the National Planning Committee to take formal Resolutions on the same at their next full and formal session.”

That Report is accordingly published in the following pages with a view, mainly, to invite public consideration of the specific proposals and recommendations made therein. Such action, as the authorities directly concerned or interested may take, would be, of course, their own evaluation of the practical utility of these proposals. The National Planning Committee as a whole has put them before the public, not as integral part of its final long-term report on these matters; but as ways and means to be considered for the relief of immediate problems which demand solutions without further delay in the interest of the whole country.

September 10, 1946.
Bombay.

K. T. SHAH,
Hon. Gen. Secretary.



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NATIONAL PLANNING COMMITTEE

PRIORITIES IN PLANNING

(Food, Education, Housing)

K. T. Shah



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INDIAN NATIONAL PLAN

Priority No. 1

FOOD

1. In any well-conceived plan of national Development the provision of adequate food must be the most important item with the highest priority.

2. The main sources of Food Supply for this country are :—

(a) Agriculture and Horticulture, in the shape of food grains or cereals, oil-seeds, tea, sugar-cane, vegetable, fruits and those cash crops e.g. cotton, jute, etc., the surplus of which may be exchanged in international trade for additional food-stuffs to supplement the indigenous resources in that behalf.

Even if the latter do not form the subject matter of international trade, they provide additional purchasing-power for the workers by affording them alternative employment in the industries based upon these raw materials.

(b) Animals, mainly cattle, sheep, goats and the like, to provide milk, and milk-products, the most important ingredient in the average Indian Dietary; (ii) meat, eggs, or poultry, honey and the like. This is not of universal consumption in this country though an important addition to the daily food of a goodly portion of the population. By-products of animals besides meat, e.g. hides and skins, hair etc. provide basis for manufacturing industries or foreign trade. Cattle breeding for food is not largely practised in India.

(c) Fish from all over the sea-coast as well as in the rivers and lakes or tanks in the country.

(d) Forests which not only afford grazing ground for animals and provide fodder for the same, but also material for drugs and medicines.

I. Agriculture & Horticulture

3. In preparing a plan for ensuring adequate food-supply for the people, a distinction must be made between long-term and short-term planning.

The former is a comprehensive simultaneous all-round attack upon every aspect of the national life, both cultural and material, the results to be achieved by predetermined stages within prescribed time. In this food supply must take due proper place. Regard would also have to be paid to the balancing of the diet, and adjusting the same to the various ages and requirements of working life.

The latter, short-term plan, is only an instalment of the former, in which specific urgencies of demand or priorities, are more particularly considered. Because of the admitted deficit in our food-supply immediate consideration must



be paid, as a matter of special urgency to providing or procuring sufficient food supply to maintain a given standard of working efficiency, health and vitality.

4. Both long-range or short-term planning for food must take into consideration not only the home production of the various articles and the sources of their production mentioned above, but also such quantities as may have to be obtained by the operations of trade.

5. India's need for food grains was calculated by Sir Ganga Ram, on the modest basis, and according to the census of 1921, at 77 million tons per annum. According to the latest figures of population census of 1940-41, and with a per capita ration of cereals varying from $1\frac{1}{2}$ lbs. to $\frac{3}{4}$ lbs. the total requirements would be as follows :—

Per Capita ration per day in lbs.	Annual total requirement in tons
$1\frac{1}{2}$ lbs.	9,50,79,240
1 lb.	6,33,86,160
$\frac{3}{4}$ lb.	4,75,39,620

The total yield of the crops named below, according to the latest statistics is given in the following table :

Total population in 1940-41	Article	Available total yield in 40-41	Ration per head per day.
389 millions	Rice	22,191,000 tons	0.34 lb.
389 millions	Wheat	10,005,000 tons	0.16 lb.
389 millions	Millets	9,000,000 tons	0.14 lb.
	Maize		
	Jowar, Bajra,		

The total output of food grains as given by W. Burns in "Technological Possibilities of Agricultural Development in India" in the year 1942-43, is as follows :—

Cereals	60.0 million tons
Pulses	7.5 " "
Fats & Oils	1.9 " "
Fruits	6.0 " "
Vegetables	9.0 " "
Milk	23.0 " "
Meat Fish & Eggs	1.5 " "

He considers this amount to be inadequate to meet the requirements for a well-balanced diet for the people of this country ; he suggests an increase of the following to bring about an adequate well-balanced diet :

Cereals	by 10 per cent.
Pulses	by 20 per cent.
Fats & Oils	by 250 per cent.
Fruits	by 50 per cent.
Vegetables	by 100 per cent.
Milk	by 300 per cent.
Fish & Eggs	by 300 per cent.

To supplement this he also suggests an increase in the production of oil cakes and concentrates by 400 per cent. and fodder by 55 per cent. to increase the production of milk.

6. Any of these rations would provide comparatively poor nourishment with low calorific value and that is all that can be made available to the masses of the Indian people. We cannot accept such a ration as adequate in a permanent plan. A part of our deficit may also be due to the surplus produce, which, not being consumed at home, because of the low living standard of the people, used to be exported in exchange for other requirements of the country's economic life.

7. Thanks to the increase in population since 1921 as also because of the need to provide more balanced and nutritive diet, we may place our present food-grains requirements with $1\frac{1}{2}$ lb. daily ration per annum at about 100 million tons in round terms. This makes due allowance for an amount needed for seed for the next season's crop, as also for some unavoidable wastage. With the ration reduced to half that size the aggregate needed will be about 500 million tons.

8. In 1921 the indigenous production was also calculated by the same authority to be just about sufficient for the country's demand, i.e., 77 million tons of cereals, pulses etc. Since then Burma has been separated from India. Her output, therefore no longer forms part of India's.

9. The disparity between local production and demand has consequently become increasingly manifest, that the hiatus between demand and supply may well be estimated at between 25 and 30 million tons per annum under a long-range plan. In consequence there has been recurrent famine and recourse has had to be had to large-scale import. It must be the first concern of the national planning authority to make up this deficit within a term of not more than 5 years by any one or more of the ways outlined below. The deficit therefore to be dealt with in this regard of food supply must be taken to be much greater than revealed by these statistics.

10. The means of adding to the food supply produced in the country from Agriculture and Horticulture may be listed as follows:—

(i) Bringing additional land under cultivation which now lies uncultivated, even though suitable for the purpose.

(ii) Adding or improving the facilities for the necessary adequate regular water supply in the lands already under tillage or those to be brought under the plough, so that in these areas where the rainfall is either insufficient, irregular, unevenly distributed in any year, or occasionally fails altogether. This vital requirement of fruitful agriculture may not be lacking.

(iii) Providing better manure, so as to add to the quantitative as well as qualitative yield of the food-crops raised in this country.

(iv) Better seed with a view to increasing the yield and quality by hybridisation, etc.

(v) Introducing better implements or machinery for tilling the land, for sowing, harvesting and the like.



(vi) Improving the technique of cultivation, by better tools and implements, power driven machinery, suitable rotation of crops etc.

(vii) Reforming the general organisation of all land in cultivation, on the co-operative basis, so as to avoid the needless waste of available land in the shape of barrers and make the labour devoted to land more productive per unit of cultivation.

(viii) Consolidation of holdings, which are to-day excessively fragmented and scattered, and so gravely impede economic tillage or increased productivity.

The phenomenon is noticeable all over the country being the result of the law of equal inheritance for some among the Hindus and similar position leading to excessive sub-division of a heritage even amongst Muslims.

(ix) Control of pests, weeds, etc. which reduce the yield per units as well as in the aggregate.

(x) Protecting the soil against floods and erosin.

(xi) Revision of the cash revenue demand open to periodical revision and enhancement by the State so as to approximate land Revenue to Income-tax. A necessary corollary of that reform would be to exempt from any revenue demand such units as to raise only the minimum needed for the subsistence of the cultivator and his family. On the other hand taxation may be levied at a sharply progressive rate which may even be discriminatory against unearned income from land. The introduction of all-round co-operative farming mentioned above would completely revolutionise the problem of buying and collecting any tax on land, or its products. For the State would then become a kind of Co-partner; and its share of produce—even if converted into cash,—will have no affinity to taxation.

Another revolutionary change would be the transformation of the present fixed cash demand for land revenue into a share of the producer payable in kind by the co-operative organisation as a whole.

Yet another radical change would come over the system of land tenure in the country. Absolute proprietorship of individual landlords or holders will have to be abolished, as also parasites like zamindars, taluqdars, absentee landlords and mere rentiers of all kinds and descriptions.

(xii) Organisation of proper storing, grading and marketing facilities in order to guard against periodical gailue of crops as well as to provide by exchange of surplus or speciality, wherever it exists other requirements of the agriculturists.

(xiii) Reduction of the unproductive debt burden of the cultivator by a wholesale reorganisation of the nation's banking service. By reducing this unproductive burden the cost of production will fall and the balance left to the cultivator will increase.

(xiv) Proper adjustment between the commercial crops or raw materials of industry produced from Agriculture and food crops proper. This is a most important concern in national planning of a comprehensive kind and must not be left to the vagaries of the individual fancy.



(xv) Proper attention to the development of Horticulture fruits and vegetables—or market gardening—which would provide an excellent supplement to the standard diet and provide indispensable vitamins.

11. All these various modes of adding to the available food supply, raised from agriculture, and Horticulture within the country must be tackled simultaneously and not one by one, as they are mutually interdependent and their cumulative effect is bound to be much greater. When or if these fail, or do not suffice, recourse may have to be had to import of food grains from abroad if a proper plan on these lines is carried out.

Every State or Provincial Government would, however, prepare its own programme for carrying out the general policy under the plan as formulated by the Central Government and given effect to as laid down in the basic national programme. India can easily be made self-sufficient in the matter of food grains if proper planning is advised and carried through.

12. There is a very considerable area of land available in every state and Province in this country, which is suitable for cultivation, but which, for a variety of reasons, is not under the plough. That it would be an important source for adding to the food supply of the land no one can question; though other means may bring about the same result, e.g. improving the yield per unit of cultivation on land actually tilled.

13. The total area of culturable waste land amounts to something like 23 per cent. (152 million acres) or very nearly one quarter of the total area of British India (Roya Commission on Agriculture). All this is fairly well distributed throughout the country and would admit of a planned programme for being brought under cultivation.

14. For this purpose considerable amount of capital investment would have to be incurred. This is impossible to estimate with any degree of accuracy. Each parcel of land would need its own capital equipment varying within very large limits from unit to unit, and from province to province.

15. Experience of other countries like the U.S.A., as regards the Middle West, or Italy as regards Romagna will hardly be a reliable guide.

16. That of the canal colonies in the Punjab may be mentioned by way of illustration, though not as a dependable basis for calculation. The late Sir Ganga Ram made thousands of acres of formerly desert land highly productive by adequate irrigation and power driven machinery for all farming operations. Exact figures of his costs are not available, but within less than 7 years he made 2 parcels of Desert land, out of 40000 acres and another of 80000 acres productive enough to give him back all his investment together, with a handsome profit.

17. The capital cost here considered is not merely the acquisition of rights in land, or provision of building, live stock and tools, implements or machinery needed for tilling the land; but also of the labour required for clearing the land of weeds and vermin, of levelling and draining or bringing water, providing seed, manure, lighting and power, which are all needed for efficient cultivation and healthful living of the cultivator on such land.



18. While each of the above capital requirements may vary on each parcel of land, several of them can and should be provided as at common obligation of the state e.g. water supply by irrigation, whether by canals, wells or tanks, roads for transport; manure, large scale fertilisers, or organised collection and distribution of natural manure etc. Measures for the protection of the soil against erosion, floods, pests and the like, will be part of regular national services, which will involve much more recurring than capital cost.

