

FINAL REPORTS.

- ✓ 1. Final Report by the Horticultural Sub-Committee of the National Planning Committee.
- ✓ 2. Report on National Housing.
- ✓ 3. Final Report of the Engineering Industries and Transport Industries Sub-Committee of the National Planning Committee.
- ✓ 4. Report on Irrigation in India by Nawab Ali Nawaz Jung Bahadur F. C. H.
- ✓ 5. Summary of the Report submitted by the Sub-Committee on Population.
- ✓ 6. Report of the Rural Marketing and Finance Sub-Committee.
- ✓ 7. National Planning Committee - Report of the Labour Sub-Committee - Introductory.

8. *Manufacturing Industries. (N.P.C.)
Sub-Committee
Simplifying Notes on the Resolutions
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Reference*

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1. Interim Report of the Sub-Committee on Animal Husbandry and Dairying.
2. Interim Report of the Chemicals Sub-Committee.
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4. Interim Report of the Public Finance Sub-Committee.
5. Interim Report of the Currency and Banking Sub-Committee (N.P.C.)
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7. Interim Report of the Manufacturing Industries Sub-Committee.
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9. Interim Report of the Sub-Committee on 'Insurance' (N.P.C.)
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MINUTES OF THE MEETING OF THE SUB-COMMITTEES.

- ✓ 1. Draft Resolutions based on the Recommendations of the Rural Marketing and Finance sub-committee.
- ✓ 2. Addition to the Draft Resolutions of the Transport service committee. and Draft Resolutions based upon ~~Service Sub-Committee~~ the Report of the Transport Service Sub. Committee.
- ✓ 3. A Note on the "Use of Statistics in National Planning".
- ✓ 4. The National Planning Committee -third session - Chairman's Note to the Members of the Committee.
- ✓ 5. Summary of Draft Report of the Animal Husbandry And Dairying Sub-Committee (N.P.C.)
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- ✓ 11. Minutes of the meeting of the National Planning Committee held on Wednesday. 1st May 1940. ~~xx~~
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- ✓ 14. Minutes of the meeting of the Manufacturing Industries sub-committee held on Thurseay 25th April. 1940, in the Office of the N.P.C. Bombay.
- ✓ 15. Minutes of the meeting of the N.P.C. held on May 3rd.
- ✓ 16. Minutes of the Meeting of the National Planning Committee held on May 4. 1940.
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28. Minutes of the Meeting of the
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29. Recommendations of the
Power & Fuel-Sub-Committee.

Minutes of the meeting of the Manufacturing Industries sub-committee, held on Thursday, 25th April 1940, at 4.45 p.m. in the office of the N.P.C., Bombay:

A meeting of the Manufacturing Industries sub-committee was held on Thursday, 25th April 1940, at 4.45 p.m. in the office of the National Planning Committee, Council Hall Bldg., Bombay, when the following were present:-

Shri Ambalal Sarabhai (Chairman),
Dr. Nazir Ahmad (Secretary),
Prof. K.T. Shah,
Shri Kasturbhai Lalbhai; and
Shri M.C. Ghia.

The interim report drafted by the Secretary, and the resolutions approved of at the last meeting of the sub-committee were considered and formally adopted unanimously. As regards the amplifying notes written by the Chairman and the Secretary, it was felt that as the members did not have sufficient time to go through these notes, they should be considered at the next meeting of the Manufacturing Industries sub-committee, which was fixed for Thursday, 2nd May 1940, at 9 a.m. in the Cotton Laboratory, Matunga.

It was also decided that in order to enable the outside members to give due consideration and thought, and signify their assent, wherever they were in agreement, to the interim report, the resolutions and the amplifying notes, the following telegram should be sent to them:

"Interim report resolutions formally adopted yesterdays meeting stop please signify your consent by wire such resolutions as you agree post your dissenting views regarding the rest stop amplifying notes will be considered sub-committee meeting second May morning nine Cotton Laboratory Matunga".

The Secretary then raised the question of the date on which the report of the Manufacturing Industries sub-committee was scheduled to be considered by the N.P.C. at its forthcoming meeting. He said that according to the schedule circulated to the members, the reports of the Engineering and the Chemical Industries sub-committees will be considered on the 2nd May, while the report of the Manufacturing Industries sub-committee has been put down for the 8th May. He felt that as many of the problems and Terms of Reference were common to the three sub-committees, their reports should be considered one after another, so that the members of the N.P.C. may form a complete picture of the industries group. Prof. Shah explained that there was nothing sacrosanct about the time-table which had been circulated to the members, which was drawn up with an eye to the convenience of the outside members as well as to the priority of the reports received in the N.P.C. office, but the time-table could be changed, if necessary, at a later date. It was suggested that the Secretary should address the Chairman of the N.P.C. in this matter.

The meeting was adjourned at 5.40 p.m.

Nazir Ahmad.

Bombay,
27th April 1940.

Minutes of the meeting of the National Planning Committee held on Wednesday, 1st May 1940, at 12 noon in the office of the Committee, Council Hall Building.

1. The National Planning Committee met at 12 noon on 1st May 1940 in the office of the Committee in the Council Hall Building. Pandit Jawaharlal Nehru was in the Chair. The following were present:

Pandit Jawaharlal Nehru (Chairman)
Dr. Nazir Ahmad,
Shri Ambalal Sarabhai,
Shri V.V. Giri,
Shri N.M. Joshi,
Sir Purshotamdas Thakurdas,
Shri Walchand Hirachand,
Mr. A.D. Shroff,
Dr. A.K. Shaha,
Mr. A.B. Thadani (Rep. of Sind Govt.)
Dr. Radha Kamal Mukherji,
Dr. M.N. Saha, and
Prof. K.T. Shah.

2. The Chairman welcomed the members and referred to the delay in calling this meeting, which had been occasioned because of the fact that the various sub-committees had not presented their reports previously. The war in Europe with its consequences in India producing a political crisis had also come in the way of having an earlier meeting. He said that in spite of the abnormal happenings that they had to face, he felt that the work of the Planning Committee must be carried on. Indeed world conditions as well as the situation in the country, necessitated that full thought should be given to the development and advancement of the country on a planned basis, so that when the time and opportunity came for this, we should be ready to give effect to our policy and decisions. He referred to the various sub-committees' reports which had been received, and which would be considered from day to day. Reference was also made to the death of Mr. P.N. Mathur, Chairman of the Engineering Industries and Transport Industries sub-committee, and Mr. Narasimha Raju, Member of the Manufacturing Industries sub-committee.

The Chairman further stated that Sir Visvesvaraya had resigned from the National Planning Committee. Two additions had been made to the Committee since they had last met. At the suggestion of the sub-committee on Woman's Role, Rani Lakshmbai Rajwade had been co-opted as a member of the N.P.C., and at the suggestion of the Bengal Government Mr. Abdur Rahman Siddiqui had been also co-opted.

The former Ministers of Industries of the Governments of Bombay, Madras, U.P., C.P., Bihar, Orissa, and N.W.F.P. had all been invited to attend this meeting, as full members. The Chairman felt that these former Ministers who had to some extent fathered this National Planning Committee should certainly continue as full members, so that they could have the benefit of their co-operation.

3. The Chairman placed before the Committee the correspondence he had with the Government of India, in regard to the Government's officers serving on sub-committees, and a representative of the Government of India attending the N.P.C. The Government of India had not agreed to any of its officers serving on the sub-committees. While they were not prepared to send a represen-

tative to the N.P.C., they had suggested that Prof. Gregory might attend, though, without committing them in any way. The Chairman had informed the Government of India that he would place the matter before the N.P.C. He had felt that under the circumstances and in view of the general attitude taken up by the Government of India towards the N.P.C., it might not serve any useful purpose to invite Prof. Gregory in the manner suggested by the Government of India. He was now placing the matter before the N.P.C. for their directions. The Committee was of the opinion that nothing further need be done in this matter.

4. The Chairman placed a note, containing a review of the activities of the N.P.C., before the members.

5. The proceedings of the N.P.C. meeting held on June 17, 1939, were confirmed.

The Chairman stated that it was unfortunate that the sub-committee on the Census had not functioned so far. He hoped that this sub-committee would meet and send its recommendations in the course of the next few days.

6. The audited accounts of the N.P.C. from 1st June 1939 to 31st December 1939 were placed before the Committee, and adopted. A further statement of the receipts and payments from 1st January 1940 to 30th April 1940 was also placed before the Committee.

The Chairman said that the funds at their disposal would probably last for another two months or a little more. He calculated that another Rs.25,000/- would be necessary for the Committee's work, including the printing of Reports. He had written to the various Governments and States suggesting to them that a further contribution might be made.

Dr. M.N. Saha drew the attention of the Committee to the large sums which had been spent by various Royal Commissions and official Committees whose expenditure ran into many lakhs, although the scope of their work was limited compared to the National Planning Committee's work. The N.P.C. had in fact functioned very economically.

7. The procedure to be adopted in considering the sub-committees' reports was discussed at some length, and various suggestions were made in regard to it. Ultimately it was decided not to lay down any hard and fast procedure at this stage, but to consider some of the final Reports and then evolve a suitable procedure.

Sir Purshotandas Thakurdas, in the course of the discussion, suggested that it might be desirable not to consider the reports in any detail at this stage. Mr. A.D. Shroff also said that it would be better for the N.P.C. to consider certain immediate issues arising from the War, and to postpone the consideration of the Reports to a later stage, when they were in a better position to do so.

The Chairman pointed out that it was certainly open to them to consider the immediate issues, such as they were, and they might well do that during their present sessions. These immediate issues had importance in regard to Government policy which was being followed and which might come in the way of the development of national

resources and of planning, and create further vested foreign interests in India. But while they might consider these issues, it seemed to him important that they should continue with their planning activity.

It was decided, as stated above, that the sub-committees' reports should be taken up from the next day, and the procedure for their consideration should be laid down later.

8. It was decided to hold daily meetings of the N.P.C. from 8.30 a.m. to 11.30 a.m. in the morning, and 2 p.m. to 5.30 p.m. in the afternoon. On next Sunday, May 5th, however, only an afternoon session was to be held.

9. The following condolence resolution was passed:

"This meeting of the N.P.C. has learnt, with grief, of the sudden and untimely death of Mr. P.N. Mathur, who was Chairman of the sub-committee on Heavy and Engineering Industries, and who had prepared a valuable report of that sub-committee, in a comparatively short space of time, which will be a monument to his knowledge, experience and patriotism. The Committee place on record their keen appreciation of the service rendered by the late Mr. Mathur in connection with the said sub-committee of which he was Chairman, and of the sub-committee on Mining and Metallurgy of which he was a member, and authorise the Chairman of the N.P.C. to communicate this Resolution to Mrs. Mathur and her family, as well as to the Tata Iron & Steel Co. Ltd., who were pleased to permit the late Mr. Mathur to place his knowledge and experience at the disposal of the sub-committee of the N.P.C."

10. The meeting adjourned at 2.15 p.m. till next day at 8.30 a.m.

Bombay,
2nd May 1940.

Minutes of the meeting of the Manufacturing Industries
sub-committee held on Thursday, 2nd May 1940,
at 1.15 p.m. in the office of the N.P.C.

A meeting of the Manufacturing Industries sub-committee was held on Thursday, 2nd May 1940, at 1.15 p.m. in the office of the N.P.C. The following were present:

Shri Ambalal Sarabhai (Chairman)
Prof. K.T. Shah,
The Hon'ble Mr. Shuaib Qureshi,
Dr. Suresh Chandra Banerjee,
Shri M.C. Ghia, and
Dr. Nazir Ahmad. (Secretary).

This meeting was called to consider the amplifying notes attached to the Report and resolutions, which had been prepared by the Chairman and the Secretary of the sub-committee, and which had been circulated to the members of the sub-committee.

The Hon'ble Mr. Shuaib Qureshi said that he agreed with all the resolutions with the following modification, which he proposed in Resolution No.1.

"With regard to location of industries, I feel that the principle that should determine our decision should be giving equal opportunities to every federating unit, subject, of course, to economic consideration or employment of labour and development of National Resources".

He further agreed with Prof. Shah in his view with regard to 'Monopolies', in the term of reference (d).

Dr. Suresh Chandra Banerjee said that he agreed with the resolutions subject to his note of dissent, which is attached herewith.

It was noted that telegrams expressing agreement with the interim report and the resolutions were received from Messrs. N.N. Rakshit, B. Viswanath, Shanti Prasad Jain and Sardar Bahadur Indra Singh.

The consideration of the amplifying notes was then taken up. Mr. M.C. Ghia proposed a number of modifications. Several of these were agreed to. The notes were then approved in a general way.

The meeting was adjourned at 2.10 p.m.

Nazir Ahmed.

Bombay,
3rd May 1940.

Minutes of the meeting of the National Planning Committee
held on May 3rd, 1940. at 2.30 p.m. in the office
of the N.P.C.:

The National Planning Committee met at 2.30 p.m. on May 3rd 1940. The following members were present:

Pandit Jawaharlal Nehru (Chairman),
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Mr. A. Mohiuddin (Hyderabad (Rep.)
Dr. Nazir Ahmad,
Mr. P.B. Advani (Dr. of Inds., Bombay),
Mr. A.B. Thadani (Sind Rep.)
Dr. V.S. Dubey,
Sir Purshotamdas Thakurdas,
Shri Walchand Hirachand,
Shri V.V. Giri,
Dr. M.N. Saha,
Dr. A.K. Shah,
Dr. Radhakamal Mukherji,
Shri Ambalal Sarabhai.
Prof. K.T. Shah. (Hon. Gen. Secretary)

Mr. Gulzarilal Nanda was also present by special invitation.

Mr. Ambalal Sarabhai presented the Interim Report of the Manufacturing Industries Sub-Committee.

The sub-committee had divided industries (other than heavy industries) into two classes: large industries, i.e. those employing more than 100 hands or turning out goods worth more than Rs.3 lakhs annually; and small industries. There was considerable discussion about this division and about the definitions of large, small, and cottage industries. It was stated that the Village Industries sub-committee had recently suggested a definition of a village industry as one where only manual or animal power was used, and which was located at or near the house of the worker or owner. Thus hired labour was permitted and no limit was placed on the total number of men employed in such a concern.

In view of this different approach by the two sub-committees, it was felt that the matter should be considered afresh and jointly by the two sub-committees. *Sahni copy*

The recommendation of the sub-committee that there should be a certain concentration of the large industries in various provinces was discussed and criticised. Some members were of opinion that de-centralisation of industry should be encouraged as far as possible, though some concentration was inevitable. Where considerations of efficiency, utilisation of waste products, marketing of finished goods, purchase of stores, etc. made it necessary, centralisation may be resorted to. Otherwise decentralisation was to be preferred.

The following resolutions were agreed to:

1. In the matter of location of industries, the claims of the industrially backward areas should be given special consideration, subject to economic considerations justifying the same. *✓*
2. As regards the size of the units, it is recommended that no unit should be so large as to be outside the reach of competition by smaller, but economic units. Units smaller than the economic units should not arbitrarily be allowed

to be started except for experimental or pioneer purposes. The size of the economic unit will be decided in the case of each industry by qualified authority.