19. Whatever it be the capital cost of these equipment and services must be spread over the total plan, and not charged exclusively to such land being brought under the plough. Estimating the total capital required even for clearing and preparing the land for cultivation is not easy. Assuming, however that there are 200 million acres of such culturable land throughout the country, including the States and that it would cost on an average, Rs. 25 per acre by way of such capital investment directly incurred to make such land productive, the total investment would be Rs. 500 crores.

20. If this amount is spread over 10 years—not too long a period for such purpose—the annual borrowing necessary would be only about Rs. 50 crores of a special agricultural loan. And if it is secured specifically on the new land brought under cultivation and repaid from the produce of that land, both capital and interest, the burden will not be felt to be appreciably heavy.

21. The annual interest on this loan may be made a charge on the provincial exchequer, aided, if necessary by the Central Government, and repaid from the surplus of such land when fully productive.

22. According to the experience of practical agriculturists, like the late Sir Ganga Ram in this country or Campbell in the U.S.A., this land would not take more than three years to yield crops, so that within a period of 15 years, at most, from the date of incurring it, the loan would be repaid, both capital and interest.

23. There need be no apprehension about the success of such a loan being easily subscribed as it will be fully and specifically secured and guaranteed by the national Government. But if need be government may even add to the volume of the note issued for ensuring success of the loan.

24. Generally speaking such waste land would not involve any proprietary rights to be taken over the state. In cases, however, there are any such rights, compensation may have to be given for this acquisition. But it will not amount to very great figure in view of the unused character of that land. The State's right to eminent domain over all such sources of production will have to be emphasised and exercised, so that most effective means of adding to the Food Supply of the country may not remain unavailable or unused.

II. Co-operative Organisation

25. When such land has been acquired or brought under the ownership, control or direction of the State, co-operative colonies of experienced agriculturists should be established thereon to develop and cultivate it. These may be given life interest or specified return in kind from the land cultivated by them or paid actual wages to reimburse them for their labour.



26. In such co-operative colonies every operation and activity concerned, not only with agriculture directly but also with the whole life of the settlers in all aspects must be based upon mutual aid and all round co-operation. The land, tools and implements, buildings and livestock, seeds, manure and the crops as well as the social services of education and health of transport and marketing, of banking and insurance should be shared out in accordance with previously fixed or agreed scale of division. Each item contributing to the production e.g., land, water, power, labour, cattle, seed, manure, etc. should receive a stated proportion from the produce or its equivalent, as may be agreed to or prescribed. The proportions, needless to add, should be open to revision from time to time, say every five years.

27. The settlers should be required to continue in settlement for a given period, during which not only would they be guaranteed a pre-determined standard of living, whether out of the proceeds of the land, or independently, but would be trained and equipped for the task before them in such a manner that they may become themselves teachers for carrying on the experiment of wholesale co-rotation further, even on land already settled and developed. The rights of the settlers should be inalienable and not transmissible by inheritance.

28. The most urgent and immediate need of land thus brought under the plough would be water. This may be supplied from large-scale irrigation works, part of the national programme or local wells and tanks. It would also need power for lighting and working industries.

29. The capital outlay may also be necessary for the supply of water needed for cultivating the land, as well as for drinking, washing and other such needs of the settlers thereon ; and other for any industries that may be established by way of subsidiary occupation for those of the settlers who may be employed in such occupations or for spare time employment and which may require power driven equipment.

30. Irrigation and Power Supply on such land should be regarded as part of the common national services not chargeable exclusively to this land. The amount of capital required for all these purposes would be difficult to calculate, not only because it may vary from province to province ; but also because the level of prices on which calculations can be made at any given moment is itself liable to change. Judging from the cost of large scale irrigation works already constructed and the balance needing yet to be built and adding to that a round figure for the cost of local wells and tanks as also for Hydro-Electric plants, a total of 100 crores would not be too lavish an estimate on this account. It need not exceed, all told, 250 crores, easily providable by borrowing on the general national credit.

31. The yield of additional crop thus raised from such land so equipped and cultivated may be as much within 5 years as that on the lands now under cultivation, but which suffer from a number of handicaps that the lands newly brought under cultivation will not. Its special advantages will more than neutralise the relatively poorer soil though that too may not be universally true.

32. Another important means of adding to the volume and quality of the crops raised consists in improved manure which would return to the soil its physical and chemical properties used up in the process of cultivation and cropping.



Schemes of the Government of India and of Travancore recently put forward or into effect in regard to the artificial fertiliser industry in the country, have shown the immense possibilities of this mode of adding to the Food resources of the country. While the average yield of rice per acre, in such regions as Travancore was calculated at 800 lbs. per acre, without aid of fertiliser, with that aid it is estimated that the minimum yield on the same land would be at least about 1500 lbs. per acre. If we take into account the other improvements and advantages due to better organisation and technique through co-operative farming, outlined elsewhere in this Note the resultant increase in the yield of agricultural land all over the country would easily double the total produce in less than five years, if the plan is honestly and efficiently prosecuted.

33. Artificial fertilisers, however, may be costly for the relatively small and scattered holdings, common in this country. Artificial Fertilisers will, therefore, not be easily accessible to the average cultivator, at least in the absence of co-operative organisation and its consequence or concomittant of large scale production. Natural fertilisers, however, are in the shape of human or animal refuse available in this country by whose aid agriculture has for centuries past been maintained at a fairly high level despite innumerable handicaps. With the growth of towns all over the land and increase in population, both human and cattle, these sources of natural manure supply would be necessarily more promising. What needs to be done, however, in this behalf is the organised and systematic collection and distribution of all such manure in every part of the country, so as to furnish it in required quantity to the land badly in need of it.

34. One of the immediate objectives, therefore, of this section of the Plan would be to provide the necessary machinery for collecting and distributing all available night-soil and town-refuse as well as the excreta of cattle in the towns on the farms, or in the forests. This may be supplemented, wherever the special qualities, exigencies of the soil or of the crop may so require, by artificial fertilisers. These should be made more cheaply available. On this understanding fertilisor factories will have to be distributed and conducted as public utilities, in which the predominant motive should be not the commercial success of each such undertaking, but the service it can afford to the community as a whole. The cost of such collection and distribution on a systematised basis, will be relatively unimportant. In any case, it will form part of the working expenses, or cost of production.

35. The country's need in regard to these fertilisers has been variously estimated aggregating a million tons a year. The capital cost of a plant, estimated to produce 360 thousand tons per annum, has been put at about Rs. 10 crores. This means that if the country is to be furnished with the entire amount of a million tons of artificial fertilisers per annum the capital cost for this item alone would amount to Rs. 30 crores. This also may be a central national obligation and may be spread over a number of years, so that the actual annual burden need not be disproportionately heavy.

III. Seed

36. Improved seed, as a means of adding to the weight as well as the quality of the crop has been universally admitted as an important ingredient in scientific



agriculture, whether of food crops or industrial raw materials. Experiments already made in this country on various kinds of crops with proper seeds, demonstrate beyond question the immense possibility of this means of adding to the food resources of the country.

37. The time needed for this means to yield results is also relatively very short. Within one crop season or, at most, within a year carefully selected seed, found suited to the climate and the physical or chemical properties of the soil in each case, will yield plentiful returns in the very next harvest.

How much increase of the food stuffs may be obtained from this source is impossible to estimate, but all these various methods put together may well be expected within a space of five years, at most, to double the total yield of land in regard to food grains.

If the same proportion of improvement occurs in regard to other items of food raised from land, such as fruits and vegetables, and spices, the volume, variety and quality of this most important source of the food of the country will be so enriched as to eliminate the present threat of perennial deficits.

IV. Tools, Implements & Machinery

38. Improvement in yield by better agricultural tools and implements, higher technique and scientific rotation of crops, has been demonstrated beyond question by the experience of such practical agriculturists as the late Sir Ganga Ram or some of the sugar farms in the Deccan. Working on large areas of thousands of acres with power-driven machinery, they have improved the yield over ten times and more. With co-operative organisation this advantage may easily be brought within the means of all.

39. We may at most have to take steps for stopping such exports of any food grains in any period when the local supply itself threatens to be short of requirements or in any period when an actual store has not been built up to last for at least one year after that, in which the crop was raised. This was India's ancient method of guarding against actual starvation through famine and modern experience in the other countries also proves the wisdom of this method which may, therefore, be revived with advantage.

V. Improved Equipment & Technique

Reference has already been made in the earlier sections to improved machinery, tools and implements which would add substantially to the volume of agricultural output. It means also improved technique for land cultivation and all round development of agriculture.

Each item in this generic suggestion may make its own contribution in the shape of improved yield as well as quality of the crop. The exact proportion due to this is difficult to estimate but the experience of other countries and comparison of yield per unit shows that there is very considerable room for such improvement in this country.

This is not to belittle in any way the customary methods of cultivation in



vogue in this country. Nor does it overlook the indispensable condition of improved technique, equipment and power driven machinery, that the agriculturists might use with advantage, that much larger units of cultivation would be necessary. Unless and until the cultivated land is, therefore, reorganised on the co-operative basis mentioned above, there is not much hope for improvement in the yield or quality of crops.

With larger units cultivation, the capital investment needed on this account would not be more than Rs. 100|- crores at most, including the new land to be brought under the plough. This also may be spread over a period of ten years to be effective.

The suggestions made in this note are not to be taken isolatedly; they go together, so that whether on the technical or on the organisational side, or even on the physical side, the problem must be attacked simultaneously. Then the results would be cumulative.

VI. Rotation of Crops

One particular item in improved technique, to which a special reference must be made, is the scientific rotation of crops. By this means the soil would be enriched, instead of being denuded, by every crop which precedes another; and the land may be capable of yielding more than one crop per annum, instead of once, as at present. Irrigation on a large scale has already demonstrated the possibility of raising more than one crop so that there is nothing improbable in expecting, in ten years, a 50 p.c. rise in the yield from land so treated.

VII. Consolidation of Holdings

The Universal evil of scattered and fragmented holdings has already been mentioned. The loss of potential field from this handicap is impossible to gauge. It prevents, or renders extremely difficult all other improvement of a mechanical, technical or organisational character.

Consolidation of holdings will be effected as part of the reorganisation on a cooperative basis already mentioned above.

In so far, however, as consolidation may be impeded, because of the existing social system, or the laws governing inheritance, it may be mentioned that the co-operative Reorganisation outlined in this Note will not interfere much with the legal system, immediately. In the next generation of the cultivators the consequence would be much more clear, and the reform of the legal system may then have to be much more specific.

The co-operative organisation may in the last analysis, even be empowered to prompt such parcels of land, forming part of any co-operative unit, as belong to a given individual member but are threatened with withdrawal from the organisation, because of the death or migration of that member. If this reorganisation is real and universal, there would probably be not much need to have recourse to this device for effecting or maintaining consolidation.



VIII. Control of Pests, Protection Against Soil Erosion or Floods

These two are also important, not perhaps so much by way of adding to the volume of crops, but in adding to the aggregate yield by avoiding loss or wastage.

The destruction of crops due to such pests as locusts or ground vermin only cause to reduce available supply. Modern science and agricultural technique has so developed, however, that this evil may be very effectively guarded against, and the loss or damage to crops resulting therefrom avoided.

Here, too, the formation of Co-operative Organisation would be much more able than unorganised individual cultivators under existing conditions to deal with such periodic visitations, or regular dangers to growing crops.

IX. Soil Conservation and Afforestation

The latter is a large promble by itself all over the country. Special measures must, therefrom, be taken, as for instance those recommended by the Soil Conservation and Afforestation Sub-Committee of the National Planning Committee, to guard against such avoidable wastage of valuable soil by flood or erosion or lack of adequate afforestation.