3. (At the instance of Mr. Shuaib Qureshi, the following resolution was agreed to:)

With regard to the location of industries equal opportunities should be given to every manufacturing unit, subject to economic consideration, of employment of labour and development of natural resources provided similar conditions of work and wages prevail in the unit under consideration.

4. The power, fuel and mineral resources of the country should be fully conserved, scientifically developed and utilised. We also recommend that wherever the power, fuel and forest resources are available, they should be utilised. The details of working out this principle falls more properly within the scope of the Mining and Metallurgy as well as the Power & Fuel sub-committees.
5. The Defence Industries (as mentioned on page 102 of the red-book) should be State-owned in peace and war. The Planning Authority should also ensure, while laying out the plan, to see that non-State owned works, carrying on peace-time activities for private consumption, other than those which constitute Defence Industries, should nevertheless be so equipped and organised that they are capable of being switched over to State service for additional war-time requirements.
6. Public utilities should, as a general rule, be managed by public autonomous trusts.

The sub-committee's recommendations about key industries was referred back to the sub-committee for reconsideration in the light of the discussion.

It was decided that the question of compensation be considered separately.

The Committee adjourned at 6 p.m.

Secretary.

Chairman

MINUTES OF THE MEETING OF THE NATIONAL
PLANNING COMMITTEE HELD ON
MAY 3, 1940, IN BOMBAY

The National Planning Committee met at 9 a.m. on May 3, 1940. The following members were present:-

Pandit Jawaharlal Nehru	...	(Chairman)
Prof. K. T. Shah	..	(Hon. Gen. Secretary)
Shri Radhakamal Mukherjee		
" J. C. Ghosh		
" A.K. Shaha		
" V.V. Giri		
" M.N. Saha		
" A.B. Thadani	(Rep. of the Sind Government)	
Mr. Shuaib Qureshi	(Rep. of the Bhopal Govt.)	
Mr. A. Mohiuddin	(Rep. of the Hyderabad Govt.)	
Shri Walchand Hirachand		
Shri Ambalal Sarabhai		
Shri V. S. Dubey		
" N.M. Joshi		

There were also present by special invitation:

Nawab Ali Nawaz Jung
Mr. U.N. Mahida.

2. Nawab Ali Nawaz Jung, the Chairman of the Sub-Committee on River Training & Irrigation, presented Part I of his Sub-Committee's report. There was some discussion on this. It was decided to postpone further consideration of this Sub-Committee's report to Saturday afternoon, May 4th, when a note on the principal recommendations would be presented.

3. The N.P.C. then resumed consideration of the Interim Report of the Sub-Committee on Chemicals. Prof. J. C. Ghose presented his note on the main recommendations, and after further discussion, the following resolution was adopted:

"The National Planning Committee having considered the interim report of the Sub-Committee on Chemicals, and pending the consideration of the final report of the Sub-Committee resolve as follows :-

(i) In order that Planning may be accurate and effective, a census of all forms of production including cottage industries is necessary, and legislation for this purpose should be undertaken.

(ii) The rapid development of the dye-stuff industry is considered necessary and for this purpose it is recommended that a dye-stuff corporation should be formed as soon as possible. This industry is likely to require state-aid, and it may be either subsidised and controlled by the State or owned by it. The Corporation should, in the initial stages, concentrate on the production of particular direct and basic colours, naphthols, and bases, as indicated in the appendix to the report. When the factory or factories under the Corporation start operations and produce dyes etc. of standard quality in sufficient quantity, the importation of dyes and intermediates should be prohibited under license for special reasons.

(iii) The immediate establishment of a synthetic ammonia plant is recommended, with a view to making India self-sufficient with regard to synthetic nitrogen fertilisers. Such a factory should produce at least 50,000 tons of Ammonium sulphate, which is approximately the present deficit in production in India.

(iv) The question of the proper use of coal should be considered later along with the recommendations of the Power & Fuel Sub-Committee. The H.P.C., however, agree generally with the recommendations that (a) the use of raw coal for domestic purposes, which involves waste and causes the smoke nuisance, should be prohibited; (b) a sufficient quantity (3 million tons) of coal should be distilled to produce the soft coke necessary for this purpose; (c) the tar obtained from this process, as well as other factories now in use, should be processed to yield the road tar necessary for improving roads, ammonium sulphate for use as fertilisers, and the chemicals and intermediates essential for the dye and drug industries.

(v) The indigenous synthetic drug industry should be encouraged by a protective duty on synthetic drugs imported from abroad, and by suitable modification of the excise regulations relating to the spirits required for the drugs;

(vi) We recommend that an industry for the manufacture of explosives be started and that this be state-owned.

(vii) Crude petroleum should be imported into the country and subsequently refined in this country, in accordance with the recommendation of the Tariff Board on this subject, and the import of petrol and kerosene be subjected to a heavy duty.

(viii) Scientific research for industrial purposes is necessary for the proper utilisation of many products in manufactures. There should be a State Department for Industrial Research which should establish a National Chemical Laboratory, as well as such other laboratories as may be considered necessary, encourage research work in Universities, and give facilities for doing research work in different parts of the country, including grants-in-aid to cooperative research work. The National Chemical Laboratory should especially investigate the possibilities of using various chemicals as substitutes, of obtaining necessary chemicals from the available resources, and of starting manufactures as suggested in the Interim Report.

(ix) Heavy chemicals should be protected, for a definite period from foreign competition. Such raw materials and chemicals, which are not available in the country, e.g., sulphur, arsenic, lead, tin, etc., and some of their compounds, should be allowed into the country free of import duty.

(x) The Chemical Industries, and more particularly the heavy chemical, and tar and petroleum distillation, and associated industries should be owned or controlled by the State."

Minutes of the meetings of the National Planning
Committee held on May 4, 1940, in Bombay:

The National Planning Committee met at 9 a.m. on May 4th 1940, in the office of the Committee. The following members were present:

Pandit Jawaharlal Nehru (Chairman),
Mr. A. Mohiuddin (Hyderabad Rep.)
The Hon'ble Mr. Shuaib Qureshi (Bhopal Rep.)
Dr. Radha Kamal Mukherji,
Dr. J.C. Ghosh,
Dr. A.K. Shaha,
Dr. M.N. Saha,
Dr. V.S. Dubey,
Mr. A.B. Thadani (Sind Rep.)
Mr. C.J. Bharuka,
Shri Ambalal Sarabhai,
Shri N.M. Joshi,
Prof. K.T. Shah (Hon.Gen.Secretary)
Shri V.V. Giri.

Dr. B.C. Guha was also present by special invitation.

Prof. Radha Kamal Mukherji presented the report of the sub-committee on Population and explained the nature of the problem and the recommendations made by the sub-committee.

A number of recommendations were approved of after some changes were made. It was decided, however, that all these should be redrafted by Prof. Mukherji, and then placed for final adoption by this Committee.

The Committee adjourned at 12 noon and met again at 2.30 p.m. The following members were present:

Pandit Jawaharlal Nehru (Chairman),
Shri V.V. Giri,
Mr. C.J. Bharuka,
Mr. P.B. Advani (Dr. of Inds., Bombay),
Dr. V.S. Dubey,
Shri Ambalal Sarabhai,
Mr. A. Mohiuddin (Hyderabad Rep.)
The Hon'ble Mr. Shuaib Qureshi (Bhopal Rep.)
Dr. J.C. Ghosh,
Dr. A.K. Shaha,
Dr. M.N. Saha,
Dr. Radha Kamal Mukherji,
Prof. K.T. Shah (Hon.Gen.Secretary)

The following were present by special invitation:

Sir Chunilal Mehta (Chairman, Animal Husbandry
sub-committee),
Nawab Ali Nawaz Jung (Chairman, River Training
sub-committee),
Mr. U.N. Mahida (Secretary, River Training
sub-committee),
Dr. B.C. Guha, (Secretary, Population sub-com.)

Sir Chunilal Mehta presented the report of the Animal Husbandry sub-committee. The recommendations made therein were generally approved of after some discussion. Sir Chunilal was, however, requested to re-draft the recommendations in the form of resolutions of the N.P.C., and May 8th was fixed for considering this draft.

Part I of the Report of the River Training & Irrigation sub-committee, dealing with irrigation, was then

taken up and Nawab Ali Nawaz Jung presented a note containing the recommendations of the sub-committee. There was general agreement with these recommendations, though some changes were made after discussion. The following resolution was adopted:-

The National Planning Committee, having considered part (I) of the Report of the Irrigation and River Training sub-committee, resolved as follows:

1. With a view to obtain a high degree of co-ordination and correlation of effort, the establishment of a National Water Resources Board, for the conservation and utilisation of water resources in the country, is recommended.

This Board will deal with irrigation, navigation, flood-control, river management, hydro-electric power and use of water for dietetic purposes.

The functions and duties of the Board will be to advise and assist the Administration through:

- (a) the preparation, development, and maintenance of comprehensive plants;
- (b) surveys and research;
- (c) the analysis of projects for co-ordination and sequence.

2. Progress at present is greatly hampered owing to uncertainty of water titles, and we recommend that Inter-Provincial-State Commissions be arranged for reconciling the various interests and conflicting water rights.

These Commissions will consist of one representative each from the Provinces and major States interested in the waters, and two independent members from the Water Resources Board.

3. There is great need of extending the system of permanent gauging stations on all rivers concerning which records of flow are important for planning water resources.
4. We also suggest the systematic undertaking of research and investigation to determine the extent and availability of the ground-water supplies, and the relation between their use and depletion.
5. It is important that our rivers should be developed to the greatest possible extent and effectively utilised at the earliest practicable date. For this purpose conservation of water by storage has become a matter vital to the future growth and development of the country, and we recommend the initiation of extensive reservoir systems commensurate with the needs of the country.
6. We recommend that no time be lost in drawing up and carrying out a construction programme for an addition of about 2 million acres under 'Government Canals and Reservoirs' in the ensuing two decades.

7. We recommend that a detailed land classification be undertaken to determine whether the land is worth the water that is to be applied to it.
8. We recommend that steps be taken for agricultural planning to be tied in closely with the water control programme. Where perennial irrigation is to be practised, a suitable system of agriculture should be developed before hand.
9. Where the irrigational interests are large, we recommend that Co-operative Organisations should be established for:
 - (a) the careful preparation of land for irrigation
 - (b) the distribution of water under fixed rules and discipline;
 - (c) the carrying out of the minor drainage operations, and
 - (d) taking steps for the prevention of swamps, stagnant pools, the spread of malaria, etc.
10. We recommend that suitable laws should be enacted to entrust the upkeep of the numerous minor tanks to the village communities concerned.
11. We consider that irrigation management should be recognised as a distinct profession and recommend that steps be taken for providing the requisite training.

The Committee adjourned at 6 p.m.

Secretary

Chairman

MINUTES OF THE MEETING OF THE
NATIONAL PLANNING COMMITTEE
HELD ON SUNDAY, MAY 5, 1940.

The National Planning Committee met on Sunday, May 5, 1940 at 2 p.m.

The following members were present:

Pandit Jawaharlal Nehru, (Chairman)
The Hon'ble Mr. Shuaib Quereshi, (Bhopal Rep.)
Mr. A. Mohiuddin, (Hyderabad Rep.)
Shri N. M. Joshi,
Shri Ambalal Sarabhai,
Mr. P. B. Advani, (Director of Industries, Bombay)
Mr. A. B. Thadani, (Sind Rep.)
Dr. V. S. Dubey,
Shri C. J. Bharuka,
Shri V. V. Giri,
Shri A. K. Shaha,
Dr. J. C. Ghosh,
Dr. Radhakamal Mukherjee,
Dr. M. N. Saha,
Dr. Nazir Ahmad,
Dr. Sudhir Sen, (Secy. Rural Marketing & Finance
Sub-Committee)
Prof. K. T. Shah, (Hon. Gen. Secretary).

The consideration of the report of the Manufacturing Industries Sub-Committee was resumed.

There was considerable discussion about Rationalisation and its effects. The opinion was expressed that nothing should be done to throw out people who are already employed into unemployment. It was also stated by some members that the system of granting unemployment doles was undesirable. Assistance should be given by providing work and not by a dole. The recommendation on Rationalisation was referred back to the Chairman & Secretary of the Manufacturing Industries Sub-Committee for re-drafting in consultation with Messrs. Joshi and Giri.

The question of protection of Indian industries from international combines gave rise to considerable discussion. The principle was unanimously agreed to. In view of the fact that this was a question of general policy, it was decided to consider it when such general questions were taken up.

Mr. P. B. Advani was requested to draft a resolution regarding the standardisation of industrial products.

The attention of the Committee was drawn to the growing provincialism as exhibited in placing restrictions on students of one province joining technical institutes situated in other provinces. This was considered undesirable and it was decided that the subject might be taken up later.

The following resolutions were adopted (the numbering is continued from the Minutes of May 3rd afternoon):-

7. On principle we are opposed to monopolies in private hands and therefore all monopolies which are injurious to public interests or whose acquisition is beneficial to public interests should be acquired by the State. We recognise, however, that in certain industries it may be inevitable to combine manufacturing units for the purpose of better economic production or selling organisation with a view to preventing profiteering on the one hand and unhealthy competition on the other. In all such cases the units or combines should be under adequate State supervision and control.

8. We recommend that so far as possible, new industrial concerns should be located in suitably developed open areas, where the necessary facilities for the running of such industries and the proper housing of the industrial population are provided.

9. We recommend that all reasonable measures for the improvement of conditions of work inside the factory such as the elimination or reduction to a minimum of dust, trash, smoke, etc., regulation of heat, moisture, etc., provision of light, etc., should be adopted in all industrial concerns.

10. We recommend that a reasonable part of the gross profits realised by an industrial concern should be ear-marked for depreciation before any other allocation, and the sums ear-marked shall be reserved for this purpose.

11. We recommend the establishment of an Institute of Industrial Psychology, whose services should be available to the industry.

12. In foreign countries with which India has substantial trade, Trade Commissioners of Indian nationality should be appointed to act as liaison officers to disseminate information regarding the Indian produce, to facilitate transactions between buyers and sellers, to make periodical reports regarding the trend of markets in their areas, and to help in every possible way the concerns engaged in the buying or selling of Indian goods. In the appointment of these Trade Commissioners, their qualifications for such work, including their knowledge of industry, trade and commerce should be the governing consideration.

13. When any foreign country has established quota arrangements, or other restrictions, in their dealings with India, similar restrictions may be established from the Indian point of view, wherever it is necessary. Clearing agencies for any such purposes must be established, so that the whole of the foreign exchange arising out of trade operations passes through the hands of the State, and may be used by the Reserve Bank as and when it may be necessary for state purposes.

14. Qualified men should be periodically sent out in the principal consuming or potential markets of Indian goods to make an extensive survey of the changing conditions of the market and to submit reports thereupon. Where Indian produce is exported, efforts should be made to see whether the articles manufactured from such material cannot be exported from India in a manufactured form, or whether some intermediate transformation of the raw material, so as to add to its value before it leaves India, cannot be achieved.

15. Museums should be established both in India and abroad for the display of the raw materials and finished goods of Indian manufacture. In each case special emphasis should be laid on the type of articles which are generally consumed in that centre, or for which there is a likelihood of good demand.

16. Standardisation of weights and measures on an all-India basis should be carried out at an early date, so that a uniform system of weights and measures is applicable to the whole country. For this purpose a Bureau of Standards should be established at a central place and this should collaborate with international organisations set up for such purposes. If other conditions permit, the Metric System should be encouraged and adopted.

17. Transport and storage facilities, including cold storage, both in transit and warehouses, should be provided,

extended and improved for Indian produce of all kinds according to its requirements.

18. Arts and crafts emporiums for the encouragement of local industries, especially small-scale and cottage industries should be provided by the Provincial Governments and Local bodies.

19. The grading of all agricultural produce in order to ensure proper grades and uniform quality should be completed at an early date, and measures such as the Indian Agricultural Produce Act, Indian Fruits and Drugs Act, etc. should be passed and applied wherever necessary. Measures on the lines of the Cotton Ginning & Pressing Factories Act should also be passed and enforced to check malpractices and adulteration of superior with inferior varieties.

20. It is desirable to institute a system of licences for all businesses, more especially the distributors of industrial products, and such licences should be issued by statutory bodies. Amongst the conditions attached to such licences should be one, which would render the licence liable to cancellation, if the conditions laid down for the benefit of the public are violated.

21. Railway freights and classifications should be examined from the point of view of marketing of industrial products and wherever the incidence of freight adds considerably to the transport charges and acts as a drag on the industry, the freight should be reduced by an appropriate amount, with due regard to safeguarding other interests concerned.

22. We feel that by judicious adjustment it may be possible to establish a mutually beneficial co-operation between large scale and cottage industries as a whole. We favour, therefore, looking at the constituent parts of an industry and apportioning production in such a manner between large scale and cottage industry as to provide for legitimate expansion of both and utmost contribution to national well-being. We recommend that there should be a permanent Board of Research to go into the changing economics of large scale and cottage industries including its reactions on those employed in the cottage industry and a much larger number of consumers as a result of which the State may decide their respective scope.

23. We recommend that suitable facilities should be provided in each Province, with special regard to the needs of the Province in the matter of industry and commerce, for training sufficient number of men and women for all kinds of posts in the industrial and commercial concerns. In this connection special regard should be paid to the training of men for the higher posts, who can design new types of machinery, erect large factories, undertake original industrial investigations with a view to increasing efficiency and reducing wastage and cost, and possess initiative and organising capacity. Where such facilities already exist, they should be expanded in the appropriate manner; where no such facilities exist, new departments, schools or colleges should be opened.

24. Apprentice schemes for the training of apprentices in different industries should be initiated in each area. These schemes should be worked out to give the best results, with due regard to the special interests of each industry, if necessary by legislation.

25. In order to absorb the trained men and women turned out from the industrial institutes, apprentice classes, etc., it should be made compulsory on each industrial concern to employ a certain percentage, which would be determined with

due regard to its special interests and requirements, of technically trained men.

26. In special cases the services of highly qualified foreigners may be engaged on a contract basis to impart training in special subjects in India.

The further consideration of the Manufacturing Industries Sub-Committee's Report was postponed to a later occasion and the Committee adjourned at 6 p.m.

Secretary.

Chairman.

MINUTES OF THE MEETINGS
OF THE
NATIONAL PLANNING COMMITTEE
HELD ON MAY 6, 1940.

The National Planning Committee met on May 6, 1940 at 9 a.m. The following members were present:-

Pandit Jawaharlal Nehru ,	(Chairman)
Dr. Radha Kamal Mukherjee,	
Dr. J. C. Ghosh,	
Dr. M. N. Saha,	
Shri V. V. Giri,	
Shri C. J. Bharuka,	
Shri N. M. Joshi,	
Shri Ambalal Sarabhai,	
Shri A. K. Shaha,	
Mr. A. B. Thadani,	(Sind Rep.)
Mr. A. Mahiuddin,	(Hyderabad Rep.)
The Hon'ble Mr. Shuaib Quereshi	(Bhopal Rep.)
Prof. K. T. Shah,	(Hon.Gen.Secretary)

Mr. Gulzari Lal Nanda and Dr. Sudhir Sen were present by special invitation.

Mr. N. M. Joshi presented the Labour Sub-Committee's Report and placed the principal recommendations before the Committee.

Mr. Ambalal Sarabhai suggested that as we could do little under present conditions, the Report and its recommendations should be referred to a committee which should inquire into labour conditions. Further he wanted to know whether the changes suggested were for the future when new conditions prevailed or for the immediate present. While he might agree to many of these changes as part of a new order, a piecemeal appreciation of them piecemeal might be injurious. There was a danger that in case the present Government took such piecemeal action it might be detrimental to Indian industry.

The Chairman stated in reply that it would be unfortunate to defer consideration of the report. If any valid reason applied to this postponement, it applied also to other reports and to all the work of the N.P.C. Their object was to draw up the outlines of a planned scheme which could be filled in later. It was highly desirable that this should be done so that their minds and the public might be prepared and action might be taken whenever opportunity arose. They were planning for the future when they would have power to give effect to this planning, and this should not be done piecemeal but as a co-ordinated scheme. In the present they had no power to do so, and they were not thinking of the present in drawing up the scheme. But if any part of the scheme which was desirable in itself was given effect to in the present, they would naturally welcome it. If such action was undesirable under particular circumstances or injurious by itself, it was open to them to object to it.

It was decided to proceed with the consideration of the Report and there was considerable discussion. Mr. Ambalal Sarabhai pointed out that any changes which imposed fresh obligations on an industry must not be confined to one province but should be of all-India application. The Committee agreed that the changes suggested were meant for the whole of India. But it was possible that one province might take the lead in a desirable advance and this could not be objected to. Where this occurred the other provinces and States should be brought in line. It was inherent in planning that there should be this general and all-round advance.

It was further pointed out that although provinces only were mentioned in some of the recommendations, these included States also.

The following resolutions were adopted:

1. Regulation as regards living and working conditions of the employees, including hours of work, employment of children, provisions for safety and sanitation, social insurance and such other matters should apply, subject to such variation as may be necessary owing to the nature of the occupation, to industries and occupations to which so far no such regulation has been applied.
2. It is of paramount importance that certain essential human standards be maintained. In giving effect to any regulations for the improvement of living and working conditions due regard will be paid to interests of the consumer and the capacity of each industry to support this obligation. In the event of an industry not being able to comply with these conditions, the State may protect, subsidise or take it over, if it is the interest of the community to do so.
3. HOURS OF WORK:- Working hours should be limited to 48 hours per week and nine hours per day. This should not lead to any reduction of earnings. It is recommended that a committee should investigate into all the questions arising out of the application of a 48 hour week on an all-India basis, including conditions of work.

The Committee adjourned at 12 noon and met again at 2.30 p.m. when the following members were present:-

Pandit Jawaharlal Nehru, (Chairman)
Dr. Radha Kamal Mukherjee,
Dr. J. C. Ghosh,
Shri V.V. Giri,
Shri C. J. Bharuka,
Shri Walchand Hirachand,
Shri Ambalal Sarabhai,
Shri N. M. Joshi,
Dr. Nazir Ahmad,
Mr. P. B. Advani, (Director of Industries, Bombay)
Mr. A. B. Thadani, (Sind Rep.)
Mr. A. Mohiuddin, (Hyderabad Rep.)
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Prof. K. T. Shah, (Hon. Gen. Secretary).

Mr. Gulzari Lal Nanda was present by special invitation.

The Chairman informed the Committee that Sir Ramchettandas Thakurdas and Mr. A. D. Shroff had been unable to attend for some days owing to ill-health.

The Committee resumed consideration of the Labour Sub-Committee's recommendations. The following further resolutions were adopted:

4. This provision (relating to hours of work in resolution 3 above) shall apply to all employees in -

(a) factories and workshops, employing five or more persons and using mechanical power, or to factories and workshops employing ten or more persons even though not using mechanical power;

(b) mines and quarries;

(c) public transport services using mechanical power.

5. The principle of limiting the total weekly hours of work should be applied to other industrial and commercial occupations, including plantations, building works, public utility services, with due regard to the nature and varying conditions of the occupation.

6. CHILD LABOUR: The minimum age of employment of children should be progressively raised to 15, in correlation with the educational system.

7. HEALTH AND SAFETY: In view of the specially Technical nature of the problems of health and safety, a special committee should be appointed to make detailed investigations and recommendations for improving provisions for the health, safety, and conditions governing night work, in all regulated undertakings.

8. WAGES:- A wage fixing machinery should be established early in all provinces in order to secure for the workers a living wage, fix minimum wages, consider other questions relating to wages, and obtain for them a decent standard of life, health and comfort.

There should also be a Central Board in order to co-ordinate the activities of the Provincial Boards.

9. HOUSING: The question of Housing should be considered as a national obligation of the State and should, therefore, be more fully considered in connection with the housing sub-committee recommendations. It is desirable therefore for the State, including the Local Body, to make provision for housing, as well as for cooperative schemes to be undertaken.

During the period of transition, and in order to improve housing conditions as rapidly as possible, employers should be required to erect suitable houses for workers, provided that full provision is made for freedom of movement and association, and against victimization by way of ejection during industrial disputes. Where necessary, facilities for transport should be provided.

10. HOLIDAYS WITH PAY: All industrial employees should be given at least 10 continuous working days (exclusive of public holidays) as paid holidays after 12 months service.

11. WORKMENS COMPENSATION: The present rates paid by way of compensation should be examined and made adequate.

12. MATERNITY BENEFITS: Maternity benefit legislation should be undertaken on the general lines laid down by the Geneva Convention of 1919, in regard to the period before and after childbirth, and payment being made out of a special public fund.

Mr. Ambalal Sarabhai pointed out again that all these provisions relating to Housing, Holidays with pay, Compensation, etc., should be on an all-India basis.

The Committee adjourned at 6 p.m. Further consideration of the Labour Sub-Committee's recommendations was to be taken up the next day.

Secretary.

Chairman.

MINUTES OF THE MEETINGS OF THE
NATIONAL PLANNING COMMITTEE
HELD ON MAY 7, 1940.

The National Planning Committee met at 9 a.m. on May 7, 1940. The following members were present:

Pandit Jawaharlal Nehru, (Chairman)
Shri Ambalal Sarabhai,
Shri V. V. Giri,
Shri N. M. Joshi,
Mr. A. B. Thadani (Sind Rep.)
Dr. Radha Kamal Mukherjee,
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Mr. M. Mohiuddin, (Hyderabad Rep.)
Dr. J. C. Ghosh,
Prof. K. T. Shah (Hon. Gen. Secretary).

Also present: Mr. Gulzari Lal Nanda,
Srimati Mridula Sarabhai.

Consideration of the Labour Sub-Committee's report was resumed.

The Chairman drew the attention of the Committee to a letter from Mr. Gulzari Lal Nanda in which he had corrected a misapprehension about himself in the Report. Mr. Joshi said that the correction would be made.

Mr. Ambalal Sarabhai suggested that Mr. Gulzari Lal Nanda be co-opted as a member of the National Planning Committee. The Chairman said he would welcome this and the Committee resolved to coopt him.

Mr. Ambalal again emphasized that it was important that our recommendations should be given effect to as a whole, as otherwise there might be dislocation and injury. He had himself looked upon these recommendations from this viewpoint.

13. The Committee resolved that the right of women workers to get equal pay for equal work must be recognised.

Prof. K. T. Shah further proposed that wage units should be considered for individual workers and not by families, so that married women workers should not suffer.

There was a discussion on the consequences of such a rule being applied. Srimati Mridula Sarabhai pointed out that at present married women were thrown out of work and thus suffered greatly.

It was decided that as this proposal involved a general principle which affected the social structure, it might be considered later when these broad principles were taken up.

SOCIAL INSURANCE:

Mr. Ambalal Sarabhai accepted the principle of social insurance for the untoward consequences of industrial employment, but pointed out that any further protection of industrial workers for other ills would be at the expense of the community which itself was not so protected, and many of whose members required help even more. There was considerable discussion in which Mr. N. M. Joshi, Mr. Nanda, Prof. K. T. Shah, Prof. Mukherji and others joined and pointed out that while it was desirable that the entire community should be so protected, and this objective should be kept in view and was in fact a part of planned economy, the question of feasibility had also to be considered. Special circumstances applied to industrial workers and their need was often greater, as they were cut off from their old

moorings.

The following resolution was ultimately passed:

14. A system of compulsory and contributory social insurance for industrial workers should be established directly under the control of the State to cover the risks of sickness and invalidity other than those covered by the Workmen's Compensation Act. Schemes for providing alternative employment to those involuntarily unemployed, Old Age Pensions and Survivors' Pensions, and also Social Insurance to cover risks of sickness and invalidity for all, should be established directly under the State. These schemes should be extended by stages, priority being given to particular classes of workers, with due regard to the relative urgency of their needs, facility of application, and to the ability of the community to provide for them.

*unemployed
workers who
there is no alternative
employment*

The following further resolutions were passed:

15. LITERACY: A nation-wide campaign of adult literacy and education should be started by making it obligatory on every illiterate adult to attend a literacy centre for a fixed period. The necessary finances required for launching the scheme should be provided by the State.

16. TECHNICAL EDUCATION: Provision should be made for technical education of the workers by establishing Day and Night Schools for the purpose, so that the worker might become more efficient in his own industry and might also learn an alternative occupation. After the State has made suitable provision, a certain period should be fixed after which only literates will be employed.

17. TRADE UNIONISM: Legislation should be passed to recognise Trade Unionism as an essential and integral part of the economic system.

Recognise

18. TRADE DISPUTES: Machinery for the settlement of disputes should be provided by Government in the form of a Conciliation Board and an Industrial Court.

A prolonged discussion took place on the desirability or otherwise of compulsory arbitration in labour disputes. Mr. N. M. Joshi argued that the system of arbitration in which the decisions of the arbitrators are binding on both parties must be rejected. Mr. Nanda was, however, of opinion that under existing circumstances, compulsory arbitration was desirable and should be encouraged. Labour was weak and to invite conflict with a more powerful adversary was to invite disaster. Arbitration strengthened the workers and it was for this reason that employers were usually opposed to it.

Compulsory

Prof. K. T. Shah pointed out that in Planned Economy there should be no room for strikes and lock-outs. Prof. Mukherji, Mr. Shuaib Qureshi and other members also took part in the discussion. Before any decision could be arrived at, the Committee was adjourned at 12.5 noon to the afternoon.

The National Planning Committee met the same day at 2.30 p.m. The following members were present:

- Pandit Jawaharlal Nehru (Chairman)
- Shri Ambalal Sarabhai,
- Shri V. V. Giri,
- Shri N. M. Joshi.

Sir Purshottamdas Thakurdas,
Mr. A. K. Shaha,
Mr. A. B. Thadani, (Sind Rep.)
Dr. Radha Kamal Mukherjee,
Dr. M. N. Saha,
Dr. V. S. Dubey,
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Mr. A. Mohiuddin, (Hyderabad Rep.)
Dr. J. C. Ghosh,
Shri Gulzari Lal Nanda,
Prof. K. T. Shah (Hon. Gen. Secretary).