The increment resulting from this factor is estimated from recent experience of the Bombay Government at 20% to 30% in the volume of crops. The soil lost through erosion is reduced by 50% in the very first year after effective steps have been taken up in this behalf; and in the fifth year, the loss is reduced to 1/10th. The result, if measures are concerted and applied all over the country, would mean at least 1/3 as much increase in the volume of food crops produced.

X. Revision of Land Revenue System

A far more important factor in the agricultural possibilities of this country lies in the present system of land tenure and revenue demand. It acts as a deterrent in many a progressive cultivator for further investment of capital or labour in that source of new wealth. Whatever the reason and justification at the time of the origin of this system at the present time, the fact of land revenue settlement being open to revision from time to time (20 or 30 years) makes it difficult for the cultivator to be quite sure about the returns to himself from further investment of labour and capital in the land.

It is common experience that, in such area taken up for resettlement, operation takes about 5 years. This is naturally a period of uncertainty for the cultivators affected therein. Similarly five years after each Revision Settlement, also, the cultivators suffer from another handicap in the shape of the Revision bringing about generally an enhancement or rates. This acts as further deterrent to the average small cultivator, who worms such a conspicuous feature of the agrarian economy of this country, to devote more labour and equipment for better cultivation.

Another handicap in the present land Revenue system is the Fixed Cash Demand which remains unchanged all through the period of the Settlement, no



matter what the changing level of prices may be ; and no matter what the peculiar fortunes of agricultural produce in any given season may be. Prices of agricultural produce tend to fall more often than rise; and every effort the cultivator makes on his own intensifies the fall by increasing the produce or supply of a commodity, which cannot keep indefinitely, and which he has no great ability to store up for a long while.

Without denying the objections to the Bhag-Batai system of land revenue assessment and collection, it must be recognised that it afforded a better equity to the cultivator by making the fortunes of agriculture shared between the State and the cultivator following the vicissitudes of the season. Much has, no doubt, been done to guard against the erratic rainfall, and other such handicaps of nature. Rules have also been made for postponement or remittance of the Land Revenue demand, if in any season it becomes too burdensome. But, even so, the fixed and changing character of payment in cash is a premium on cultivating easily marketable crops rather than food crops, which, therefore, fall into increasing deficit.

A radical reform in the Land Revenue system is thus necessary. A consequence of that will also be a fundamental change in the system of land tenure in the different States and Provinces. The Co-operative Organisation, suggested in this Note, can be depended upon to help materially in this regard by avoiding or minimising the common evils of Bhag-Batai, enabling cultivators to wait for a better market, storing crops, etc.

The remarks in the preceding paragraph in this section apply mainly to provinces having the Ryotwari Settlement, where the demand is fixed in cash for a term of years, and is open to revision at the expiration of the term. In areas covered by the permanent Zamindari system, the logic remains the same, in as much as the larger zamindars, or permanent proprietors of land, also follow the practice of demanding a fixed cash revenue for themselves. They collect their own share in cash, equal to the difference between the amount they are bound to pay to Government, and that which the cultivators raise.

In this system there are two additional defects which gravely prejudice the position in respect of food crops ;

(1) The existence of the parasitical class of absentee landholders who take no direct share or interest in the cultivation of land ; and

(2) The growth of a number of intermediaries between the zamindar and the actual tiller of the soil. Of the latter each levies his own tribute upon the cultivator. This cannot but be a deterrent to any improvement in the yield or the quality of the crops, though the areas generally covered by this system are amongst the most fruitful and productive in this land.

In the co-operative system taxation of land need not disappear altogether. It rather would approximate more and more to the present direct taxes on individual incomes, from every source. A necessary corollary of that reform would be the exemption of the minimum of subsistence from the Land Revenue demand. At the present moment it would mean a very large sacrifice of revenue in the Ryotwari Provinces, because of the extremely small holding of individual cultivators, which would all have to be exempted. Inasmuch, however, as the co-operative



system will bring about a large scale and intensive cultivation on joint holding, if not all consolidated into single ownership, this need not cause such a leakage in the revenue demand as may appear at first sight. The revenue, however, collected from these larger, reorganised, and reinforced units would be completely revolutionised, as it would be in the shape, not so much of cash, as share of the produce, whatever it may be fixed to be. It will be set apart for the Central, provincial, and the local government needs, in stated proportions, and would be used, either for purposes of central storage as an insurance against famine, or for payments in kind.

These changes must not be effected in the Ryotwari Provinces alone. They must also be made in the Permanently settled *Zamindari*, *Taluqdari* or *Malguzari* areas. The absentee landlord, or the parasitic landlord must be progressively, if not all at once, eliminated, with or without such compensation as the State may determine.

As, however, these items have a close bearing upon the rest of the national economy and its various aspects have been touched upon elsewhere no further elaboration is necessary in this connection.

XI. Commercial vs. Food Crop

Proper adjustment between commercial and food crops, in respect of the area devoted to each kind, is also necessary, if the aggregate of the national economy is not to suffer unnecessarily.

The recent campaign in the name of Grow-more-Food seems to have been a panicky measure, induced by the spectacle of death through sheer starvation on a large scale in certain parts of the country. It resulted in some reduction of area devoted to cultivation of crops forming industrial raw materials, e.g. cotton, jute, sugar-cane, oil-seeds, etc. which in normal times cannot but react unfavourably upon the aggregate economy of the country.

In a properly co-ordinated or planned economy, therefore, a reasonable balance must always be maintained between the area of the land devoted to the cultivation of crops for industrial raw materials, and those providing food-grains proper. India has ample area to meet both our needs, and with the improvements mentioned, make us self-sufficient in these vital aspects.

The existing proportion of land devoted to these two kinds is an ad hoc phenomena, which needs to be considered and co-ordinated from, the all round needs of the country and not merely because, in the course of development, it just has happened.

It is, however, not one of the recommendations of this note that the area devoted to food crops should in any way be reduced. On the contrary, it is possible to add to that area by terracing the lower level hillsides in many parts of the country, and planning their crops which are more suitable to the peculiar qualities of those regions.

XII. Reduction of Debt

A very important factor in strengthening the agriculturists' ability is the reduction of the burden of unproductive debt, which admittedly rests upon the



cultivator in all parts of the country to incredible degree. A wholesale system of debt redemption, by a programme of conversion by the State and its assumption of the obligation to the present creditor, of regulation and control of these debts by the state to reimburse collectively on a reasonable rate of interest as well as capital, is indispensable. The debt will eventually be reimbursed to the community by the increased and improved yield in cultivation. This, if effected, will make a handsome addition to the purchasing power and resisting capacity of the agriculturists which would be needed even when reorganised in co-operatives.

It would be impossible to go further into details of this scheme of Debt Conversion, Reduction and Reimbursement as it has immense complications and universal importance, which cannot be satisfactorily dealt with in this Note.

XIII. Horticulture

Addition to the food supply through the development of market-gardening, i.e., increased production of vegetables, fruits etc. and the development of the industries concerned with their processing, such as fruit-canning and preserving, would be of a very substantial order, if specific attention is paid to this department in the planned programme. A stated proportion of the new acreage brought under cultivation, in addition to that already used for the purpose, should be devoted to this means of supplying the vitamins required for efficient working.

XIV. Food Imports

Import of food-grains need not be necessary in this country. If all the measures suggested above are duly carried, there need be no fear of famine in this land. Import from abroad need not be barred altogether, though exports may be prohibited under certain conditions.

XV. Animal Food

As regards food from the animal life in the country it must be noted that a large percentage of population of this country is either religiously averse to meat-eating or is much too poor to afford it.

The country is very rich in regard to the animal wealth, particularly domestic cattle, sheep and goats, horses, camels, donkeys etc., from the point of numbers at least. A very large proportion of this cattle is unproductive, over-aged or inefficient, mainly because of poor feeding and unplanned breeding. Notwithstanding the losses due to the war, the cattle wealth of India may even today be estimated at somewhere near 25 crore heads. But, of these, perhaps, not more than 10 crores,—if even so much, are worth keeping, as likely to be reasonably productive or efficient as source of power.

The economic use of this cattle population is in respect of :—

(a) Aid to agriculture in ploughing, haulage, water-drawing, milling, etc. If the system of planned breeding is to be adopted a special breed will have to be developed for this purpose ;

(b) Transport in the rural regions, where also proper breeding will give rise to a type of cattle specially suited for that purpose, whereas today breeding for mixed purposes serves neither object satisfactorily ;



(c) Milk and Milk products. Here lies the great value and greater potentiality of the cattle wealth in India and also the possibilities. At the present time the average yield of milk cattle per annum is hardly about a thousand pounds per head during a milk season. Experiments of practical agriculturists like the late Sir Ganga Ram, or of professional dairy keepers like Sir Datar Singh, go a long way to prove that an average yield of between 4000 to 5000 pounds of milk per annum from cows or buffalows is not at all too high a mark for Indian cattle to attain.

The problem consists mainly in proper breeding and feeding. For the latter purpose, provision or development of suitable pasture ground, which, under present conditions, is being daily encroached upon either by food or by commercial crops, is indispensable.

What is lacking is, however, the proper organisation and setting apart of land for grazing or of grazing crops which will provide fodder for cattle to be supplemented by such other cattle-food as may be scientifically devised.

(d) Apart from the religious objection to meat-eating, cattle have never been bred scientifically in this country. If, however, this object is kept in mind by the Planning Authority, a very substantial addition to the country's food supply may be derived from this source ;

(e) Industries founded upon, or connected with the cattle-wealth of the country, e. g. (i) manure from the excreta already noted above, (ii) hides and skins and leather industry together, with manufactures of the same, would provide considerable alternative employment both, on the cottage or on the factory scale ; and so add to the purchasing power of the rural population.

The same may be said of other by-products such as hair, bones, teeth, etc.

For an immediate target, therefore, the Plan should :—

- (a) lay down a programme of cattle breeding for different purposes,
- (b) set apart the necessary pasture ground,
- (c) raise proper fodder and other items of cattle food.
- (d) organise the dairy industry on a large and scientific scale ; and
- (e) other industries founded on this branch of the national wealth.

XVI. Fishing

India has a long coastline with seas very rich in fish, edible and otherwise. Some of the very largest rivers of the country are similarly rich in this important article of the people's food; for people in maritime provinces of the country use fish as the principle article of their diet.

Fishing, nevertheless, as an industry and a means of food supply, is still carried on archaic methods, with small scale fishermen content to ply their trade from near the coastline.

The immediate objective, therefore, must include specific plans for adding to this form of the country's food-supply on an intensive industrialized scale, by



fishing with mechanical boats and instruments or other means of catching, curing, canning, drying and preserving fish.

Exactly what proportion of the country's food will be added by this source is again very difficult to say. The present figures, such as they are, are for the reason already stated above, too slight and too inadequate to form any reliable basis for any estimate of planned development. A rough estimate suggested a possibility of a 10% addition to the total food-supply from this source, though it can never by itself, alone meet all the food needs of a normal diet.

The capital investment for providing boats and equipments, as well as machinery for factories for curing and canning fish would be relatively insignificant. The return from this, on the other hand, would be for years to come very substantial.

XVII. Forests

Forests as a source of food supply for the human and cattle population may be regarded relatively as insignificant. Nevertheless, indirectly at least, by supplying grazing ground for cattle, herbs and plants for drugs, medicine or spices, the forest wealth of India, properly developed, may be depended upon for very substantial improvement in the general health of the people, if they too are dealt with under a planned programme.