Also present:- Mr. Manu Subedar,
Dr. Sudhir Sen,

Mr. Manu Subedar presented the Interim Report of the Currency and Banking Sub-Committee.

Prof. K. T. Shah explained his minutes of dissent and the desirability of aiming at making money subservient to national economy. Money, as at present, should not be the standard of value.

There was discussion in which Sir Purshotamdas, Mr. Ambalal Sarabhai, Mr. Mohiuddin, Mr. Thadani, Prof. Mukherji and Mr. Manu Subedar joined. It was pointed out that Prof. Shah's method of dealing with money might not be possible till vast changes had taken place in the social structure and there were risks in introducing novel and far-reaching experiments. Prof. Shah replied that there need be no risks as his method could be applied in convenient stages. Although his approach to the questions was different, he agreed with most of the actual recommendations of the Sub-Committee.

At Mr. Ambalal's suggestion it was decided to pass on to the consideration of the principal report and its recommendations.

The Chairman drew Mr. Manu Subedar's attention to a sentence in the report which referred to the Indian Directors of the Reserve Bank and stated that he had noticed this with regret. He requested Mr. Subedar to leave out that sentence from the Report. Mr. Subedar explained his view-point and agreed to the Chairman's suggestion.

The Committee then considered the Interim Report. The following resolutions were passed:

1. The Reserve Bank of India is dominated by British financial interests and carries out policies dictated by them. The Bank must therefore be nationalised and be owned and managed by the State.
2. Banking business of every description must be carried on under a licence, and must be subject to such regulation, supervision and general control as the Central Banking authority imposes from time to time.
3. One of the essential conditions of the licence to do banking business in this country should be that at least 95% of the personnel will be Indian. In the case of banks registered in India, all the directors should be Indian nationals, the employment of any foreigner in any such bank will be left open as expert adviser only, and not as chief executive or manager.
4. Banks not registered in India should be prohibited from receiving any deposit or raising loans, in the same manner

as in the United States of America.

5. Banking facilities in the country must be widened and made easily available to the mass of the people by means of an adequate number of branches of large Joint Stock Banks, small local banks, improvement and extension of Post Office Savings Banks, Co-operative Banking Societies, and private bankers under a proper system of regulation.

6. All inland remittance charges should be eliminated. The Hundi system should be encouraged and strengthened and Discount Houses should be established.

7. The Stock Exchange should be re-organised and should work under very strict public control, so that they might function primarily as institutions to help investors.

8. All commodity markets, in which future or forward dealings take place, must be under regulations approved by the State.

9. All import and export trade must be done under a system of licences, which should be freely given; but which are so designed as to enable the State to have the fullest information regarding the direction of the trade, and to facilitate control and regulation as they are found necessary.

10. Increasing use should be made for staple articles of recognised corporations, especially charged with functions of exporting and importing.

The consideration of the Interim Report had not concluded when the Committee adjourned at 6.5 p.m. It was decided to take up the Report again on May 9th at about 10 a.m.

Secretary.

Chairman.

May 8, 1940.

MINUTES OF THE MEETING OF THE NATIONAL
PLANNING COMMITTEE HELD ON
MAY 8, 1940.

The National Planning Committee met on May 8, 1940 at 9 a.m. The following members were present:

Pandit Jawaharlal Nehru	(Chairman)
Mr. Radhakamal Mukherjee	
Dr. J.C. Ghosh	
Dr. A.K. Shaha	
Mr. G.L. Nanda	
Hon'ble Shuaib Quireshi	(Rep. of the Bhopal Govt.)
Mr. A. Mohiuddin	(Rep. of the Hyderabad Govt.)
Mr. Ambalal Sarabhai	
Mr. V.V. Giri	
Mr. A.B. Thadani	(Rep. of the Sind Govt.)
Dr. V.S. Dubey	
Mr. N.M. Joshi	
Prof. K.T. Shah	(Hon. Gen. Secretary)

The Labour Sub-Committee's Report was further considered and the following resolutions adopted:-

19. STATISTICS: Legislation should be passed to enable full collection of all necessary labour and other statistics.
20. LABOUR INSPECTORATE should be strengthened in the various provinces and should include women. Cooperation between Inspectorates of various provinces should be established by periodical conferences.
21. LABOUR LEGISLATION: It is desirable to have uniformity and co-ordination in labour legislation all over India. There should, therefore, be full co-ordination between the Centre and the Provinces and the Provinces and States inter se, and appropriate machinery for this purpose should be devised, such as Tripartite Industrial Councils representing the Government, the employers and labour. This principle of uniformity and co-ordination should be borne in mind when prescribing the respective spheres of Central and provincial legislation affecting labour.
22. Both in the interest of industry and the community, it is desirable to associate the workers progressively in the control of the industrial system.
23. DOMESTIC SERVICE: The case of those engaged in domestic services requires special attention and legislation in regard to their hours of work, wages, holidays, social insurance and the like.

The Committee then considered the Report on Animal Husbandry and Sir Chunilal Mehta placed certain draft resolutions before it. The Committee resolved as follows:-

India has the largest proportion of animal production in the world, a considerable proportion of which is useless and burdensome. Means must, therefore, be found by sterilization and by other ways to reduce the size of the present cattle population, and also to guard against the increase of **useless animals** in the future. Though the number of animals is the largest in India the produce per animal is miserably poor. Means must be found to increase this produce per animal and to make the cow an economic proposition and to cheapen the cost of cow's milk and milk products. With this end in view while generally approving the Report of the Committee on Animal Husbandry the following recommendations are made:-

1. The first essential is the breeding of Pedigree cattle suitable for regional areas with a view to distribute the bulls and cows on the premium system throughout the villages. The responsibility for doing this must rest with Government.

2. The objective of breeding should be what is known as the general utility or dual purpose animal, as India is an Agricultural country requiring bulls for cultivation though the combination of milk and draught characteristics, including for agricultural operations, may mean some sacrifice in both to a certain extent. This policy is also necessary because animals cannot be bred for slaughter in view of the strong sentiment in the country in this matter.

3. Breeding should be done by selection from indigenous stocks as the experience of crossing with foreign breeds has not been happy.

4. Legislation on the lines of the Punjab and Bombay but with its provisions considerably strengthened should be undertaken for sterilising bulls and ringing cows which are found to be useless and superfluous with a view to replacement ultimately by pedigree animals.

5. The system of dedication of Brahmani Bulls should be carefully watched so that only proper bulls, and ultimately pedigree bulls, are selected with the help of village panchayats and with the approval of the animal husbandry authority.

6. The question of Government Cattle Farms, Co-operative Organisation for Cattle Breeding and for Milk production, Transport and Processing and for the distribution of Premium Bulls have been recently examined in the report of the Expert Cattle Committee, Bombay, 1939, whose recommendations may generally be taken as the basis of work, mutatis mutandis, in other provinces and States.

7. Proper provisions should be made for fodder, controlled grazing, silage, throwing open of forest areas, where feasible, and by legislative insistence, where practicable, on the cultivator setting apart a portion of his holding for fodder crops.

8. Good animals require good food and the question of animal nutrition requires further research.

9. Cow's milk is an excellent article of diet for human consumption and surpasses buffalo milk. When the arrangements mentioned above have been made and sufficient quantity of milk can be provided, there should be a drink more cow's milk campaign, especially in cities, where the taste has been developed for buffalo milk. The creation of a demand for cow's milk will be a great support to the dairying industry. Buffalo's milk is preferred because of its fat content. The objective of breeding should aim at increasing the butter content of cow's milk, which can be done. This will also help the use of cow's milk for ghee manufacture for which there is a demand in the country.

10. Profitable production of pure milk and milk products is greatly handicapped by the unfair competition of unscrupulous vendors and distributors of adulterated articles. There should be adequate provision of law against this and it should be strictly enforced. The competition of what is called vegetable ghee should be provided against. It is desirable to give a generic name to these hardened oils and the use of the word "ghee" should be prohibited for these products. Some distinctive colour should be given to these products at the factory, so that they cannot be mistaken for "ghee". The distinctive colour may be such as not to affect the colour of the cooked food.

11. Dairies should be removed from cities to rural areas at a suitable distance from them both because of the cost of land in cities is high and because it leads to the slaughter of our best animals as well as to the cruel and disastrous process of phooka. Transport facilities should be given.

12. Slaughter houses should be strictly controlled by a Veterinary Officer who should see that no animals that are capable of being useful are destroyed. Regulations should be made to provide against the slaughter of animals serviceable for agriculture and for milking purposes. The objective should be to make the keeping of animals an economic proposition.

The Committee adjourned at 12 noon and met again at 2.40 p.m., when the following members were present:

Pandit Jawaharlal Nehru	(Chairman)
Mr. Radhakamal Mukherjee	
Dr. J.C. Ghosh	
Dr. A.K. Shaha.	
Mr. M.N. Saha	
Mr. G.L. Nanda	
Mr. N.M. Joshi	
Hon'ble Shuaib Quireshi	(Rep. of the Bhopal Govt.)
Mr. A. Mohiuddin	(Rep. of the Hyderabad Govt.)
Mr. Ambalal Sarabhai	
Dr. Nazir Ahmad	
Dr. V.S. Dubey	
Mr. A.B. Thadani	(Rep. of the Sind Govt.)
Mr. P.B. ...	
Prof. K.T. ...	(Hon. Gen. Secretary)

The following were present by invitation:-

Sir Chunilal V. Mehta, Mr. K.S. Ramachandra Iyer and Mr. B.K. Shah.

The following further resolutions in regard to animal husbandry were passed:

13. Pinjrapoles and Gorakshak Mandalies who derive their funds from trade should be persuaded to take up cattle breeding at least as a part of their activity.

14. In tracts where male buffalows are used for cultivation and transport, attention should also be paid to the breeding of good buffalo stock.

15. Much more attention should be paid to animal husbandry as an important department of Government. The subject of Animal Husbandry should find a place in the curricula of the appropriate educational institutions. Research in all branches of Animal Husbandry and Dairy Produce should also be encouraged.

16. Timely prevention of cattle disease, control of epidemics and compulsory inoculation are recommended. More research is required on animal diseases.

17. The Committee are of opinion that there is scope in this country for manufacturing milk products like Casein, Skim Milk powder, Condensed Milk etc., which are now imported, and this industry should be safeguarded. In the manufacture of ghee it should be examined whether the preparation of it from creamery butter is not as good or better than the deshi method from whole-milk curds.

18. The Sub-Committee's recommendations with regard to the breeding of sheep, goats and poultry and also with regard to Bee-Keeping are generally approved.

Sir Chunilal Mehta drew the attention of the Committee to Dr. Wright's report on the development of the Cattle and Dairy industries in India and said that this contained many valuable recommendations and suggestions. The Committee were of opinion that this report might be taken into consideration by the Planning Commission.

The interim report of the Sub-Committee on Insurance was then taken up. Sir Chunilal V. Mehta presented it. Mr. K.S. Ramachandra Iyer and Mr. B.K. Shah also supported it. Emphasis was laid on the fact that insurance in India was in an absolutely infant stage of development and every possible assistance should be given to Indian enterprise against foreign competition.

The question arose as to whether insurance was a public utility service and whether it should be owned by the State or not. Mr. Ambalal Sarabhai suggested that it should be

be State-owned and controlled by a public autonomous trust. The consideration of this matter was postponed till the recommendations of the report had been disposed of.

The report was then read. Mr. N.M. Joshi referred to workers' accidents being included in the insurance under the head of Social Security Service. Mr. Ambalal Sarabhai suggested that the case of artisans and other non-industrial workers should also be considered. These matters were kept over for consideration later:-

1. In order to organise the National Insurance system on a sound, allround, nation-wide basis, embracing every contingency having to be insured against, it would be necessary for the State to establish a Central co-ordinating national insurance board which may be an autonomous board appointed by the Government and including representatives of the interests concerned.

Such a Board would not only provide for the management of such of the insurance business as is carried on by the State or any of its representatives directly, but also for the supervision, control, and regulation of those portions of the insurance business which are under private enterprise, and also for those to which the State becomes a contributory.

This Board will also collect the necessary data and statistics, as also to supervise the technical education of insurance workers.

The Committee was discussing paragraph 31 of the report when the further consideration of the Insurance report was postponed till the morning of the 10th May at 9 a.m.

The Committee then went back to the consideration of the report of the Manufacturing Industries Sub-Committee. The following further resolutions were adopted:-

27. Until such time as adequate facilities are available in India for the training of men and women for all kinds of work in industrial concerns, it would be necessary for Indians to receive this training in suitable technical institutions and industrial organisations in foreign countries. We recommend that in such cases the State should furnish full information regarding such institutions, make the necessary arrangements for the training of Indians abroad, and in case of qualified and deserving persons should render them such financial and other help as may be necessary. It should be a part of the Stores Purchase policy of the State to stipulate for the training of men selected by the State.
28. It is recommended that a Standards Institution should be established at an early date. This Institution should prepare and issue standard specifications for various articles manufactured in India. Such standard specifications will, on the one hand, safeguard the purchaser by ensuring a generally suitable quality and performance at a reasonable price, and on the other, safeguard the manufacturer by minimising unfair competition.

This Institution should work in close collaboration with the central standardising bodies in the various parts of the world.

29. The manufacture of machinery of all types should be undertaken in India after a careful survey of the present requirements and resources, and should be expanded progressively in proportion to our industrial development in the future. For this purpose, an immediate survey of the following materials which are essential for the manufacture of machinery should be undertaken, and this survey should be repeated every five years to assess the extent to which as a result of the fullest possible exploitation of our resources, India is able to produce the materials required for the manufacture of machinery:

Antimony	Manganese
Asbestos	Mercury
Asphalt	Molybdenum
Bauxite	Nickel
Camphor	Phosphate-rock.
Cement	Platinum
Chrome Ore	Potash
Cobalt	Rubber
Copper	Salt
Cryolite	Sulphur
Felspar	Tin
Graphite	Tungsten Ore
Iodine	Vanadium
Iron Ore	Vanadium Ore
Lead, Magnesite	Zinc.

This concluded consideration of the Manufacturing Industries report.

The Committee discussed their own future programme. It was provisionally agreed that reports should be considered up to and including the 12th May, and on the 13th and 14th some general discussion might take place.

The Committee adjourned at 6.10 p.m.