Priority No. 2

EDUCATION

In the matter of education the distinction between short-term and long-term plan is difficult to make or maintain, except perhaps in regard to making the yet illiterate adult population literate. By its very nature, education of people of school-going age, so numerous as ours, is a process which must necessarily take time. To be really sound it must be integrated with and fitted into the main Plan of National Development spread over a number of years.

As all social services, of which Education is one of the most important, are mutually interdependent the progress made in one of these must keep pace with the corresponding advance in all the others. There must be no lop-sided development in the country. This is another reason why no short term plan for immediate execution can be satisfactorily framed in this regard.

Nevertheless if a comprehensive and planned system of national education and all round development is to be put into effect, some urgency must attach to the case of the illiterate adults or adolescents, i.e. that section of the population of school-going age, which, through the process of stagnation or wastage during their school period, has not mastered the rudiments of literacy.

The proportion of illiterates is nearly 90% of the total population, or some 270 millions in British India today, and 350 millions all over the country.

The following may accordingly be taken as problems of special urgency, which may be treated as matters for short term planning to be put, immediately, into operation.

- (i) Education of the illiterate adults of both sexes, whether past the school-going age as defined in the National Plan, or those remaining illiterate because of wastage or stagnation in their school period.
- (ii) Provision and training of teachers, both for imparting literacy to the adults, and for the main system of National Education as part of the National Plan. This will not be achieved all at once. This is continuous process never ending altogether as new teachers would be always wanted to replace those superannuated, or otherwise unavailable for that service. A large-scale beginning must be made immediately in this section of the National Plan.
- (iii) Provision of buildings and furniture, needed for the entire programme of National Education under the Plan; including furniture, apparatus, material and other equipment needed for the same. Existing structures, if unsuited for the purpose, will have to be remodelled; and new structures added in required numbers.
- (iv) Financial aspect of the plan both in the long range and in the immediate operation.



The proportion of illiterate adult population in India is roughly 85% of the total. There is only 10 p.c. of the population which can, at all, be classed as literate; and, of these, men out-number women by five to one.

According to the latest statistics, a little over 15 millions of the school children of school-going age are at school. Taking the age distribution of the population in India, under the census of 1941, children under 15 number, in round terms, 12 crores. Of these some 5 crores may be taken to be under 5 years of age. There are, therefore, 7 crores of children of school-going age in the country, of whom only 1.5 crores are receiving some sort of education.

There remain, therefore, 5.5 crores children and youths for whom immediate action must be taken, if these are not to be a burden, inefficient and inadequate—upon the rest of the community.

To bring this vast number up to an absolutely irreducible minimum level of education, say end of junior basic school, at least 2 years of intensive instruction would be needed. Given 50 pupils of this age to a class, we would need a lakh of buildings with 2 class-rooms each. This number would be reduced in proportion as the ordinary school buildings are utilised for this purpose by adjustment in the time-table.

As for the illiterate adults, we may put their number at 25 crores, in round terms. Of these women out-number men in the proportion of 5 to 1.

In their case, besides the ordinary verbal instruction from teachers, as in a normal school, measures must be adopted to utilise the Screen and the Radio for a wholesale programme of immediate action. An intensive drive for mass literacy of adults in units of 50 each in towns of 5000 population or more; and in smaller units in rural areas will require the services of, at least, a million persons giving full time attendance to this job for one year each.

Timing for the literisation of adults will have to be such that those actually at work are able to attend; and take the benefit of the programme. Evening classes after working hours or early morning classes before work starts must be the normal practice in their case.

If working hours are staggered, a full working day of 6 hours may be provided for every instructor in this field and the programme can be very materially expedited, perhaps completed in one year.

For the rural population this task must be arranged during the off season, when active attendance in the field is not needed. With the aid of one talkie and peripatetic radio, this sector can also be expedited; and illiteracy among the adults abolished in, at most, 2 years.

Factories, workshops, and all commercial establishments, as well as other large employers like Municipalities, District Boards, Railways, and other Public Works, as well as Contractors thereunder, must be charged with the responsibility for carrying out this programme in their section, whether the employees are permanent or floating.



The use of the Talkies and the Itinerant Radio, will be more effective, at least as aid to the instructor, in rural areas for this campaign of mass literisation, within not more than two years.

Each Province, or administrative unit, should be required to put up its own programme in this regard ; and charged with the responsibility of carrying it out as part of the National Plan.

The personnel for giving effect to this item in the National Plan must be found in some system of School Conscription, of those already educated upto a given standard, say men who have completed the secondary stage of Education. Whether they intend to go up for higher education, or take to some occupation, these persons, numbering about 250,000 in all India drafted into the national social service, as conscripts have hitherto been drafted for military service. This must be regarded as a sort of poll tax paid in kind by those best able to afford it. It must be a condition precedent to their admission in any occupation, or entrance to any University for prosecuting their own studies, further, or acquiring specialised qualifications, that each should have discharged this social duty. It must be a universal obligation from which no exemption should be allowed to any one, except on grounds of permanent invalidation, or specific disability.

Instructors, thus required, will have to be given some training for their task, in the last year of their High School career. This must be a compulsory course, though no examination need be held. A certificate must, however, be granted, saying the holder has duly taken this course and must be admitted to teach the adult illiterates.

The feeding, clothing, housing, and transport of these conscript social servants, must be found at public expense. This cost should not exceed Rs. 5/- per head per month ; and the total not exceed Rs. 1½ crores. The housing of this force need offer no difficulty, as the additional school buildings put up, or existing ones expanded and remodelled, would serve for the purpose. Other items of the Conscript living costs should be comprised in the figure mentioned above.

The burden must be shouldered by Local (Provincial or State) Governments. The task must be carried out through Municipalities and other Local Bodies, with such subsidy as each may need.

This is a purely local Force ; and must be used within the region, primarily, in which each individual ordinarily resides. The other sector of Illiterate Adolescents will have to be dealt with somewhat differently.

These remain illiterate, either because :

- (a) at the time the National Plan of Education, was being first put into effect, they had already passed the minimum school-going age ; or
- (b) because, in the existing system of education, they were part of the large proportion (over 80) who stagnate, or are wasted.

As regards the first group, their number is difficult to calculate. Assuming they total 5.5 crores,—of age between 7 and 14,—these must be absorbed in the

new schools, programmed to be added to the existing ones, or existing schools expanded.

Intensive training for a year to those above 7 and below 9 will bring them upto the level of those who begin their school-career in the 1st year of the National Plan.

For those above 9 years of age, intensive effort to impart a minimum of literacy and education will have to be adopted, somewhat on the lines adopted in the case of the Adult Illiterates.

Those suffering from stagnation or wastage,—now reaching 80 p.c.—must be brought into the main system of National Education ; and helped out of stagnation or wastage by better methods of educating the youth of the community.

As the national educational system will continue even in after life, while the recipient is at work, the chances of reclaiming this portion from ignorance or illiteracy are very great.

The cost of this part of the programme will relatively be small, 0.8/- as. per head, per month, some 39 crores, which will be required only in the 1st 2 years of the Plan.

The next item under (i) is the most considerable,—educating, as part of the National Plan, the children of the community within the prescribed age period,—between 6 and 14 years of age.

Education of the children of the community upto a given minimum standard must be accepted as the absolute and unescapable obligation of civilised society ; and, therefore, of the State representing it. The inadequacy of the use of the resources of the community, financial or otherwise, must not be an excuse to avoid or reduce this obligation. Means must be found and expedients devised to meet it at any cost even, if need be, passing on a part of the burden to the next generation.

The process of Education necessarily takes time. The irreducible modicum to be imparted to every child in the community, as part of the National Plan, must take several years,—say 7. The scheme outlined below applies to children between 6 and 14 years of age and extends to the whole of that period.

When this process is first put into operation, there will be already in the community children over the minimum school-going age who are outside the process. We have dealt with these already.

We must begin the process at both ends, so to say,—i.e. take every child of 6 years of age into school compulsorily equip it with an absolute minimum of education, training and equipment as well as, those at the other end of the school period,—say 10 or over,—who have not received the benefit of compulsory universal national education, and who must receive also their share,—somewhat curtailed, it may be,—of this advantage. In their case the aggregate time passed at school may be two or three years. For the rest, the time compulsorily required to be passed in school cannot be reduced, in any case, below 5 years.

It is an indispensable condition of discharging this obligation that such Edu-



education should be provided to all, at least upto the prescribed minimum standard, free of all cost to the recipient or his or her parent or guardian. Not only no fees should be charged for it; all the equipment, books, paper etc. needed for giving and imbibing such instruction, training, or education must be free, and provided at public expense.

This exemption from cost may not be sufficient to induce all parents to send all their children of school-going age to schools. The cost of maintaining them at school in a degree of vitality, energy, and alertness necessary for acquiring and retaining the instruction or training imparted in these institutions, is no inconsiderable item in an average Indian family Budget. Because of this, in all advanced countries, at least one meal, the so-called mid-day meal, is provided, at public expense, to children in the school. It would, therefore, mean a substantial relief and even inducement to parents to send their children to school, if one meal, at least, be given to these children at public cost.

Further, such incidental expense as may be required to correct initial handicaps of particular children, e.g. had teeth, poor eye-sight, etc. should likewise be provided at the cost of the community.

Medical inspection of school children is nowadays a recognised part of the general administration of the Education Department. Not always is this inspection as efficient and detailed as it might be. What is more serious, even when the medical advice is given after proper examination and diagnosis, the remedies prescribed may be too costly for the average parent to provide. Hence the need of dental and other clinical treatment for ailing or defective children provided at public expense.

With the elimination of any income from school fees, in the basic or primary stage, the problem of finance would necessarily be a very serious matter. At the present time (1942-3) British India spends, from all sources, some Rs. 31 crores on all stages of education, or barely Rs. 1|1|- per head of population.

At the present time, however, one out of every four children entering school in the first division never reaches the final stage of primary basic education.

We are entitled to demand that every pie spent on this service must yield full return. Should the cause of so much (80%) wastage and stagnation lie with the technique of education, the means of the personnel, these must be improved, expanded or replaced.

Even if full returns are—as they must be—obtained from this outlay, it affects but one-fourth of the total population of school-going age in British India. The expenditure will, therefore, have to be increased four times, i.e. approximately Rs. 100 crores per annum to bring us near the desired goal.

But the present day rates of teachers' salaries are intolerably low. They will have to be substantially raised, and other facilities or amenities provided to make the teacher equal to his task. Increase in the number and salaries etc., of the teaching staff, and increased cost of books, meals, apparatus, etc. must raise the cost of the whole programme by, at least, 1|3, i.e. to Rs. 35 crores per annum, for elementary education of excessively high grades.



The period of this stage of education has also to be increased i.e. to 8 years compulsory, for all. This will further raise the cost by 3/5 or Rs. 55 crores. The total will now be Rs. 190 crores. Add Rs. 10 crores by way of interest etc. on account of special loans raised to large-scale operations, the minimum cost p. a. for elementary or basic education—free, compulsory and universal, throughout the country cannot be less than Rs. 200|- crores per annum.

All this increase will not take place all at once. It can be easily spread over 10 years, giving an aggregate increment of Rs. 20 crores every year, after allowing for all possible improvements and economics.

Suggestions are outlined in a later section of this Note to show how funds can be found to meet both the current or recurring expenditure as well as the cost for providing buildings, furniture, books, apparatus, and other equipment of a more durable kind, together with such of the industrial establishments, like printing presses, furniture workshops, instrument and apparatus factories, needed to provide the equipment and accessories in a sound system of national Education.

The programme of National Education under a comprehensive Plan cannot remain content only with this. There must be arrangements under the National Plan, both for pre-school and Post-Basic School Education.