MINUTES OF THE MEETING OF THE NATIONAL
PLANNING COMMITTEE HELD ON
MAY 10, 1940

The Committee met on May 10, 1940, at 9 a.m. The following members were presents:

Pandit Jawaharlal Nehru	(Chairman)
Mr. Radhakamal Mukherjee	
Dr. J.C. Ghosh	
Dr. A.K. Shaha	
Mr. M.N. Saha	
Mr. G.L. Nanda	
Dr. V.S. Dubey	
Mr. Ambalal Sarabhai	
Mr. N.M. Joshi	
A. Mohiuddin	(Hyderabad Rep.)
Hon'ble Shuaib Qureshi	(Bhopal Rep.)
Mr. A.B. Thadani	(Sind Rep.)
Prof. K.T. Shah	(Hon. Gen. Secretary)

The following were present by invitation:

Mr. S.D. Prabhavalkar, Dr. Sudhir Sen and
Mr. S.B. Joshi

Mr. Prabhavalkar presented the Report of the Housing Committee. After some general discussion, the following resolutions were adopted:

1. We recommend the creation of statutory authorities namely (i) Central Housing and Planning Board; (ii) Provincial Housing and Planning Boards. The former will be concerned with general principles, policy, programme, finance, technique, standardisation and research on broad lines. The latter will guide and control all schemes but not their details. Necessary legislation will be undertaken, which will provide for the initiation and execution of the programme. Women's role in National Housing being important, we recommend that they be given adequate representation on these Boards.
2. Rural Housing should be undertaken in coordination with rural reconstruction and should generally be based on ownership, and not tenancy, of the house and site, the latter on a basis of long lease if ownership is not possible. The programme of such rural housing should be carried out with due regard to the environment as well as the resources of the country, and with such aid from the State as may be necessary. The programme should include particularly the building of Panchayat Ghars in villages where community life and cultural activities of the villagers can be developed, including school, library, lecture hall, cooperative store and the like. Adequate equipment for games and sports should also be provided. The Panchayat Ghar should make due provision for the needs of women and children.

The State aid mentioned above should particularly include advice or assistance in matters of village sanitation and skilled labour.

3. Cattle should be accommodated in such a manner that the health of human beings does not suffer and proper sanitary arrangements are provided.

4. Urban housing is to be regarded as a public utility service, the responsibility for which primarily rests with the State. This should not, however, exclude private enterprise, suitably controlled by the State.
5. Definite standards for various types of unit house accommodation shall be laid down by the appropriate authority.
6. The State will make requisite arrangements for financing the Housing programme, if necessary, by loan.

This concluded the consideration of the Report on Housing.

Mr. Ambalal Sarabhai pointed out that women were not properly represented on the National Planning Committee. There was only one woman member, Rani Rajwade, and unfortunately she had not been able to attend owing to illness. He suggested that Mrs. Vijaya Lakshmi Pandit should be co-opted to the N.P.C. This was agreed to.

The Committee adjourned at 12 noon and met again at 2.40 p.m. when the following members were present:

Pandit Jawaharlal Nehru	(Chairman)
Mr. Radhakamal Mukherjee	
Dr. A.K. Shaha	
Mr. M.N. Saha	
Dr. V.S. Dubey	
Mr. G.L. Nanda	
Mr. Ambalal Sarabhai	
Dr. J.C. Ghosh	
Hon'ble Shuaib Qureshi	(Bhopal Rep.)
Mr. A. Mohiuddin	(Hyderabad Rep.)
Mr. A.B. Thadani	(Sind Rep.)
Prof. K.T. Shah	(Hon. Gen. Secretary)

The following were present by invitation:

Mr. Manu Subedar, Dr. Sudhir Sen, and Mr. Rafi Ahmad Kidwai.

The Committee resumed the consideration of the Interim Report on Currency and Banking. The following further resolutions were passed:

14. While in Planned Economy, fluctuation and depressions will be reduced to a minimum, it is desirable that meanwhile these should be controlled and sudden or prolonged fluctuations avoided by the Central Monetary authority in the country. For this purpose several Index Numbers, based on different commodities and different considerations, should be kept to indicate the direction of these fluctuations as also the progress of the Plan. The Central Monetary authority should regulate the price levels and other conditions through the adjustment of the volume of currency and credit.
15. No reserves against the Indian Paper Currency, or the Indian Credit and Banking system, should be in sterling, as hitherto. All such reserves should be normally in India, but the Reserve Bank should have discretion and powers of holding a portion at such places

abroad (in gold only in quantities laid down by law) as is considered desirable and necessary. Reserve in gold should not be permitted normally to be kept out of India.

16. The export of gold from India on private account must be prohibited forthwith, and the import of gold must be confined to the Reserve Bank only.
17. To improve the credit and financing facilities available to the primary producer, we recommend that warehousing facilities should be provided or organised by the State all over the country to enable the producer to place his produce in such warehouses. We recommend that the charges in connection with these warehouses should be eliminated and borne by general reserve, or, in any event, such charges should be as low as possible. Against the produce thus deposited, a receipt should be given to the producer who should be entitled to raise the money needed on the strength of this receipt.
18. The State will prevent profiteering and control price levels in the interests of the consuming public and of Planned Economy.
19. We recommend the establishment of Consumers' Associations at principal centres with a view to protect the interests of the consumer in respect to quality, price and weight of goods etc.

In order further to protect the buyer and check the habit of bargaining, we recommend that retail dealers should be made to fix their prices and exhibit them openly.

Prof. K.T. Shah's Note of Dissent was discussed by the for some time. Several members stated that while they were attracted by the new approach to money, it was not clear to them how it could be made feasible and practicable. It would be in the nature of an experiment. Mr. Ambalal Sarabhai suggested that Prof. K.T. Shah might write a fuller note on the subject, explaining his point of view and how it could be applied. This note should be circulated to members of the N.P.C. Prof. Shah agreed to this.

This concluded the consideration of the Report on Currency and Banking.

The minutes of the meeting held on May 8 were confirmed.

The Committee adjourned at 5.50 p.m.

Secretary

Chairman

May 11, 1940.

TVP

Minutes of the meetings of the National Planning Committee held on 11th May, 1940, in the office of the N.P.C.:

The National Planning Committee met on 11th May 1940 at 9 a.m. The following members were present:

Pandit Jawaharlal Nehru (Chairman),
Dr. Radha Kanai Mukherji,
Dr. J.C. Ghosh,
Dr. A.K. Shaha,
Dr. M.N. Saha,
Mr. A. Mohiuddin (Hyderabad Rep.)
Mr. Abdur Rehman Siddiqui,
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Dr. V.S. Dubey,
Shri Gulzarilal Nanda,
Mr. A.B. Thadani (Sind Rep.),
Shri Ambalal Sarabhai,
Dr. C.A. Mehta (Baroda Rep.)
Prof. K.T. Shah (Hon.Gen. Secretary)

Dr. Sudhir Sen, Secretary, Rural Marketing & Finance sub-committee, was also present by special invitation.

Dr. Sudhir Sen continued his presentation of the Report of the Rural Marketing & Finance sub-committee. He pointed out that though this was the final report, a chapter on co-operation had still to be added.

Prof. K.T. Shah said that the machinery of marketing was not merely to facilitate exchange but must also be considered from the point of view of distribution.

Mr. Ambalal Sarabhai suggested that in dealing with rural marketing, the organisation of markets in rural areas for manufactured goods must also be considered.

The recommendations contained in the abstract of the Report were taken into consideration. Paragraphs 5 to 11 dealing with communications (transport) were generally approved. It was suggested, however, that water transport should also be mentioned. These recommendations should be considered more fully with the Report of the Transport Services sub-committee.

The recommendations regarding 'regulated markets' (paragraphs 12 and 13) led to some discussion. Mr. Mohiuddin was of opinion that this was based too much on the present system and did not go far enough. Dr. Sen was requested to redraft this, keeping in view the various suggestions made in the course of the discussions.

Paragraphs 14, 15 and 16 dealing with standardisation of weights and measures were generally approved. The Committee had previously passed a resolution on this subject.

The consideration of the Rural Marketing Report was then adjourned.

The minutes of the meetings held on the 9th May 1940 were confirmed and the Committee adjourned at 12 noon.

The Committee met again at 2.30 p.m. The following members were present:

Pandit Jawaharlal Nehru, (Chairman),
Dr. J.C. Ghosh,
Dr. Radhakamal Mukherji,
Dr. A.K. Shaha,
Dr. M.N. Saha,
Dr. V.S. Dubey,
Dr. Nazir Ahmad,
Dr. C.A. Mehta (Baroda Rep.),
Shri Ambalal Sarabhai,
Shri Gulzarilal Nanda,
Mr. Abdur Rahman Siddiqui,
Mr. A.B. Thadani (Sind Rep.),
The Hon'ble Mr. Shuaib Qureshi (Bhopal Rep.),
Mr. A. Mohiuddin (Hyderabad Rep.),
Prof. K.T. Shah (Hon. Gen. Secretary),

The following were present by invitation:

Sir Chunilal Mehta,
Mr. K.S. Ramachandra Iyer,
Mr. J.C. Setalvad,
Shri Manu Subedar,
Shri B.K. Shah,
Mr. Rafi Ahmad Kidwai.
Dr. Sudhir Sen.

The consideration of the Report on Insurance was resumed (from May 8). The following further resolutions were passed:

2. Any scheme of National Insurance must provide for the entire insurance service being organised by indigenous enterprise.
3. Where direct or indirect advantages are enjoyed by non-Indian insurance enterprise as against corresponding Indian enterprise, they must be effectively dealt with.
4. Non-Indian business operating in India should, likewise, be required to reinsure their Indian as well as non-Indian business with the National Insurance Authority in India, on a basis of reciprocity.
5. With a view to make insurance co-extensive with all insurable contingencies, as integral part of the Plan, the State should, by legislation or executive action, as the case may be, adopt every device to facilitate such extension and expansion.
6. In order to facilitate extension and expansion of the Mutual and Co-operative system, wherever considerable numbers of people, workers or otherwise, are to be found under more or less homogeneous conditions, every facility should be provided to encourage them to organise as Mutual or Co-operative Societies for Insurance against their common contingencies of life.
7. (Regarding para 41 of the Report) We agree that social security should be assured to all classes of workers, but the particular method of assuring it should be decided in co-ordination with the

recommendations already made in connection with the Report of the Labour Sub-Committee.

8. Insurance being a necessary service to the public, it is desirable that it should be made available at the cheapest cost possible. In order to bring this about, the cost of acquisition and renewal should be maintained at a reasonably low level, and the multiplicity of middlemen should be avoided.

The question as to whether Life Insurance should be conducted by the State or not was then considered and there was a prolonged discussion.

Sir Chunilal Mehta pointed out the advantages of private enterprise. Life insurance was very backward in India and a great deal of canvassing was necessary. The State could not do this canvassing satisfactorily, nor was it quite proper for it to do so. Even in private enterprise there was already 90% of mutuality. The control by the State of private enterprise had also been provided.

Mr. Ramachandra Iyer and Mr. B.K. Shah further supported the view-point.

Mr. Manu Subedar was of a contrary opinion and said that the State should itself conduct life insurance. He referred to the Banking Report of 1930. Owing to competition the cost of insurance through private agency in India was very high. In some instances the cost of management in private enterprises was 30 to 35%. In the Post Office this was only $3\frac{1}{2}$ to 4%. The insurer paid for this. Generally the poor man's business was not catered for by private enterprise.

Messrs. J.C. Setalvad and B.K. Shah spoke in favour of private enterprise. They agreed that the costs were heavy and should be reduced. The heavy costs were due to unfair competition of foreign companies with vast resources. It was not correct to say that private enterprise ignored the poor man. The vast number of policies were under Rs.2000/-.

Sir Chunilal Mehta said that the fundamental point was: Do we want expansion of insurance business in India, and, if so, can the State do this?

Many members took part in the discussion including Prof. R.K. Mukherji, Prof. K.T. Shah, Mr. Abdur Rahman Siddiqui, Dr. Saha and the Chairman, and the necessity and desirability of the State itself conducting life insurance was emphasised.

The following resolution was ultimately passed:

- 9.(i) It was desirable to extend the benefits of life insurance to the largest number of people, and to do this as cheaply and efficiently as possible.
- (ii) This should not be the monopoly of private enterprise but private enterprise may continue.
- (iii) The State should extend its life insurance scheme, at present confined to government officials, to the public generally, so that its benefits may extend to the mass of the people.

- (iv) Thus for amounts within the upper limit fixed by the State for its own life insurance scheme, the State and private enterprise will function jointly; larger amounts will be dealt with at this stage by private enterprise only.
- (v) Co-operative and mutual forms of life and other kinds of insurance, friendly societies and the like, should be encouraged by the State.
- (vi) Other forms of insurance, besides life, may continue to be conducted by private enterprise.
- (vii) The State should protect and encourage Indian private enterprise as against foreign enterprise in India.
- (viii) The question of extending still further the activities of the State in the field of insurance will depend on future results and the experience gained.

This concluded the consideration of the Insurance Sub-Committee's Report.

The minutes of the meetings held on May 10, 1940 were confirmed.

The meeting adjourned at 6 p.m.

Secretary.

Chairman.

May 13, 1940.

Minutes of the meeting of the National Planning Committee held on Sunday, May 12, 1940.

M 23
The National Planning Committee met on May 12, 1940 at 2.15 p.m. The following members were present:

Pandit Jawaharlal Nehru, (Chairman)
Dr. Nazir Ahmad,
Shri Ambalal Sarabhai,
Dr. A. K. Shaha,
Mr. A. B. Thadani (Sind Rep.)
Dr. Radha Kamal Mukherji,
Dr. M. N. Saha,
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Mr. A. Mohiuddin, (Hyderabad Representative)
Mr. A. R. Siddique,
Dr. J. C. Ghosh,
Mr. P. B. Advani, (Director of Industries, Bombay)
Shri Gulzari Lal Nanda,
Dr. V. S. Dubey,
Dr. C. A. Mehta, (Baroda Rep.)
Prof. K. T. Shah, (Hon. General Secretary).

Also present: Mr. Sethna,
Dr. Sudhir Sen.

Dr. M. N. Saha presented the report of the Power and Fuel Sub-Committee. He pointed out that though this contained the final proposals of the sub-committee, the Report itself had still to be revised.

Dr. Saha gave the figures for the mechanical power produced in India and other countries and showed how very backward India was in this respect. It was essential to increase mechanical power in India and, in particular, to instal electric plants to produce electricity. He recommended that all existing power generating and supply concerns should be acquired and run by the State.

Mr. Sethna was of opinion that too much stress had been placed on hydro-electric power. He was also opposed to State control or interference as this would make capital shy and kill private initiative, incentive and enterprise. If private enterprise disappears, there will be little progress, as Government will remain dormant as in the past.

Mr. Advani was of opinion that State control was essential and this was in fact being introduced in other countries - the British Grid system etc. Mr. Sethna stated that the Grid system in Britain had been a costly business and had produced a deficit of £8 millions during the past few years. India was a vast country and the cost of transmission would be very great. The economic aspect must not be forgotten.

Several members supported State ownership. It was pointed out that the British Grid system had led to a phenomenal increase in the use of electricity and very substantial reduction in price. The deficit was due to the higher cost of working in the early years; this would lessen later. The Grid system brought about a balancing between the better areas where electricity was cheap and less favoured areas. Private enterprise would neglect the latter.

The following resolutions were passed by the Committee:

1. We agree with the view that the rates for energy in India are unduly high and power has been very inadequately developed, and this has stood in the way of promotion of industries, particularly electro-chemical and

electrothermal ones. This is due to the failure, on the part of the Indian Government, to adopt a National Policy on Power and Fuel, in spite of the suggestions put forward by the Industrial Commission of 1918, and in spite of the world-wide movement for rational and co-ordinated development of power-resources in all countries of the world.

2. We recommend that in view of the fundamental importance of power developments, the huge capital investment required, and because it may involve the interests of more than one province or State and for other reasons, the State should develop a definite National Power and Fuel Policy on the following lines:-

- (a) That all power and fuel resources of the country should be regarded as national property, and should be fully conserved, scientifically developed, and utilized, with a view to bringing power, particularly electrical power, at the service of everybody, for domestic and industrial use, at the cheapest rate;
- (b) As the generation and distribution of electricity is a public utility of great importance, the State should ultimately own it and the control and management of it should be exercised by the Electricity Boards, as hereinafter provided for;
- (c) That the State should take the initiative to bring into existence all future schemes of regional power developments and public power supplies, particularly hydro-electric stations inasmuch as the working of such stations depend on the use of water resources which, however, have multifarious other uses affecting extensive areas, and large populations, e.g. for irrigation and navigation, for drainage and soil conservation; further because the State alone is in a position to reconcile and integrate all features of power schemes, financial success, cheap servicing, use over widespread areas; and land acquisition and settlement of populations;
- (d) That in view of the limited reserves of coal, which cannot be replenished, and is indispensable for such essential industries as smelting of iron ore, production of synthetic dyes and other essential chemicals and because of the finding of the coal mining committee of 1937, that coal is being mined, processed, and marketed in a very wasteful way, greatly injurious to the interests of the nation as a whole, very strict State control should be exercised on all phases of the coal industry. Further in regions far removed from coal-fields, coal for power production should, as far as possible, be replaced by hydro-electric and other sources.

3. We are of opinion that in order to implement the National Policy on Power, it is necessary to create Provincial Electricity Boards and one Central Electricity Board, and for implementing the National Policy on Fuel, there should be a Central Fuel Board. The Central Electricity Board will coordinate the activities of the Provincial Boards and formulate the general national policy. Wherever necessary, two or more Provinces or States may form a Regional Board.

The Central Electricity Board and the Central Fuel Board will work in coordination with each other.

The Provincial and Regional Boards shall be statutory bodies which shall be the sole vendors of electricity in bulk, and shall put up, where necessary, special power stations of their own, and shall set up grid systems for the purpose of supplying electricity wherever possible.

The functions of the Electricity Board will be as follows:

- (i) To carry out surveys of the water power resources of India.
- (ii) To examine schemes for the generation and full utilisation of electrical power.
- (iii) To take steps for the progressive reduction of rates, and for this purpose, wherever necessary, to reorganise existing distributing systems.
- (iv) To standardise electrical equipment and practice.

4. The Hydro-electric Survey of India:

The Hydroelectric Survey of India should be an all-India body with a suitable head quarters, and should be of the same status as the Trigonometrical and Geological Survey of India, and should work in cooperation with the National Water Power Resources Commission. Under its direction, survey work should be carried out by provincial agencies wherever possible or by its own staff, when provincial agencies are not available. The survey ought to be undertaken according to the natural hydrological divisions of India, e.g. the Ganges basin, the Indus basin, the Western Ghats, Deccan Plateau. It should be a permanent body like the Royal Water Power Board of Sweden or the Federal Hydrodynamical Survey of Canada. The survey should be carried out in a comprehensive manner, as laid down by the World Power Conference and all records and data should be analysed at the headquarters stations and used for development of power.

5. We favour a policy of electrification of railways.

6. The Indian Electricity Act should be amended to give effect to the policy enunciated in the above resolution.

Mr. Advani was of opinion that a great deal of progress could be made in the Province without delay by certain minor changes being introduced in the existing Provincial Acts.

Prof. R. K. Mukerji emphasized the need for rural electrification.

The Committee adjourned at 6.15 p.m.

Secretary.
May 14, 1940.
KS.

Chairman.

Minutes of the meetings of the National Planning Committee
held on May 13, 1940:

The National Planning Committee met on May 13, 1940 at 9 a.m. The following members were present:

Pandit Jawaharlal Nehru, (Chairman),
Dr. J.C. Ghosh,
Dr. Radha Kamal Mukherji,
Dr. A.K. Saha,
Dr. M.N. Saha,
Dr. C.A. Mehta (Baroda Rep.),
Dr. V.S. Dubey,
Mr. A.B. Thadani (Sind Rep.),
Shri Gulzarilal Nanda,
Shri Ambalal Sarabhai,
Mr. Abdur Rahman Siddiqui,
Mr. A. Mohiuddin (Hyderabad Rep.),
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.),
Prof. K.T. Shah. (Hon. Gen. Secretary)

Dr. Sudhir Sen, Secretary, Rural Marketing & Finance sub-committee, was also present by invitation.

Consideration of the Report on Power and Fuel was resumed. Dr. M.N. Saha emphasized the necessity of conserving the coal resources of the country as these were limited and small in relation to the needs of the country. The present use of coal in India was wasteful. It was essential that the coal mining industry should be nationalised.

The following resolutions were passed:

7. Coal: We consider that in the interests of the nation it is imperative that coal mines and the coal mining industry, as well as the oil fields and other sources of natural fuel, should be completely nationalised. This industry should be conducted by a National Fuel Board, with sections for Production; Processing, Research and Utilisation; and Distribution and Marketing and Transport. Research work should be started immediately.
8. Liquid Fuels:
- (i) The State should establish a geophysical prospecting department, with modern equipment and a competent staff, and carry on an intensive search for petroleum sources in the country.
 - (ii) The development of the Power Alcohol Industry should be encouraged by the State, and all impediments in the way of this development must be removed, as this power alcohol is the most important liquid fuel which can be developed easily from various indigenous agricultural and forest products.
 - (iii) Intensive propaganda work should be started to replace kerosene by non-edible vegetable oils, and research should be carried on to devise suitable burners for this purpose.
 - (iv) A new orientation to the scheme of soft coke manufacture should be given by making it obligatory for all to recover the byproducts for the purpose of further treatment in distillation plants.

This concluded the consideration of the Report on Power and Fuel.

The Committee then discussed future work. It was decided that the present sessions should conclude on May 14th and the next sessions should begin on June 21st 1940, at 2 p.m. when the reports of the remaining sub-committees should be considered. It would be necessary to have yet another sessions subsequently to consider the general lines on which the Report of the N.P.C. should be drafted. There appeared to be no earlier convenient date than October 1st 1940 for this.

It was decided to request sub-committees to send draft resolutions together with their reports.

The question of funds was also discussed.

The Committee adjourned at 12 noon and met again at 2.40 p.m. when the following members were present:

Pandit Jawaharlal Mehru, (Chairman),
Dr. Radha Kamal Mukherji,
Dr. J.C. Ghosh,
Dr. A.K. Shaha,
Dr. M.N. Saha,
Dr. V.S. Dubey,
Dr. C.A. Mehta, (Baroda Rep.),
Mr. A. Mohiuddin (Hyderabad Rep.),
Shri Gulzerilal Nanda,
Shri Arbalal Sarabhai,
Shri N.M. Joshi,
Dr. Nazir Ahmad,
Prof. K.T. Shah (Hon. Gen. Secretary).

Dr. Sudhir Sen and Mr. N.S. Varadachari were also present by invitation.

The Report on Rural Marketing and Finance was further considered.

There was a discussion in regard to Regulated Markets. While it was desirable to improve the present system in every possible way, it was felt that the development of co-operatives should be emphasized. Mr. N.S. Varadachari suggested that all dealers must be licensed and, side by side with this, co-operatives should be developed. The Registrar of the Co-operative Societies should also be licensing authority. This was the policy which the late Madras Government had decided to give effect to.

It was decided that a resolution on the lines indicated be drafted by Mr. Mohiuddin and Dr. S. Sen. They should also re-draft recommendations Nos. 17 and 18 (standardisation and grading of agricultural produce, and standard contracts); and Nos. 30 and 31 (Agricultural Bills and Reserve Bank).

The following resolutions were passed:

1. The practice of gambling in "futures" markets is objectionable and injurious and should be put an end to.
2. "Utilisation" industries, e.g. for canning fruits, producing fruit juices, tomato sauce, chutneys, etc., and "processing" industries, e.g. husking paddy, grinding wheat, curing tobacco, will directly widen the market for many agricultural products and frequently fetch higher net prices. Steps should be taken all over the country to explore the possibilities of developing such industries.

3. Adulteration of food has become a growing menace in this country. The consumer should be better educated to appreciate the purity of foodstuffs and, if necessary, pay a slightly higher price. In addition, the existing Pure Food Laws should be re-examined and supplemented whenever necessary, and must be strictly enforced so as to stop the evils of food adulteration.
4. Rural Finance: The failure to draw a distinction between short-term and long-term finance has been a weak feature in the rural credit system. Suitable institutions for meeting these two types of credit requirements should be developed and simultaneously steps should be taken to increase the credit-worthiness of the cultivator.
5. The growth of co-operative land mortgage banks has been very slow except in Madras, their individual loans are relatively small, while the total volume of their transactions has never been large. The extension of these banks on proper lines can go a long way in meeting the demand of the cultivator for long-term accommodation. It is desirable, however, to supplement co-operative land mortgage banks, with State or State-aided banks for dealing with long-term agricultural credit. The credit thus raised should be used for productive purposes.
6. Short-term loans are needed by the cultivator mainly for his seasonal operations and for the marketing and movement of his crops. He should, therefore, be in a position to borrow against the hypothecation of the crop to be raised and against the produce after it has been raised. In order to render crop hypothecation both cheap and easy, the necessary security must be provided by taking such steps, as making it an offence for a cultivator to remove or dispose of hypothecated crops creating a form of chattel mortgage in respect of the crop in favour of the creditor whose claim will have priority over all other. The creditor in this connection means the State, a cooperative society or some similar agency controlled by the State.
7. We recommend strongly the establishment of the system of public Warehouses for storing the produce of the cultivator on the lines suggested by this Sub-Committee. The Warehouse receipt may be used as ~~collateral~~ security for obtaining accommodation.
8. We recommend that regional investigations on the problem of Rural Marketing be made on scientific lines. It is also necessary to have more detailed and accurate statistical information than has hitherto been available. Steps should be taken to compile more comprehensive statistics on agriculture (production, consumption, trade etc.), and the appropriate agency for this purpose should be devised.

The Committee decided to meet the next day at 2 p.m. and to take up the Report on Horticulture then.

The Committee adjourned at 6.30 p.m.

Secretary

Chairman

May 14, 1940.

The National Planning Committee met on May 14, 1940 at 2.10 p.m. The following members were present:

Pandit Jawaharlal Nehru, (Chairman)
Shri Ambalal Sarabhai,
Shri N. M. Joshi,
Dr. A. K. Shaha,
Mr. A. B. Thadani, (Sind Rep.)
Dr. Radha Kamal Mukherji,
Dr. M. N. Saha,
Dr. V. S. Dubey,
The Hon'ble Mr. Shuaib Qureshi, (Bhopal Rep.)
Mr. A. Mohiuddin, (Hyderabad Rep.)
Mr. A. R. Siddique,
Mr. Gulzari Lal Handa,
Dr. C. A. Mehta, (Baroda Rep.)
Mr. P. B. Advani, (Director of Industries, Bombay)
Prof. K. T. Shah, (Hon. General Secretary).

Also present: Mr. Jabir Ali,
Mr. Agarkar,
Mr. Rafi Ahmad Kidwai,
Dr. Sudhir Sen.

The consideration of Rural Marketing and Finance was resumed and Mr. Mohiuddin and Dr. S. Sen's draft resolutions were taken up. These resolutions were passed in the following form:-

9. In a planned society, Rural marketing should be organised on the cooperative principle and eliminate unnecessary transportation of goods. The purchases of rural requirements should also be included in the above organisation.
10. For the transitional stage, we recommend that regulated markets should be extended widely and worked more efficiently in the interest of the cultivators. All dealers in agricultural produce should be licensed in order that their transactions may be controlled.
11. Standardisation and grading of agricultural produce should be introduced and grading stations under State control established as quickly as possible. The introduction of standard contracts should be expedited so as to cover the staple products of India. The market news service should be further developed.
12. In view of the fact that the attitude of the Reserve Bank has so far been unhelpful in regard to agricultural credit, we are of the opinion that the powers conferred on the Bank by Sec. 17 of the Reserve Bank of India Act should be utilised immediately to make the financial facilities more easily available to the cultivators.

This concluded the consideration of the Report on Rural Marketing and Finance.

The Report of the Sub-Committee on Horticulture was then taken up and Mr. Jabir Ali presented it. The recommendations of the Sub-Committee were considered and the following resolutions were passed:

1. The National Planning Committee having considered the Report of the Sub-Committee on Horticulture record their general

agreement with the recommendations made therein. The Committee are of opinion that the present consumption of fruit and green vegetables in India is very low and infrequent, which affects the health of the people considerably. It is necessary, therefore, to increase this consumption, as part of the regular diet of the people, to such a degree as may be deemed adequate by nutrition experts. For this purpose the people should be educated and encouraged to consume more fruit and green vegetables. The following measures are calculated to achieve this object and are accordingly recommended:

- (i) protecting the fruit grower in India by levying adequate duties on imported fruit;
- (ii) to set apart sufficient areas of land for the purpose of developing fruit cultivation;
- (iii) providing cold or other forms of storage (e.g. gas) in markets as well as during transport;
- (iv) adjusting internal transport rates so that they are in keeping with the ability of the fruit grower and the consumer;
- (v) extending the system of regulated markets to the trade in fruit;
- (vi) encouraging the cultivation of fruit and vegetables for personal use;
- (vii) encouraging, after the local and Indian market has been fully supplied, the export of surplus fruit, or fruit which is the monopoly or speciality of India.

2. Horticulture should be treated as an integral subject in the curricula of agricultural colleges and the Universities, and facilities should be offered for specialised post-graduate study. A Central Horticultural Institute should be established in a suitable place to promote research. This research shall include the question of introducing suitable foreign plants in India and also the development of all seeds required for growing flowers and vegetables, and for medicinal plants, as well as in modern methods of storage.

3. Market gardening for vegetables and flowers should be extended and developed and the industry consisting of the making of essences, attars, oils, etc. should be encouraged to meet progressively the demand of the Indian market.

4. Other industries connected with horticulture e.g. agriculture, sericulture, etc. should also be established or encouraged.

This concluded the consideration of the Report on Horticulture.

The minutes of the meetings held on the 12th and 13th May were confirmed.

The Chairman then said that they had arrived at the conclusion of the labours of that session. He wanted to express his gratitude to all the members for their exceeding courtesy and co-operation. He expressed his thanks to the representatives of the various Provincial and State Governments whose presence and co-operation had been of the greatest assistance. He was sorry that owing to ill-health Sir Purshotamdas Thakurdas and Mr. A.D. Shroff had been unable to attend many of the meetings of that session.

The next session would begin on June 21, 1940.

Mr. Shuaib Qureshi proposed a vote of thanks to the Chair.

The sessions were concluded at 5.5 p.m.

Secretary.

Chairman.

May 15, 1940.

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Recommendations of the Power & Fuel sub-committee:

1. We agree with the view that the output of energy per capita per year in India cannot be larger than 100 units, which is 1/15 that of England, and 1/10 that of Japan.

Of these 100 units, about 15 are estimated to be derived from human and animal labour, 7 to 8 from electrical plants (both hydro-electric and thermal), the rest from steam plants and other sources.