At the present time there is absolutely no provision worth the name for pre-school Education so far as the masses of the people is concerned. Only in very large towns, and that too, with reference to the relatively richer section of society, are arrangements possible for such Education to be made. Even then they smack more of response to demands of fashion than a systematic organisation, properly fitted into the national scheme of all round popular education.

Training of the little children under six years of age would, of course, be easier in towns where the population is larger, and industrial or commercial employment, in large numbers, much greater. In respect of population not engaged in large scale industrial or commercial establishments, the obligation must be shouldered directly by the Municipal authorities.

This part of the National Education programme must be begun in selected areas, particularly towns, with a given population, say 5000 or more, which would provide, reckoning at 6% of the population, about 800 children upto six years of age or below.

The obligation for providing pre-school Education to the Nation's children between 2 and 6 years of age cannot, under our present circumstances, be made quite so categoric or universal, and utterly free of cost, as in the case of basic education.

Nevertheless, in so far as it is accepted, it must be shared between employers, local Governing Bodies, and voluntary associations, which may be engaged in this work.

Each industrial, commercial or Public Utility Department, or contractor thereunder, employing hired labour of a hundred workers or more, particularly



women with children numbering not less than 30 must be required to provide nursery or Kindergarten or Montessori classes for these children. Room and equipment must be provided by the employer, while the teacher must be provided by the Local Authority. As for Nursery Schools, kindergartens, monstessories and the like, organised for children between 2 and 6 years in each town or large village of 5000 and more, two institutions of this kind can be maintained in each such unit, one by the factories and workshops within that area providing similar instruction for children of their workmen, and the other for the general public maintained by the local authority.

Under the Census of 1941 there are reported to be 2703 such places with an aggregate population between them of 49.7 millions. Let us take it at 5 crores, in round terms. They would provide about 3 million children of ages ranging between 2 and 6 years.

Distance in space will also be an important factor in organising pre-school institutions, particularly in Rural Areas. Where distances are large, transport arrangements must be provided by Government or Local Authority to enable children of tender years to get the benefit of this system.

With adequate transport arrangements and feeding of children in the afternoon, such Nursery Schools should be attached in more sparsely populated areas to the Junior Basic Schools staffed preferably with women teachers.

Pre-school Education should be free in all cases. Given, however, the tender age of the children likely to benefit from such arrangements, this cannot be made compulsory. Parents must nevertheless be persuaded either to provide for it, in their own way, or to send their children to such central schools, particularly in towns, where women are accustomed to work outside the home as wage-earners. The principal aim of Education in this stage is not so much drilling in certain heads of instruction ; but rather to accustom these infants to work together, and cultivate social habits.

If this Education is provided for the whole of India, it would require roughly, 1 million classes, as calculated by the Sargeant Committee. The total outlay would amount to over 3 crores per annum.

The basic Education system must be free, compulsory and universal. It must be spread over a definite period of 7 or 8 years, into two stages of Junior (first four years) and Senior Basic Schools taking the last three years.

At the point of junction scope must be left for selection of promising youths to be taken into the next higher stage in the national, educational organisations, Secondary or technical and Vocational institutions, corresponding to what are now called the high schools.

The Basic Schools upto the last year of the period would necessarily be much more important for the largest number.

Three important requirements for carrying out this system to perfection are in the matter of (1) teachers, (2) proper building, books, furniture, apparatus and equipment and (3) funds.



At the present time teachers are insufficient in number ; ill-equipped in training, and very poorly paid. A very considerable increase in the number of teachers will be necessary if the entire school-going population within the age periods mentioned is to be brought and kept into school, till the end of the period regarded as the irreducible minimum. If we assume that the total number of children of school-going number 7 crores in round terms and if we allow 40 pupils, on an average, per teacher, we would require, anyway, nearabout 10 lakhs teachers in addition to those already employed for carrying out this programme.

The bulk of these teachers will have to be recruited afresh—at least a lakh a year—and properly trained and equipped for the task. They must also be paid suitably to attract such trained men to the profession and induce them to devote their whole time and attention to their duty.

In view of the great national urgency of this item in the Plan, the training of new teachers must be comprised in one year, with ample opportunities for refresher courses from time to time.

One lakh recruits annually raised for the profession would require 1000 training schools spread all over the country in Provincial district or Tehsil centres.

The cost of this item would be Rs. 25 lakhs p.a. at the lowest computation.

As in the case of the pre-school Education, so also in this the woman teacher will have to be given a special importance and would have to be recruited in larger and larger numbers, whether the boys and girls are to be trained together in the same institution or in separate institutions.

The training institutions also needed for preparing such teachers will require to be specially provided. A two years' course in training with 50 trainees in each class will prepare 100,000 number of teachers in every year, and will make the required quota in the 10 years allowed for this purpose.

The building programme necessary to put up an adequate number of schools all over the country would consist of 5 to 7 lakhs structures. Properly organised and coordinated, so that every school or class has the prescribed minimum complement of 100 students attending, and having not less than four classes each (Junior Basic School) may lead to some reduction in that number.

At present there are something like 225,000 institutions of all grades, of which the primary, special and middle schools account for nearly 88 per cent, or 200,000 in round terms. These can be extended and remodelled to meet the requirements of the national programme. When constructed, or remodelled, these buildings can easily be made to accommodate Adult literacy classes in off-school hours ; as also special instruction and training for the youths outside the age of compulsion when the system is first brought into operation.

Not all the buildings required to educate the whole population will need to be constructed all at once. The programme must be spread over 10 years and must include extension or remodelling of existing buildings, to use them to their maximum capacity for training, both children and the adults into the minimum



requirements of literacy. The capital cost of the building programme (say 2 lakh units) will be not less than 100 crores, spread over 10 years or a loan at 2 p.c. of Rs. 10 crores a year to be repaid in 50 years.

Another 50 crores of capital, invested to provide books and stationery, apparatus, equipments and furniture on the same terms will raise the borrowing programme on this account to Rs. 15 crores per annum.

IV. FINANCE

As regards the financing of the programme outlined above, it will, of course, be part of the main scheme of financing the entire programme of National Planning.

As for the immediate requirements, particularly in respect of providing literacy for the Adults as well as for that section of school-going population which does not come fully within the benefit of free compulsory, universal Basic Education, or which, under the present system has stagnated or wasted, the programme should not extend more than two or three years.

Within that space of time, the whole of the Adult illiterate population, both men and women, should be provided with the minimum degree of literacy and education that is needed for continuing the process of adult education.

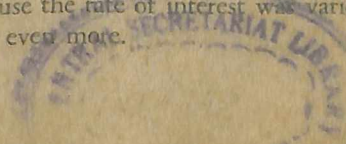
As regards the latter class youths and maidens of school-going age not receiving the full benefit of Free Compulsory, Universal education there should be an intensive drive to bring them in line with their fellows, either in the Senior or Junior (6-8) Basic Schools as the case may be. This should also not occupy more than 2 years.

A solution for providing adequate teaching personnel for these classes has already been suggested. For years to come, however, this element will have to be utilised for carrying on the programme of education in a sense wider than that provided for in the general plan, i.e. to bring the entire population in the vast rural areas of the country upto a certain intellectual or cultural level, including literacy, considered indispensable in a civilised society.

The recurring cost of the total programme of National Education upto the Basic School, including literacy for the illiterate adults may be taken at somewhere near 200 crores, per annum. This is 6 or 8 times as much as the present amount spent on Education in British India in all stages, and for all students.

It must be noted that the whole of the amount will not be required all at once, if the programme is spread over, as it inevitably must be, particularly when we start from scratch, say for ten years. The addition to the present Education Budget may not be more than 20 to 25 crores per annum immediately the plan as outlined above is put into effect. The whole of the annual cost, when the programme is working at full blast, can be met without undue strain and without recourse to other of the main Plan in the following way:—

It is a well-known fact that the agriculturists in India labour under a heavy load of indebtedness—all the more heavy because the rate of interest was variously reported at from 12 p.c. onwards to 75 p.c. or even more.





If all this debt of the individual agriculturists is consolidated, and taken over by the State,—in each province or State by Central Provincial Bank—and funded at 10 p.c. simple interest to be paid to the State, the burden on the cultivator would be very substantially lowered. There will also be no indirect concessions, or concealed additions, to the debt such as the money-lender is now in the habit of exacting. Given proper funding arrangements, the whole volume of the Debt can be liquidated in a definite period not exceeding 20 years.

During this period no new Debt should be allowed to be contracted by an agriculturist and none recognised except those duly registered and acknowledged. For most urgent extraordinary needs the State Bank in each province or State may be allowed to make advances to individual cultivators on prescribed terms.

Under the various debt-relief acts in the different parts of the country, as well as under the general legislation, a maximum rate of interest is permitted in a court of Law. In recent years the policy has been to make money cheap. The rate of interest has consequently undergone considerable reduction in all the organised money-markets of the world as well as in this country.

Even if the full benefit of reduction in interest rates for industrial or commercial investments is not passed on to the agriculturist, a rate of 5 p.c. is more than just and sufficient for the creditor who has had, for a long time past, unlimited opportunity to exploit his debtor, and who, consequently, must recognise that a fixed, regular 5 p.c. return guaranteed and paid by the State Bank would be more than enough.

All debts of standing for more than a given period, say 20 years at the most, should be cancelled automatically, when registered for being taken over by the State; and the full relief resulting from that should be given to the agriculturist whose debt is proved to be of longer standing than the prescribed period.

Debts under 20 years standing must be taken over by the State through the Provincial Bank, which will issue its own bonds in exchange to the creditors and secure a corresponding bond from the debtors, with his land etc. pledged as a security. In each province or state Government must guarantee creditor for repayment of capital by a system of annuities, the debt carrying simple interest at 5 p.c. and with arrangements to liquidate both capital and interest within a period not exceeding 20 years in any case.

The total of agricultural indebtedness in this country has been variously estimated. The aggregate capital debt would be about Rs. 15,000 crores if we put the annual agricultural produce at 2,000 crores per annum in all provinces and states, put together, take the capital value at 10 years' purchase, and take the debt to be at least $\frac{3}{4}$ of the capital value, though it is, in reality, much more. The annual interest burden on this cannot possibly be less than 100 crores per annum; and the arrangement suggested above, if adopted may make a saving for the state of some 300 crores per annum, at least.

The debtor would receive the benefit not only in the reduced rate of interest, which he would have to pay to the State, say 10 p.c. in place of the very much



higher figure he has been paying all these years, but also in the definite liquidation of the burden within a given period, and legal cancellation and annulment of all indirect burdens. His land would be better cultivated, not only because he is freed from anxiety, but also because he would be placed in a position to provide better seed, manure and all other accessories of fruitful cultivation. His produce would, consequently, also, improve in yield and quality.

The difference between the rate that the State receives from the Debtor agriculturist and that the State pays to the Creditor, viz., 5 p.c. would amount to a total debt of 2000 crores to over Rs. 100 crores per annum, in British India. While in the States, at least half that amount may be added in view of the larger exploitation capacity of the creditor in the States, notwithstanding smaller population and area.

The aggregate would be about Rs. 150/- crores per annum available almost at once. The cost of the programme stretched above will not be more than 20 to 30 crores extra in the first year or two of the Plan.

Lands freed from the great incubus of indebtedness and brought within a co-operative system permit intensive as well as large scale cultivation and would yield much more than has been customarily obtained all these years.

As recommended in another section of this Report on Priorities new land also would be added to the volume of total cultivation, and all the necessary services and aids to improve the yield of cultivation as well as new lands must also be provided under the planned programme.

The results of such activities may well be expected to a doubling of the total produce, at least within two or three years. This must bring a larger proportion of indirect revenue to the State from land, even after taking full allowance for the radical revision of Land Revenue or Taxation System, throughout the country.



Priority No. 3

HOUSING

The third item in the list of Priorities referred to this Sub-Committee concerns Housing.

This problem is not of the same urgency, or extensive importance, as the problem of Food and Education, inasmuch as shortage of housing room is felt only in the larger centres of population ; and these are relatively few in number. According to the census of 1941, only about 13 p.c. of India's total population is town-dwelling whereas 87 p.c. lives in areas of less than 2,000 souls each. Climatic conditions for the greater part of the year, and for the larger proportion of the population, make pucca housing relatively unimportant.

Assuming that British India is more developed industrially, than the Indian States, and therefore more urbanised, the proportion of urban population even in British India is not more than 15 p.c. where the Housing Problem can at all be said to be acute.

This does not mean, that such housing which is available today, whether in towns or villages in India, is all that could be desired from the point of view of a reasonable standard of housing accommodation. We are, however, considering this matter in this note as one of national urgency, to which special priority must be given for immediate action in the National Plan. As such, the matter affects mainly the larger industrial centres, where congestion of population, combined with lack of space and other amenities, makes the problem very acute and requires immediate solution.

It may be mentioned in this connection that housing on the scale on which this country needs it would involve development of incidental industries, like brick-making, iron and steel, cement, wood-work, paint and varnishes, furnishing and equipment in general essential for modern residential accommodation. These incidental industries would require labour of large numbers. Exact estimate cannot be given ; but, in general, this may certainly be taken as a very effective remedy for some section of unemployment that prevails in every modern society. Even under carefully planned economy, securing suitable employment for everybody, the redistribution of persons employed that would be necessitated in order to give each occupation its proper complement of workers etc. would be an important means to provide such alternative occupation.

In this sector of the problem, it is as much a matter of building materials, technical design and equipment, as of de-congestion, so as to permit a proper scientific lay-out, or planning, of industrial centres, providing adequate housing accommodation for the population. This accommodation must further be equipped with the necessary services of water supply, good lighting, cheap and quick transport from the place of work to the place of residence, education for the children,



together with sufficient play grounds or recreation centres for the entire community in those places.

So far as building materials are concerned, India has no great scarcity of wood and cement stone and lime, or still simpler materials. Bricks though for the moment in shortage, can be easily made in this country in all required quantities. Once the problem of housing is tackled effectively and determinately, the making up of this shortage would be only a question of time. The exigencies of war have, no doubt, brought about a measure of stringent control over more modern building materials like steel or cement, while prices of all the materials required for house-construction have risen very high owing to the same factors. This has added to the stringency of the task before us. With the end of the war, the artificial shortage of housing space due to commandeering of accommodation for military personnel, and additional offices needed for the prosecution of the war in the more important centres, would also disappear. Such measures, however, as legislative control of House Rents, with fixed ceiling, will have to be retained, at least so long as this disparity between housing space available and the population requiring that space continues in these centres.

From the point of view of the Indian population as a whole, and particularly as regards the rural population which constitutes seven eighths of the total, the scope for prefabricated houses is very slight. Given climate and other conditions obtaining in this country, the housing required will be relatively much simpler; and the amenities, services or equipment, illustrated above, need to be not very much more increased than is the case in some of the more advanced industrialised centres of this country.

An experiment, however, has been tried for accommodation in prefabricated houses for the employees of the Calcutta Port Trust by a private concern specialising in this line, which has yielded fairly satisfactory results. The cost of such houses is stated to be about 40 p.c. below the average cost of a standard house built to order so to say. For cheap housing that may be needed immediately it may be worthwhile to consider this alternative, as the materials required all lend themselves to rapid, standardised, mass production. There is, moreover, the consideration, also, in favour of such housing in the fact that Government attach in their scheme for subsidised housing considerable importance to this device.

Leaving out, therefore, prefabricated houses, and concentrating attention only on houses built from locally available materials, without resorting to mass production of a standard type, it must be premised at the outset that building, design and equipment will vary necessarily according to the use to which a structure is to be put, just as the main plan of an area will vary with the geographic situation and topographic peculiarity of each area.

In this note we are concerned only with Housing for residential purposes. The main aspects of the problem, in point of National Planning from this point of view could be summarised to be :—

- (1) The nature and volume of the housing provision.



- (2) The responsibility for providing it.
- (3) The finance, or ways and means of housing.
- (4) The agency immediately concerned with providing housing, regardless of the ultimate financial responsibility.

I. The Nature and Volume of the Housing Provision

Housing must be regarded as a *Public Utility Service*, apart altogether from the final responsibility for providing and running it.

In this view of the problem, any element of private profit made by the house-builder or house owner must be strictly regulated, if not eliminated altogether and such as exists today must be progressively reduced until it disappears altogether. Even if all the Housing required for the total population is not provided by some public authority, or statutory body ; and even if some scope remains for houses built by private enterprise for profit to the proprietor or contractor, rigid control must be maintained over the price or rent for housing, service, together with the amenities with which each such house must be equipped under the building by-laws or general laws laid down in that behalf.

A programme of housing spread over ten years must be drawn up so as to provide the pre-determined standard for housing accommodation for every human being with the necessary minimum of amenities and services which modern life in industrial centres demands. Confining our attention for the present to urban population, and taking the standard housing space needed to be 100 sq. ft. per person the total accommodation needed is easy to calculate.

To find out the total additional housing needed, it is necessary to have an idea of existing accommodation and the possibility of improving or extending it, so as to make the existing houses meet the minimum standard of light and air, water supply transport facilities, protection against fire, and other utilities, amenities and services required for a decent standard of civilised life.

Technical details, plans or designs for standard housing of this type will be for architects and engineers to work out. In the interests, however, of economy of space, particularly in large centres of population, where there are physical limits of the area at their disposal, e.g. an island city like Bombay it may lead to the construction not of single family tenements, or houses each a unit in itself, but rather of large blocks of flats or barracks which may accommodate several families each assured of the given standard of amenities, services and planning which must go with each house in National India.

As a Public Utility Service, the rents charged cannot be what is called an economic return on the capital investment made by a private profit-seeker. It should be co-related as much to the ability or income of the occupant (say about 8 1/3 p.c. of the income) as to the capital cost incurred (not more than 4 p.c. of capital investment) of constructing the standard dwelling. So long as there are people seeking houses with varying brackets of income or ability, houses will have to be designed so as to suit the would-be occupants from these several brackets of



incomes. There is, however, one over-riding condition that a minimum standard of living space, amenities, utilities and services should be provided in each case.

The control of rents would have to be much more rigid in regard to housing accommodation in the relatively lower brackets, while even for the middle class tenant some measure of restriction on the rent to be demanded would be necessary.

Occupation of each such house by a tenant must not be compulsory. Some regulation, however, will have to be laid down for adjusting the place of work to the place of residence in order to minimise transport. This is a problem as much for the town planner as for the individual tenant, and may be left to be decided by them, subject to the condition that: where housing is provided for workers near their place of work, preference will have to be given to the actual workers and not to anyone not actively engaged.

II. Responsibility for Providing Housing

The next question to consider in this connection is in regard to the responsibility for providing the necessary housing. There are three alternatives which are not necessarily mutually exclusive. Each has its own peculiar fitness for discharging that obligation.

There is, in the first place, the State or the Nation as a whole, who can shoulder responsibility. In so far as Housing is a Public Utility Service of national importance, the Central Authority of the country must necessarily bear its share of this obligation, though the burden need not be shouldered entirely and exclusively by that Authority.

On the other hand the Central Government, by its very nature, cannot actually provide the Service, even if it shoulders some part of the obligation since it is essentially a legal concern. Housing in different parts of a country like India, for climatic and other reasons, must necessarily vary in structure and material; in the accommodation as well as equipment, in the design and lay-out, in accordance with the purpose for which each building is to be utilised. This means responsibility of the Local Authorities, whether Provincial Government or Local Bodies, like a Municipality or District Board, or even a Village Union.

The actual agency for constructing houses may thus be the Local Authority, e.g. in respect of a basic Plan, situation, technical design, and standard equipment, together with certain prescribed amenities or services by the Provincial or Central Government as the case may be.

The Local Authority of the Municipality or District Government will not find itself equal in all cases to the task in all aspects. Some responsibility must, therefore, also be cast upon those elements in the Society, which stand to derive some benefit from people using the housing they provide. Their benefit may be not so much by way of the rent or return on their investment, as in the shape of the additional or surplus value infused in their work which the workers in their employment do.

The employer is thus an outstanding class on whom responsibility may quite



fairly be charged for providing the necessary housing accommodation, at least for his immediate operatives, whether manual labour or intellectual.

There are obvious advantages as well as limitations in making the employer responsible for providing the housing accommodation for his workers. The main advantage, of course, lies in regard to the saving of time by locating housing as near the place of work as possible, designing it to fit the peculiar needs of the given operatives, and serving or equipping such accommodation with the ordinary amenities, utilities, and services as may be prescribed as part of the National Plan.

On the other hand, any housing that an employer provides can only be for large-scale factories or workshops. The relatively small scale business, employing only five or ten people, will not find it economical or convenient to provide such housing for each employer's staff whether manual or intellectual.

Besides, if such housing is provided compulsorily, as a legal obligation thrown upon the employer, the latter would demand that so long as a worker works in his employ, he must occupy the housing provided by the employer. The freedom of movement will be affected. The moment the worker ceases to be in the employ of the party providing the accommodation, the latter would be free to eject such a worker, whether or not he has found any alternative accommodation.

The worker thus gets tied up to a place; and, as such, his general tendency is to dislike living in quarters provided by employers. And this quite apart from the point of view of rent.

Another alternative agency to provide housing is competitive private enterprise. These may be fancy structures varying according to the taste and means of individual house-builders. If housing is part of a National Plan, it cannot be left to the vagaries of private entrepreneur, however much controlled by local or national regulations.

Housing provided by private agency, of the type that a capitalist employer usually is, would seek his utmost to make the return equal to the investment over a relatively short space of time. The economic Rent expected for such housing by a capital house-builder (or employer) will take account only of what he would call a fair return on his investment; and that would be arrived at by comparison with the ordinary Interest Rates in the money market for investment in corresponding securities.

This, in its turn, will be utterly regardless of the ability of the tenants to pay such rent. It is at this point that the community, in one form or another, will have to step in to modify the burden of the 'Economic Rent' so as to make it correspond to the ability of the tenant, and yet secure repayment of capital invested in the housing. The repayment may, no doubt, be spread over a much longer term of years than the private investor would desire.

Moreover, the employer, as already remarked, would provide housing only for his immediate employees, which does not exceed 7 p.c. of the total population. That section of the community, therefore, which is not employed as wage earners, and which consists of professional elements working for the public at large, and



not for any definite employer ; or the relatively older people, the retired, or superannuated, not actively engaged in work, will not be served by such agency. Their need for housing must also be attended to ; and that can only be done by some form of State enterprise, whether conducted by the Local Government, Municipality or District Board, or some non-profit making society, like a co-operative, or statutory authority.

The standard equipment for proper Housing accommodation in respect of water supply, lighting, sanitary facilities, as well as transport and education, recreation and other amenities for the adults as well as children, that are deemed indispensable for civilised living cannot be enforced to the required degree except by the active intervention by some form of Governmental Authority. This intervention may take the shape of laying down standards, by by-laws, and enforcing inspection and supervision by public officials so as to ensure proper construction with sound materials, standard design, adequate safeguards against fires, etc. and proper provision of amenities, services and utilities.