If the standard of living is to be raised two to three times within the next ten years, the power required for production of goods has to be developed, from hydro-electric sources as well as from coal.

It should be the objective of the State to adopt a policy for raising the production of electricity by 12000 million units (30 units per head), chiefly by the installation of electric plants having a total installed capacity of 3 million kilowatts, in addition by the better utilization of the plants already installed which are estimated to have a total installed capacity of 1.15 million kilowatts.

The total capital required for the purpose would, at the present rate, amount to nearly 250 crores of rupees, but there is room for considerable reduction if the work is properly planned.

2. We agree with the view that the rates for energy in India are unduly high and power has been very inadequately developed, and this has stood in the way of promotion of industries, particularly electrochemical and electrothermal ones. The continuance of high rates is due to the failure, on the part of the Indian Government, of the adoption of a National Policy on Power and Fuel, in spite of the suggestions put forward by the Industrial Commission of 1926, and in spite of a worldwide movement for rational and co-ordinated development of power-resources in all countries of the world.

3. We recommend that in view of the fundamental importance of power developments, the huge capital investment involved, and for other reasons, the State should develop a definite National Power and Fuel Policy on the following lines:-

- (a) That all power and fuel resources of the country should be regarded as national property, and should be fully conserved, scientifically developed, and utilized, with a view to bringing power, particularly electrical power, at the service of everybody, for domestic and industrial use, at the cheapest rate;
- (b) That the State should take the initiative to bring into existence all future schemes of regional power developments and public power supplies, particularly hydroelectric stations inasmuch as the working of such stations depend on the use of water resources which, however, have multifarious other uses affecting extensive areas, and large populations, e.g. for irrigation and navigation, for drainage and soil conservation; further because the State alone is in a position to reconcile and integrate all features of power schemes, -- financial success, cheap servicing, and

use over widespread areas;

- (c) That in view of the limited reserves of coal, which is an irreplaceable national commodity, and is indispensable for such essential industries as smelting of iron ore, production of synthetic dyes and other essential chemicals and of the finding of several committees that coal is being mined, processed, and marketed in a very wasteful way, greatly injurious to the interests of the nation as a whole, very strict state control should be exercised on all phases of coal industry in the way recommended by the sub-committee. Further in regions far removed from coal-fields, the use of coal for power production should, as far as possible, be replaced by hydro-electric sources.

4. We think that for implementing the National Policy on Power and Fuel it is necessary to create two distinct Boards:

- i. The Electrical Power Board; and
- ii. The Fuel Board.

to deal with all questions on power and fuel.

Each Board is to act through a number of surveys, development committees, control, research and standardisation organisations. Frequent joint meetings of the two Boards should be arranged to discuss and decide about problems of common interest.

5. The Electrical Power Board:

This Board should work out regional plans of development of electrical power and arrange for its distribution (1) after carrying out adequate survey of the water power resources of India in the way decided below by a body to be called the 'Hydro-electric Survey of India', (2) after examining schemes of utilisation of electrical power by a committee to be called the 'Industrial Load Committee', (3) and the Railway Electrification Committee.

6. Rationalisation of existing supply concerns:

The Electrical Power Board should work out schemes for gradual and progressive reduction of rates, which are now unduly high. For this purpose, it should bring under review all the existing power supply companies, prepare schemes for supply to much more extensive areas, both urban and rural, from a very much smaller number of large efficient power stations feeding into grids supplying all loads within these areas. It should reorganise the large number of existing distribution systems based on the retention and utilisation, where possible, of the larger and more efficient of the existing undertakings.

The E.P.B. should require supply companies to carry out approved schemes for undeveloped areas.

7. We think that the capital costs of installation and consequently the rates for supply can be substantially reduced if

- i. All electrical equipment is standardised as far as possible, and manufactured in this country;
- ii. all staff is Indianised;
- iii. all stores are purchased in the competitive market.

We agree with the sub-committee that high rates are due to financial operations on the part of holding companies and managing agents, it is necessary that the operation and accounts of all undertakings should be controlled by the Electric Power Board.

8. The Hydro-electric Survey of India:

The Hydroelectric Survey of India should be an all-India body with a suitable head quarter, should be of the same status as the Trigonometrical and Geological Survey of India, and should work as a co-operative body of the National Water Power Resources Commission. Under its direction, survey work should be carried out by provincial agencies wherever possible or by its own staff, when provincial agencies are not available. The Survey ought to be undertaken according to the natural hydrological divisions of India, e.g. the Ganges basin, the Indus basin, the Western Ghats, Deccan Plateau. It should be a permanent body like the Royal Water Power Board of Sweden or the Federal Hydrodynamical Survey of Canada. The Survey should be carried out in a comprehensive manner, as laid down by the World Power Conference and all records and data should be analysed at the headquarters stations and used for development of power.

9. The Industrial Load Committee:

The functions of the industrial load committee of the Electric Power Board would be to plan for the maximum utilisation of the power already developed, or to be developed in future. It should do so in consultation with provincial agencies and manufacturing concerns.

10. The Railway Electrification Committee:

At present except for a little over 200 miles of electric railway, all the Indian railways amounting to nearly 40,000 miles are hauled by coal-fired locomotives. About $7\frac{1}{2}$ million tons of good coal is used for running them. Except in the eastern part of India, most of the coal is long-haul and therefore costly. For efficiency and for conserving the very limited coal reserves of India, it is desirable that a policy of railway electrification be adopted. It is bound to be a slow process. This matter will be gone into by the Committee which should work in conjunction with the Railway Board. It would decide the portions to be first electrified and the pace for electrification. It will gather all the data necessary for electrification.

11. Though in the report of the committee, the question of allowing private enterprises in power supply to continue has not been discussed, we consider that their arguments make it absolutely clear that the co-ordinated development and use of power and cheap servicing of energy can be very much accelerated if all existing power generating and supply concerns are acquired by the state at the earliest possible date, and run by the State. We recommend that this be done at the earliest date if the present act and contracts with supply companies permit the state to do so.

For the transitional period, and for future as well, we recommend the creation of Electrical Utilities' Control Committees, with provincial agency, to safeguard the interest of the consumer which in our opinion, is now completely neglected.

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T H E N A T I O N A L P L A N N I N G C O M M I T T E E

Tel: 'PLACONAT'

Council Hall Building,
Apollo Bunder,
Bombay.

No. 2460

15th May 1940.

To the Members of the N.P.C.:

Dear friend,

As you are aware, the National Planning Committee met in their third sessions from the 1st May to the 14th and a great deal of hard work was done. Those of you who did not attend the sessions will get the minutes of the meetings and will be able to find out from them what decisions we arrived at. I am enclosing copy of a letter I am issuing to the Chairmen, Secretaries and members of all sub-committees, giving some further account of the work we have so far done and still have to do.

We are meeting again on the 21st of June 1940. This meeting will be important and I trust that you will attend it. The meeting is likely to last for some time, at least 10 or 12 days.

I would like to draw your attention to the financial burden that we have to bear, and to invite your co-operation in every way to meet this. We are grateful to the Provincial Governments and States who have supported our work so far, and we hope that they will continue to do so, so that this vital work might not suffer for lack of funds.

Yours sincerely,

Jawaharlal Nehru

Chairman.

Encl: 1.

SR.

THE NATIONAL PLANNING COMMITTEE

Tel: 'PLACONAT'

Council Hall Building,
Apollo Bunder,
Bombay.

No.2459

15th May 1940.

To the Chairmen, Secretaries and Members of the sub-committees
of the National Planning Committee.

Dear friend,

The third sessions of the National Planning Committee began on the 1st of May and continued till the 14th of May. During these two weeks the Committee worked hard and considered many of the reports that had been presented to it. We came to certain conclusions in regard to these reports. These have been published in the public press and we hope to issue them for your information and for reference in the form of a book soon. These conclusions, taken separately by us in regard to each report, will have to be reviewed by us as a whole so that they may fit in with each other. This process of co-ordination will come at a later stage.

Unfortunately, all the Reports of the sub-committees were not ready for this meeting of the N.P.C. Some final reports came to us and some interim reports. It is of urgent importance that those who have not sent in their reports yet must do so early. It is not desirable or possible to hold up the activities of the Planning Committee because one or more sub-committees are not functioning satisfactorily or have not sent in their reports. I would beg of you, therefore, in the event of your sub-committee not having sent the report yet, to see to it that immediate steps are taken in this regard. The National Planning Committee is meeting again on the 21st June 1940 to consider the remaining sub-committees' reports. Every sub-committee that has not reported so far must send their report before that date, preferably a clear week earlier. If the final report cannot be got ready, an interim report embodying the main conclusions should certainly be sent by this date.

At our last sessions the following final reports were disposed of:

1. Heavy Engineering,
2. Irrigation -- Part I of River Training,
3. Animal Husbandry,
4. Population,
5. Labour,
6. Rural Marketing,
7. Housing,
8. Horticulture.

The following interim reports were dealt with:

9. Chemicals,
10. Manufacturing Industries,
11. Currency & Banking,
12. Insurance,
13. Power and Fuel.

We have also received interim reports from the following sub-committees:

1. Mining & Metallurgy,
2. Transport Services,
3. Public Finance,
4. Land Policy,
5. Women's Role.

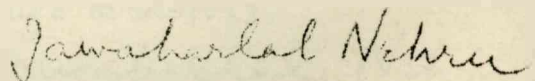
Thus we have had final or interim reports from 18 sub-committees so far. 11 remain still to report. These 11 should send their interim or final report by the 15th of June.

Those sub-committees whose interim reports have been considered and resolutions passed, should take note of the N.P.C. resolutions in regard to their report, and draw up their final report keeping these in view. Those sub-committees whose final reports have been considered and disposed of should finally revise their report for publication in future.

As the work of the Planning Committee proceeds, the vastness of the problem before us becomes more and more evident, and the time required increases. This means greater expenditure. I would beg of you to keep this in mind and not to cast the burden of expenses on the N.P.C. as far as possible.

As I write this letter events in Europe and elsewhere are marching at lightning speed bringing disasters in their train. We in India are bound to be affected by these. But whatever may happen elsewhere or in India, the work we are doing in the Planning Committee is of essential importance for the future and we should make every effort that it should be carried on and should not suffer. I am grateful to you for your co-operation in this work and I look forward to the carrying on of this joint effort of so many of us to a successful conclusion.

Yours sincerely,



Chairman.

1 It is of paramount importance that certain essential human standards be maintained. In giving effect to any regulation for the improvement of living and working conditions, due regard will be paid to the interests of the consumer, and the capacity of each industry to support this obligation. In the event of any industry not being able to comply with these conditions, the State may protect, subsidise, or take it over if it is in the interests of the community to do so.

2. Regulation as regards living and working conditions of the employees, including hours of work, employment of children, provisions for safety and sanitation, social Insurance and such other matters, should apply, subject to such variation as may be necessary owing to the nature of the work, to industries and occupations to which so far no such regulation has been applied.

especially

This provision shall apply to all employees in

(a) factories and workshops, employing five or more persons and using mechanical power, ^{and} ~~or~~ to factories and workshops employing ten or more persons even though not using mechanical power;

(b) mines and ~~quarries~~ covered by the Indian Mines Act ^{and quarries}

(c) Public transport services using mechanical ~~power~~ power;

~~This provision shall likewise apply to ~~other~~ industrial and commercial occupations, including plantations, building works, public utility services, with due regard to the nature and varying conditions of work in each of these employments.~~

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this provision shall apply to (1) to factories employing more than five workers and using mechanical power (2) to all factories workshops employing ~~persons~~ and more than ten persons and not using mechanical power

(2) all mines covered by the Indian Mines Act shipping docks

(3) Transport ~~works~~ ^{industrial undertakings} included Railway, Tramway

~~and buses & industrial & commercial undertakings~~

(4) to all such ~~undertakings and occupancies~~

~~establishments~~ (4) to shop assistants and employes of commercial establishments

(5) and to all ~~such~~ ^{mines and industrial}

Commercial and other undertakings ~~such as~~

~~planting, building, works & other~~ to which

Hours of work regulations shall also

~~apply~~ to all such industrial, Commercial

and other occupations such as plantations,

building ^{work}, ~~shop assistants and employees~~

Financial and commercial offices and others

with such variations as may be necessary according to the nature of the occupation.

to all tea coffee,
Rubber & sugar
plantations where
more than 50 persons
work

unit should be so large as to be outside the reach of competition by smaller, but economic units. Units smaller than the economic units should not ordinarily be allowed to be started except for experimental or pioneer purposes. The size of the economic unit will be decided in the case of each industry by qualified authority.

Term of Reference (b):

"Conservation and full economic utilisation of natural resources especially minerals and fuel resources."

Recommendations:

1. We recommend that the power, fuel and mineral resources of the country should be fully conserved, scientifically developed, and utilised. We also recommend that wherever the power, fuel and forest resources are available, they should be utilised fully in preference to any articles brought from outside. The details of working out this principle falls more properly within the scope of the Mining and Metallurgy, as well as the Power and Fuel Sub-Committees.

Term of Reference (c):

"The agency to conduct, control or supervise these industries, -- whether individual, partnership firm, joint stock companies, statutory corporations, local bodies, Provincial Governments, or national governments, Indian or non-Indian.

Policy and legislation relating to this question of the agency to conduct, control or supervise particular industries may be enumerated by all the sub-committees in this group sitting together. Ways and means of acquiring industries of national importance by Government if not under public ownership and management from the start".

Recommendations:

1. We recommend that the Defence Industries (as mentioned on page 102 of the red-book) should be State-owned, to the extent of the ordinary peace time needs of the Defence Services. As for the additional war time requirements, the Planning Authority should ensure while laying out the Plan to see that the non-State-

owned works carrying on peacetime activities for private consumption, should nevertheless be so equipped and organised that they are capable of being switched over to State Service. No private enterprise should be allowed to make munitions in peace time.

2. In the matter of key industries, [where private enterprise is forthcoming for establishment], assistance should be rendered by the State, but there should be adequate and effective control in order to ensure that operations are carried out in the best interests of the country. Where private enterprise is not forthcoming, key industries should be established by the State, but, before this is done, the scheme prepared for the establishment of these industries should be made available to the public in order to induce private enterprise.
3. In respect of public utilities, we recommend that they should be run on the lines of the London Passenger Transport Board, where that device is feasible, or on some similar basis.
4. Where the State may deem it advisable to acquire any public utility or industrial enterprise, we are of the opinion that the same standard of compensation should apply as for any other private property. No such concern may be acquired without a fair and full compensation for the assets taken over.

Term of Reference (d):

"Regulation and control of such monopolies including trusts and cartels, as may have been developed in any industry. (e.g., cement, or shipping, electrical, safety match.)".

Recommendations:

1. On principle we are opposed to monopolies in private hands, though we recognise that in certain industries it may be inevitable to set up or combine manufacturing units for the purpose of economic production or selling

organisation with a view to preventing profiteering on the one hand, and unhealthy competition on the other. In all such cases the units or combines should be under adequate State supervision and control. Where separate businesses seek to amalgamate or otherwise work as trusts, pools or cartels or price fixing organisations, all their arrangements should be subject to State supervision and control.