The State—whether Provincial or Central Government, is already a large employer ; and will, in the near future, become so in an ever increasing degree. Municipal and other Public Services, like Transport and Communications, employ thousands of teachers, postmen, medical services, police, railway and tramway operatives, and others of that kind. For its own employees, therefore, the State must set a model of housing, which must not only be not inferior to any similar facility provided by a private employer, but which must co-relate, in point of the return demanded from the tenant, to the ability of the latter, as measured by his income, rather than to the actual cost of the investment or the market return on similar investment on other enterprises.

If housing is provided by private enterprise only, for purposes of letting out, that section of the community which does not care for owning house property, but nevertheless seeks a reasonable fixity of residence and also a high standard of amenities ; which also has an eye to the beauty of situation, convenience of location, and the like, must have some say in regard to the material, design, equipment, and, above all, fitting in with such town planning measures as may in any case be adopted. The responsibility thus is not exclusive of any single individual Corporation or Authority and the State will have to take, in one aspect or another, an increasing share in providing, regulating, and controlling the Housing Service as a whole.

III. Finance

The next question is that of finance. While discussing the nature of the Housing Problem, and of the responsibility for providing it, reference has already been made to the ways and means aspect. The total financial obligation cannot be shouldered exclusively by anyone of the agencies considered appropriate for providing accommodation.

The conditions prerequisite of the Ways and Means aspect may be repeated here to give point to the financial side outlined below.

Housing must be treated as a Public Utility Service, which must be provided by the State or some Delegate on its behalf. From the accommodation thus provided, the element of private profit must be strictly regulated if not eliminated altogether. Even if the obligation is thrown upon a section of the citizens, e.g. employers of labour, to provide housing for their operatives, these will have to work under definite by-laws and accept standards of accommodation and equipment, location and design, prescribed by some Public Authority as part of the National Plan.

The element of private profit to the house-builder or house-owner must be progressively eliminated. Rent control must, therefore, follow as a matter of course, and be a permanent integral feature of the National Housing System.

Even in that sector of Housing which is left to be provided by private enterprise as an investment for individual profit, of the standards and rules, mentioned above, will have to be complied with,—particularly in regard to location and design, as part of a common Town Plan, with the minimum services, utilities and amenities deemed necessary for proper Housing accommodation.

Given all these conditions, the financial responsibility must also be shared, and not exclusive to any one of the parties concerned,—the State, the employer private entrepreneur providing housing—building for profits; that worker inhabitant or the general citizen and tenant; and the Local Authority benefitting for such occupation, must all share in the cost as well as the return, directly or indirectly.

If Housing as a public utility service, is provided by the State, or some organ, representative or delegate of it; and run on a cooperative basis rather on a contributory basis, the revenue coming to each of those agencies, responsible for providing and maintaining the Housing Service, could be easily determined as part of a long-term arrangement, even though initially relatively larger burden might fall upon a given section only.

There are several methods for shouldering the immediate financial obligation and for recouping the same. The latest proposal of the Government of India is to grant a subsidy of $12\frac{1}{2}$ p.c. subject in each case to a prior approval of the provincial Government concerned, and a maximum of Rs. 200 per each house. If this is based on the present prices, and the mass production of standard houses is adopted, the unit cost may be very much smaller. It may also be spread over a fairly long period, say 10 years, to provide all the Housing needed; and 50 years to recover the cost. This in turn could be supplemented by a similar subsidy of $12\frac{1}{2}$ p.c. subject to a maximum of Rs. 200 making the total Government subsidy of Rs. 400 per each house from the Local Government or Municipality, some Statutory Corporation or a Building Society.

If the entire capital cost of the Housing, together with the amenities and equipment required to be installed is impossible to be provided by any single Body or Authority from its current resources recourse may be had to borrowing, a long term loan on low interest to be paid off by equal instalments in 50 or 60 years.

In Britain, whose Housing need is very much more urgent and intense,



according to the latest information on the subject, a long term loan is proposed which would be utilised for house-building and equipping it with the necessary amenities.

It is necessary to bring out the essential point of the British scheme, which is "The annual subsidy given by Government and the Local Authority plus a reasonable rental fixed with reference to the occupant's capacity to pay would over a period of 60 years cover the capital cost, repairs and maintenance and amortization". This principle can be given wide application in India if an extensive scheme of co-operative housing societies can be started.

The actual construction of housing would be left to Local Authorities who will then recover the cost of the actual house room, plus the services, utilities and amenities going with the house, from the tenant in the shape of Rent which will be the occupier's contribution to the cost.

The loan is proposed to be repaid over a period of 60 years, which would, therefore, allow a very much lower rate of amortisation, so that 'the rent' exacted from the tenant or occupant will be relatively small and well within the ability of the average worker to pay."

If, as already premised, we view the Housing Service as an integral part of the National Plan, there would be no difficulty in believing that the ability, also, of the tenant, or worker, will progressively improve as the plan unfolds itself, and takes effect in its several sectors adding to the total as well as the individual wealth and so raising the latter's capacity to bear the burden.

With increasing ability of the tenant in the shape of higher wages, due provision in regard to health and schooling, facilities for transport, recreation and other amenities will also have to be made. The rent charged for such housing would appear progressively to lower the burden to the occupant.

To the State, also, or the Agency which provides the Housing, the burden would become easily bearable, not only because of the share the State will take from the wealth of the community, resulting from the Plan taking effect; but also because of the very long term over which the repayment of the capital with interest is spread.

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APPENDIX

THE NATIONAL PLANNING COMMITTEE

To,

The Members, National Planning Committee, and Chairmen and Secretaries Sub-Committees.

Dear Friend,

As you may be aware, the National Planning Committee held its full and formal sessions on the 8th, 9th, and 10th November, 1945, at Bombay. At these sessions the report of the Sub-Committee, appointed to consider the changes and developments that had taken place during the war years, which affected the work of planning, as also to suggest certain specific matters of urgent importance was considered.

After careful and detailed consideration of that Report the Planning Committee resolved to embody its substance in fresh directives or further instructions to the Chairmen and Secretaries of the various Sub-Committees. You will accordingly find appended herewith further instructions, which, in so far as they concern the reference made to your Sub-Committee, should be taken into account before the report presented by your Sub-Committee is finalised.

Where any Sub-Committee has not presented or even prepared its Report, the undersigned requests that these instructions be also taken into account, along with those issued in 1939 which will be found in pages 77-82 of Handbook I.

The National Planning Committee has resolved that the Sub-Committees be requested, *finally*, to revise and bring upto date their reports which have been submitted, either as interim or final, not later than the middle of February next. Those Sub-Committees which have not yet submitted any Report are requested, within the same time limit, to prepare and submit the same for consideration by the main Committee at their next meeting.

The Committee consider that it would be needless expenditure of time if each Sub-Committee were, at this stage, to convene meetings of all their members for drafting, considering or revising their report. It is, accordingly, suggested that the revision and bringing upto date of Reports already submitted, as well as the preparation and completion of the reports in cases where no work has been done so far, be taken up as the task of the Chairman and Secretary concerned of the Sub-Committee concerned. Should they think it proper, and if time permits their reports may be circularised to other members of their Sub-Committee; and their views or concurrence obtained by correspondence. In any case the report must be in the hands of the undersigned not later than the date mentioned above.

If in any case the Chairman and Secretary concerned desire assistance or explanation from this office they are requested to write as soon as possible, and state their requirements. The undersigned will do all he can to meet the same.

At the cost of repetition he would earnestly impress upon the Sub-Committees to do their utmost to expedite their reports so as to enable the Planning Committee to complete its work within the time limit they have set for themselves.

Your sincerely,
Sd. | K. T. SHAH
Hon. Gen. Secretary.



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REVISED INSTRUCTIONS AND DIRECTIVES TO SUB-COMMITTEES

1. The National Planning Committee having carefully considered the report of the Sub-Committee appointed to consider the changes and developments that had taken place during the war years, and to suggest certain specific problems of immediate importance, resolve to issue the following as further instructions to the Sub-Committees which should be taken account of, while preparing or finalising the report of each Sub-Committee. The objectives and assumptions, laid down in the first sessions of the National Planning Committee in 1939, hold good even to-day.
2. The most important of these, the Committee believe, is that a proper, scientific allround planning and development of the aggregate economy of the country can only be achieved satisfactorily by a national government of India, commanding the full confidence of the people of the country, and their hearty co-operation.
3. It is also assumed that in all probability the future constitution of the country would be democratic, in which the claims of the several federating units, whether provinces, States or regions would be impossible to ignore. Regional planning, mutually co-ordinated in all respects, must also be part of the national programme, in order not only to ensure the fullest development of the available resources and to provide employment for all adult citizens competent to work, but also to guard against any outbreak of inter-provincial jealousies or rivalries resulting in avoidable impediments or dissipation of energy.
4. The list of objectives of the Plan, prepared by the Convenor, was next taken into consideration. It appeared to the Committee to be fairly exhaustive ; and so no particular additions were suggested therein. Attention, however, was drawn to the objective, now being emphasised in all advanced countries, of providing full employment to all capable adult citizens, and ensuring social security of the entire working community on a proper provision against normal, contingencies of life and work. The desirability of public outlay being undertaken, if necessary, specifically to provide such employment, after private and institutional demand for skilled or unskilled labour had been met, was commended for consideration by the Planning Committee. The Sub-Committee believe that in a regime of planned economy, such work provided by public expenditure would be less expensive and easier to carry out than in an unplanned system.
5. Turning next to the important changes or developments that had taken place during the six years since the National Planning Committee had been established, the Committee considered the list prepared by the Convenor in that behalf; and suggested that, while it was not competent for that body to make any detailed list of new scientific discoveries, technological improvements, or mechanical inventions, which had taken place in the course of the war, or because of it, in issuing directions to the Sub-Committees, and laying down the general objectives of national planning afresh, attention should be invited to these developments as regards material processes, scale of production, etc., which had been, in many cases,



revolutionising important industries, and methods of production and distribution. New Industries, like plastics, or processes, and the equipment appropriate for the same, should be taken due account of by the Sub-Committees concerned in each case.

6. It is essential that much greater attention should be paid to making scientific and technical research as an integral part of planned economy. Universities and research institutions should be organised to permit of fundamental and basic applied research on the widest possible basis being undertaken in the country. Further, industrial research should be comprehensively planned and linked with the development of industries, and industrial research organisations created best suited to the needs of individual industries.

7. To put research actively on a proper basis, highly trained personnel with first-class scientific ability in progressively growing numbers will be needed. To produce these workers, two things require to be done; (1) to build up as rapidly as possible institutions in India which can give the highest type of scientific training of the most varied type, and (2) to have men trained abroad to meet the scientific and industrial needs of the country in the very immediate future. For the first purpose, we should immediately send abroad selected personnel from scientific departments selected for development so that they may undertake to put their departments on a proper basis. For the second purpose, we should first decide the industrial projects which we plan to have fulfilled and then select the most suitable workers capable of fulfilling them and send them abroad as teams with specific duties assigned to each of a team.

8. It may be added that in many industries now, the war has brought about many new processes, or inventions which, for reasons of national security, have been secret. The National Government will have to adopt the necessary way and means to secure the use of such processes or equipment for planned industry in India. Trade treaties negotiated through the usual diplomatic channels must concern themselves increasingly with such matters to make up India's leeway in this behalf. The same may be said with regard to utilisation of waste products from existing industries; or provision of substitutes for industrial materials (e.g. synthetic rubber).

9. Equally important changes had taken place on the organisational or administrative side of public economy in every country, which must likewise be duly taken into account by the Sub-Committees concerned, as well as by the National Planning Committee.

10. The most outstanding example of such change is in the matter of public control of industry and business. It takes a variety of forms, e.g. price control, fixing the minimum as well as the maximum; rationing supply of finished goods as well as raw materials; regulating transport and other utilities or services; licensing of dealers, and the like. Similarly there is control of labour organisations with a view to ensure continued production. This was necessitated for the war, and put up with during that period for reasons of military necessity; but may be demurred to after that compelling necessity is over. The principle of control, how-



ever, has come to stay, especially under planned economy. The Committee accordingly instructs its appropriate Sub-Committees to take note of this most important change and make their recommendations so that the least possible obstruction comes in the way of carrying out the national Plan. Work must not be stopped, if it could possibly be helped. A system of conciliation and compulsory arbitration in all labour disputes may be necessary ; and the Sub-Committee concerned should be called upon to suggest the necessary machinery, with adequate safeguards for the effective protection of labour.

11. Perhaps the most considerable of the changes, which will react radically upon the principal objective of attaining national self-sufficiency, is in relation to the growing demand for international co-operation and the removal of trade barriers which had characterised international economic relations in the years before 1939. The Sub-Committee realise that there are many difficulties in the way of giving effect to the ideal of full and free international co-operation in matters economic ; but, if the ideal be accepted, these difficulties could be overcome. Nor need we apprehend that the increasing stress on international co-operation would materially prejudice the primary claims of national development by each country's government.

12. As part of the objective mentioned above of securing the fullest possible employment of all adult workers in the community, and ensuring their proper social security, reference was also made to the war-time development regarding the fixing of minimum and maximum prices for primary produce, as well as manufactured goods and services like shipping. The principle of price fixing had already been accepted. Even though introduced in response to the war-time emergency,—not always in the real interests of India,—it has continued in operation, and might continue even in normal times after the transition from war to peace has been effected. Corresponding to the policy of guaranteed minimum prices to the primary producer, there should be a reasonable relation between prices of agricultural products and manufactured goods. There is also the principle of a minimum wage as part of social security system. The Labour Sub-Committee of the Planning Committee has made recommendations on this point, and the Planning Committee has endorsed them. But the principle needs to be emphasised and universalised. Guaranteed prices, it need hardly be added, is one of the means for assuring social security to the large mass of the agricultural workers in this country, whether owners of land themselves or tenants-cultivators. Landless labourers would have to be assured a minimum wage.

13. Most of the other important changes and developments, which may be taken to affect the country's aggregate economy, have been noted in the list. The Planning Committee consider it to be fairly exhaustive. The reaction of these changes or developments on particular items or aspects of planned economy will have to be taken into account by the Sub-Committees concerned, and a general pronouncement made on the same by the National Planning Committee.

14. Even though the Planning Committee is planning for the future, there are certain outstanding issues of immediate and urgent importance on which the Committee should issue a clear, unambiguous directive, not only the Sub-Com-



mittees concerned, but also, if we may say so, to the country as a whole, and to the world at large. These are matters of national policy intimately touching national economy, on which the National Planning Committee cannot afford to be silent. One such problem or development is in regard to India's sterling assets.

15. The programme of intensive and rapid industrialisation of this country, as affected by the growth of international indebtedness, in which India has become a large creditor, and the locking up of Indian capital assets in the Sterling Balances in London, will require special consideration. As this is a matter inter-woven with the world economy as a whole, the Sub-Committee would leave it to the Planning Committee to give its directive on the subject, or enunciate a definite policy which which it would recommend to the national government in that behalf.

16. Incidentally mention may also be made of the problem of foreign capital invested in industrial concerns in this country, and its reaction upon the management of such industries. National Planning would not be easy nor effective so long as any item, which is part of the Plan, is not fully amenable to the control of the National Government of India. The National Planning Committee has, therefore, passed a suitable resolution regarding the scope allowed, if any, for investment to foreign capital in Indian industries which are integral part of the national plan, and their claims for control and management of essential or important industries in this country.

17. A similar question arises in connection with the Defence Industries. The problem of national defence is not confined, in our times, to raising, training and equipping the forces deemed necessary to fight the country's battles by land, or sea, or air. These must be fed and clothed and moved from place to place as needed ; and cared for when wounded. For all these, the industries supplying the necessary material must be developed and their development must be part of national security and the planned industrialisation of the country must take stock of them.

18. Another very important change, the Planning Committee consider, or development due to war, which has been least taken account of, is concerned with the great deterioration on the moral plane. Innumerable complaints have been made from non-official sources, and recorded even in official channels regarding corruption in high places, and the general decline in moral standards. No plan, however soundly framed, would succeed in execution, if the moral fibre of those entrusted with carrying it out is weak.

19. Coming next to the question of Priorities, the Committee was of opinion that the models of Priorities hitherto found,—e.g. in the Russian Plan, which led to the intensive development of heavy, or armament industries for reasons of national security,—will have their bearing upon the national plan framed for this country. Any scheme of intensive and rapid industrialisation and allround economic development must necessarily be based on the development of power, and place relatively greater emphasis upon key or basic industries, so as to make the country relatively self sufficient in this vital concern, within a measurable or pre-determined space of time.



20. At the same time the need for consumers' goods, especially after five or six years of war-time stringency and repression of demand, cannot be overlooked. The problem of relative urgencies must be co-related with our resources as well as the requirements. The Planning Committee consider the human needs for food, clothing and shelter the most important and urgent of all. They, therefore, consider that, with due regard to the needs of intensive industrialisation, all industries concerned with these primary needs of life, should be developed simultaneously, with as much attention to the needs of each unit, region, and industry as well as the consumer as possible.

21. It has been assumed by the National Planning Committee from its very start that planning to be effective must be comprehensive, a simultaneous attack on all fronts of the national economy, so as to arrive at the desired goal, without creating any unnecessary local depressions or elevations which may lead to an avoidable lack of equilibrium. Note must, at the same time, be taken of the excessive development of certain industries, because of the war-time demands; and the need for such industries to be maintained, or safeguarded, after the war is over, if they can be easily fitted into the peace-time national Plan. Careful and detailed investigation will have, accordingly, to be made in individual industries, with a view to find out which of them need to be supported or safeguarded, and which would be too costly to be maintained, and should, therefore, be scrapped. Adequate protection, encouragement, or safeguard should be provided to such industries as are found deserving by an appropriate fiscal policy, which the National Planning Committee may recommend to the national government after full consideration of the report made by the Sub-Committee investigating in this matter.

22. Side by side with this, the agricultural policy will likewise need to be intensively attended to. There is an amount of culturable waste land available in this country, which would demand, perhaps, the highest priority for being brought under plough. Primary produce would substantially be increased thereby. The economic organisation best suited for developing such land most effectively, collective, co-operative, or individualist, must be the province of the appropriate Sub-Committee dealing with the matter to consider and advise upon. The Planning Committee, therefore, direct the Sub-Committee concerned to consider this matter, and submit their report at an early date.

23. The National Planning Committee have taken note of the several plans for development and industrialisation put forward by Departments of the Central Government or Provincial Governments or private individuals, as well as of the various declarations hitherto made on the subject of planning by the Planning and Development Departments of the Government of India; and consider that these plans are *ad hoc* proposals without proper inter-relation as part of a common national plan of development. The plans moreover put forward by certain Departments of the Central and Provincial Governments would involve heavy outlays in relation to development of railways or roads, education, promotion of public health, etc., which, though essential and indispensable, need to be carefully correlated *inter se* as part of a common scientific and integrated national plan so as to avoid lop-sided development and unbalanced economy.



24. Of the primary needs of man, the Planning Committee considered food and housing to be of immediate importance. War time has shown India to be lacking in self-sufficiency in the matter of food. The Committee thinks the lack is remediable from India's own resources, not only by intensive cultivation, but also by taking into cultivation culturable waste land as mentioned above. Adding to such facilities, as irrigation, fertilisers, and the like, that are calculated to add materially to the productivity of the land and the volume of food supply available in the country, will also serve the same purpose. Projects have already been taken in hand for establishing a fertiliser industry in the country, though the Sub-Committee doubts the supply of fertilisers, as now planned, would be adequate, or their distribution proper. Special attention should be paid to seed-improvement and seed-multiplication.

25. It is necessary to have comprehensive surveys of the major river systems in order to formulate a policy to prevent disastrous floods. To promote irrigation, and inland navigation, to prevent soil erosion, to eradicate malaria and to develop hydro-electric and other projects, National or inter-provincial river commissions, or something in the nature of the Tennesse Valley authority should be constituted in order to give effect to this policy.

26. In regard to irrigation, the Sub-Committee consider that sufficient attention has not been paid to well and tank irrigation for developing lands which, otherwise suitable, were lacking in an adequate water-supply. The approximate Sub-Committee should make specific recommendations in this behalf, paying particular attention to land improvement afforestation and prevention of soil erosion and water-logging.

27. Regarding clothing, the Committee was of opinion that India could be easily self-sufficient in all respects of raw materials (except in regard to long-staple cotton), capital supply and skilled labour, even allowing for the planned expansion in demand, which would be necessitated by the improved standard of living of the people. In this connection the existing cottage industry of handloom production of cloth should be given every encouragement.

28. The problem in this case, the Committee would add, is more in respect of a proper distribution, suitable location and development of new concerns and expansion of existing ones in this industry, so as to pay all due attention to the various regions in respect of industrial development, employment of labour, as well as supply of an important item of national demand.

29. The Housing Sub-Committee has already made its recommendations, and the National Planning Committee have pronounced their opinion thereon. With the progress of industrialisation humanisation will follow, and the housing need of the community become still more and more acute. The Sub-Committee concerned should, accordingly, be requested to review their recommendations, in the light of our needs and programme of development, paying due regard to such developments in the industry as mass-produced standardised houses and their standard equipment, fittings and furniture.



30. Adequate housing for the entire population under the Plan is essential. In the case of industrial workers the primary responsibility for putting up such housing should be placed on the industry ; but the financial burden of that responsibility should be shared equally between the State and the industry. As regards the rent, moreover, which may be charged for such accommodation, it will have to be borne in part at least by the State ; that is to say if the economic rent making a reasonable return for the capital invested in housing is higher, as it very well might be in most cases, of the working class tenants, the difference between the rent according to the worker's ability and that demanded by an economic return to the organisation providing the accommodation should be provided by the State. This recommendation seems to us to be indispensable if within a given time adequate housing accommodation is to be provided as part of the National Plan.

31. Hitherto the Committee has made no mention of small or cottage industries which still provide a very considerable amount of the country's requirements, particularly in regard to consumption. That does not mean that the Committee is unmindful of the place of importance of such industries. Until the country reaches the ideal of self-sufficiency the planning authority will have to pay every possible attention in this section of the country's industry. It may even have to be protected or safeguarded against competition from machine goods and the Planning Committee should, in their final Report, make appropriate recommendations in this behalf. The Committee desires to emphasise the important role of cottage industries in the national economy. They will provide a very considerable proportion of consumers' goods and employment to a very large number of workers. The Planning Authority will have to pay every possible attention to this sector of the country's industry. It may even have to be protected or safeguarded against competition from machine made goods. The organisation of cottage and small scale industries in Industrial Co-operatives requires special attention. This may be found to be peculiarly suited to the conditions prevailing in India.

32. The foregoing remarks of the Committee do not exhaust the list of priorities. Social services, and cultural conditions are very backward in this country. Special efforts will, therefore, have to be made for the rapid-intensive expansion, improvement and development in public health, education, facilities for travel and entertainment, and other directions of cultural growth, social amenities and public utilities which must be simultaneously attended to in accordance with a pre-determined programme with specific targets and time-table.



CSL

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