(Prof. Shah agreed only to the following:

"All monopolies in any form should be acquired by the State or Local Body.")

Term of Reference (e):

"Housing of industries in the appropriate buildings, equipment with plant and machinery; size of operations; rationalisation of existing industries, admitting of such improvement."

Recommendations:

1. We recommend that so far as possible, new industrial concerns should be located in open areas, but for this purpose it is desirable that the local bodies should place at the disposal of industries suitably developed areas possessing such facilities as transport, power, water, etc., necessary for the efficient running of the industry. Where, for reasons of public well-being it is regarded absolutely necessary to remove congestion, the relative costs of removing the factory from the congested area to an open space on payment of compensation, should be examined.
2. We recommend that all reasonable measures for the improvement of conditions of work inside the factory such as the elimination of reduction to a minimum of dust, trash, smoke, etc., regulation of heat, moisture, etc. provision of light, etc., should be adopted in all industrial concerns.
3. Rationalisation may be put through in industries where the benefits of bringing the article within the reach

of a large number of consumers and producers of raw materials outweighs the disadvantage of unemployment. In the matter of rationalisation, its effects on employment, as well as the well-being of the community as a whole should be taken into consideration, and it should be carried out without causing disproportionate unemployment. Rationalisation should not be restricted in any particular unit, unless it is similarly restricted in the same industry all over India.

4. We recommend that a reasonable part of the gross profits realised by an industrial concern should be ear-marked for depreciation before any other allocation, and the sums earmarked shall be reserved for this purpose.
5. We recommend the establishment of an Institute of Industrial Psychology, whose services should be available to the industry.

Term of Reference (g):

"Marketing of produce, both in India and outside, with due regard to the maintenance of a reasonable stability of prices".

Recommendations:

1. In foreign countries with which India has substantial trade, Trade Commissioners of Indian nationality should be appointed to act as liaison officers to disseminate information regarding the Indian produce, to facilitate transactions between buyers and sellers, to make periodical reports regarding the trend of markets in their areas, and to help in every possible way the concerns engaged in the buying or selling of Indian goods. In the appointment of these Trade Commissioners, their knowledge of industry, trade and commerce should be the primary consideration.
2. When any foreign country has established quota arrangements, or other restrictions, in their dealings with India, similar restrictions may be established from the Indian point of view, wherever it is necessary. Clearing agencies for any such purposes must be established, so that the whole of the foreign exchange arising out of trade operations passes

1. unemploy
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3. off
4. consultation

through the hands of the State, and may be used by the Reserve Bank as and when it may be necessary for state purposes.

3. Qualified men should be periodically sent out in the principal consuming or potential markets of Indian goods to make an extensive survey of the changing conditions of the market and to submit reports thereupon. Where Indian produce is exported, efforts should be made to see whether the article manufactured from such material cannot be exported from India in a manufactured form, or whether some intermediate transformation of the raw material, so as to add to its value before it leaves India, cannot be achieved.
4. Museums should be established both in India and abroad for the display of the raw materials and finished goods of Indian manufacture. In each case special emphasis should be laid on the type of articles which are generally consumed in that centre, or for which there is a likelihood of good demand.
5. Standardisation of weights and measures on an all-India basis should be carried out at an early date, so that a uniform system of weights and measures is applicable to the whole country. For this purpose an institution similar to the British Standard Institute should be established at a central place. If other conditions permit, the Metric System should be adopted for this purpose.
6. Transport and storage facilities, including cold storage, both in transit and warehouses, should be provided, extended and improved for the Indian produce of all kinds according to its requirements.
7. Arts and crafts emporiums for the encouragement of local industries, especially small-scale industries, should be provided by the Provincial Governments and Local bodies.
8. The grading of all agricultural produce in order to ensure

proper grades and uniform quality should be completed at an early date, and measures such as the Indian Agricultural Produce Act, Indian Fruits and Drugs Act, etc. should be passed and applied wherever necessary. Measures on the lines of the Cotton Ginning & Pressing Factories Act should also be passed and enforced to check malpractices and adulteration of superior with inferior varieties.

9. It is desirable to institute a system of licences for all businesses, and such licences may be issued by statutory bodies. Amongst the conditions attached to such licences may be one, which would render the licence liable to cancellation, if the conditions laid down for the benefit of the public are violated. In our opinion the regulation of middle-men's profit should be resorted to only when the phenomenon of profiteering is noted by the State.
10. Regulated markets should be established at a large number of places, at centres which are readily accessible to the neighbouring villages, and means of communication, which should be open and serviceable all the year round, should be provided between these markets and villages.
11. Railway freights and classifications should be examined from the point of view of marketing and wherever the incidence of freight adds considerably to the transport charges and acts as a drag on the produce, the freight should be reduced by an appropriate amount.

Term of Reference (h):

"Protection, encouragement, assistance or safeguard of such industries by the State in an appropriate form and to an adequate degree; particularly against international combines; consideration of the fiscal policy of the country."

Recommendation:

1. Industrial concerns or enterprises with international affiliations should be subjected to rigid State supervision and control, and should be debarred from enjoy-

ing the benefits of aid, subsidies or purchases by the State or Local Bodies. In respect of international combines with large resources and importing their products into India, we recommend that Indian industry should be protected by adequate import duties, and where imports into India take the character of dumping they may be stopped altogether.

Terms of Reference (i) & (j):

- (i) "Industrial Legislation, providing for control and supervision of industry, standardisation, maintenance of efficiency, rationalisation of work, regulation of markets, etc., patents (and copyrights), licensing, and general policy regarding mining concessions".
- (j) "Legislation regarding relations of employer and workmen, including the maintenance of industrial peace, together with ways and means for ensuring it".

We do not wish to make any recommendation on the above Terms of Reference, as there are separate sub-committees of the National Planning Committee dealing with them.

Term of Reference (k):

"Defining general policy affecting competition and co-ordination between cottage industries and industries worked by power-driven machinery".

Recommendation:

We feel that by judicious adjustment it is possible to establish a mutually beneficial co-operation between large scale and cottage industries. We favour, therefore, looking at the constituent parts of an industry and apportioning production in such a manner between large scale and cottage industry as to provide for legitimate expansion of both and utmost contribution to national well-being. We recommend that there should be a permanent Board of Research to go into the changing economics of large scale and cottage industries including its reactions on those employed in the cottage industry and a much larger number of consumers as a result of which the State may decide their respective scope.

*to separate Committee
are found possible*

W.P.A.

Term of Reference (1):

"To survey the present deficiency of technically trained men in all branches of industry, and suggest measures for making good the deficiency."

Recommendations:

1. We recommend that suitable facilities should be provided in each Province, with special regard to the needs of the Province in the matter of industry and commerce, for training sufficient number of men ^{and women} for all kinds of posts in the industrial and commercial concerns. In this connection special regard should be paid to the training of men for the higher posts, who can design new types of machinery, erect large factories, undertake original industrial investigations with a view to increasing efficiency and reducing wastage and cost, and possess initiative and organising capacity. Where such facilities already exist, they should be expanded in the appropriate manner; where no such facilities exist, new departments, schools or colleges should be opened.
2. Apprentice schemes for the training of apprentices in different industries should be initiated in each area. These schemes should be worked out to give the best results, with due regard to the special interests of **each industry**, ^{in necessary by districts & women}
3. In order to absorb the trained men ^{& women} turned out from the industrial institutes, apprentice classes, etc., it should be made compulsory on each industrial concern to employ a certain percentage, which would be determined with due regard to its special interests and requirements, of technically trained men.
4. In special cases the services of highly qualified foreigners may be engaged on a contract basis to impart training in special subjects in India.
5. An All-India Industrial and Scientific Research Council should be established for the purpose of -

*Shri. G. V. Krishna Rao
(1)
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- (1) co-ordinating the work of investigations relating to industry;
- (2) promoting original work; and
- (3) giving assistance in the matter of solving the industrial problems.

Scientists and technicians should be given their due share in the administrative and personnel of this Council. Sufficient funds should be placed at its disposal to enable it to achieve its objects. The Reports and Bulletins of this Council should be published in English and in such Indian languages as may be regarded useful for each industry or area.

Term of Reference (m):

"To consider measures for manufacture of the necessary machinery and apparatus and submit notes thereon to the Engineering Industries Sub-Committee."

Recommendations:

1. The manufacture of machinery of all types should be undertaken in India only after a careful survey of the present requirements and resources, and should be expanded progressively in proportion to our industrial development in the future. For this purpose, an immediate survey of the following materials which are essential for the manufacture of machinery should be undertaken, and this survey should be repeated every five years to assess the extent to which as a result of the fullest possible exploitation of our resources, India is able to produce the materials required for the manufacture of machinery:

Antimony	Manganese
Asbestos	Mercury
Asphalt	Molybdenum
Bauxite	Nickel
Camphor	Phosphate-rock
Cement	Platinum
Chrome Ore	Potash
Cobalt	Rubber
Copper	Salt
Cryolite	Sulphur
Felspar	Tin
Graphite	Tungsten Ore
Iodine	Vanadium
Iron Ore	Vanadium Ore
Lead, Magnesite,	Zinc.

2. An all-India institution, like the National Physical Laboratory, should be established at a central place at an early date in order to maintain standards, test instruments and apparatus, and undertake original research in applied science, especially relating to the design and manufacture of machinery and capital of goods.

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Transport Services Sub. Committee.

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Table I.

Railway route mileage in India open for traffic:

<u>Year</u>	<u>Miles.</u>
1921-22	37,266
1923-24	38,039
1925-26	38,579
1927-28	39,712
1929-30	41,724
1931-32	42,813
1933-34	42,953
1935-36	43,118
1936-37	43,128

Table II.

Total Railway mileage, miles of line per 100 sq. miles, and inhabitants per line of one mile in different countries:**

<u>Country.</u>	<u>Total Rly. mileage.</u>	<u>Miles of line per 100 sq. miles.</u>	<u>Inhabitants per mile of line.</u>
U.S.A.	238,829	6.9	573
U.K.	20,080	22.5	2233
Belgium	6,470	54.9	1250
France	26,427	12.4	1585
Italy	14,220	11.8	3023
Germany(1933)	42,299	23.2	1565
India	43,128	2.3	8181

** Figures based on the figures given in Statesman's Year Book.

Table III.

Number of passengers and freight carried by Indian Railways:

<u>Year</u>	<u>No. of passengers carried. (1000)</u>	<u>Goods carried.(1000 tons)</u>
1921-22	5,69,684	90,042
1923-24	5,96,277	98,078
1925-26	6,27,456	106,351
1927-28	6,51,331	118,257
1929-30	6,48,105	119,186
1931-32	5,28,710	99,314
1933-34	5,12,846	102,894
1935-36	5,26,843	115,506
1936-37	5,22,076	116,407

Table IV.

Railway Statistics Summary 1.

Total capital at charge, Gross earnings, working expenses, net earnings, percentage of net earning on capital at charge and percentage of gross working expenses to gross earnings for all Railways:

Year	Capital at charge. Rs. (000)	Gross earnings Rs. (000)	Working expenses Rs. (000)	Net earnings Rs. (000)	% of net earnings on capital outlay.	% of working expenses to gross earnings.
1919-20	5,66,37,77	89,15,32	51,65,65	384,967	6.80	56.81
1924-25	7,33,37,38	114,75,20	69,36,63	453,852	6.19	60.45
1929-30	8,56,74,62	116,08,14	75,48,61	405,963	4.74	65.02
1934-35	8,85,47,18	102,81,07	70,60,18	322,089	3.64	68.67
1935-36	8,79,57,33	103,84,17	70,93,88	329,029	3.74	68.31
1936-37	8,80,12,80	108,06,73	69,92,81	381,392	4.33	68.74

Table V.

Financial Results in respect of Railways owned by the State.

Description.	1927-28	1929-30	1934-35	1935-36	1936-37
Mileage	28,086	30,878	31,619	31,732	31,729
Capital (in crores) at charge at the end of the year	722	778	787	789	789
	Rs. (in lakhs)				
Gross traffic receipts	105,43	102,70	90,20	90,65	95,48
Operating Expenses.	53,06	55,59	50,27	50,87	50,22
Depreciation Fund	11,38	12,59	13,72	13,25	13,15
Net Traffic Receipts.	38,99	34,52	26,21	26,53	32,11
Net misc. receipts after deducting misc. charges and surplus profits payable to companies.	- 87	- 2	53	87	-9
Net Revenue	38,12	34,50	26,74	27,40	32,02
Interest charges	27,27	30,46	31,80	31,39	30,81
Surplus	1035	4,04	-5,06	-3,99	1,21
Paid as contributions to general revenues	6,28	6,12	--	--	--
Transferred to Rly. Reserve Fund	4,57	-2,08	--	--	--
Ratio of working expenses (excluding depreciation fund) to Gross Traffic Receipts.	51.3%	54.1%	54.7%	54.9%	51.4%
Ratio of working expenses (including depreciation fund) to gross traffic receipts.	62.3%	66.4%	67.9%	69.5%	65.2%
Ratio of Net Traffic Receipts to capital at charge.	5.4%	4.4%	3.3%	3.4%	4.2%

Table VI.

Mileage of metalled and unmetalled roads in various Provinces
for the year 1936-37.

Province.	Metalled Roads (Miles)	Unmetalled Roads. (Miles)
Madras	25,065	14,317
Bombay	11,141	10,923
Sind	594	11,601
Bengal	555	89,815
U.P.	10,199	24,988
Punjab	5,410	20,314
Bihar	4,038	26,905
Orissa	2,156	2,641
G.P. & Berar	6,005	3,750
Assam	913	7,832
N.W.F.P.	1,428	2,537
Baluchistan	2,557	4,844
Ajmer-Merwara	420	197
Coorg	280	855
Delhi	583	132
Kathiawar States	1,022	336
Total:	<u>76,469</u>	<u>2,21,601.</u>

Table VI A.

The average road mileage for every 100 sq. miles of the
total area and for every 100,000 of the population:

	per 100 sq. miles of Total area. -- miles.	Per 100,000 of population. miles.
Metalled	4.5	23.0
Unmetalled	12.8	55.5

Table VI. B.

Area, population and Roads to the end of 1938.

Province	Area. Sq.miles.	Population	Total mileage of roads P.W.D. and Dist. Boards.* (Miles)	Municipal Roads. miles.
Madras	142,277	46,740,107	37,894	3351
Bombay	77,221	17,992,053	18,520	2108
Bengal	77,521	50,114,002	39,800	3405
U.P.	106,248	48,408,763	32,281	3350
Bihar	69,348	25,727,500	23,594	312
Punjab	99,200	23,580,852	24,532	2573
C.P.	99,920	15,507,723	9,046	935
Assam	55,014	8,622,251	10,618	321
Sind	46,378	3,877,070	11,827	2409
Orissa	13,706	5,306,142	4,671	276
N.W.F.P.	13,518	2,425,076	3,466	261
States	712,508	81,310,845	--	61823
Cantonments	--	--	4,001	--
Minor Adminis- trations:	--	--	4,344	344

* Includes every kind of roads.

(taken from the pamphlet published by I.R.T.D.A. Ltd.)

Table VI. C.
Road Mileage according to Classes:

Year	Madras. (miles)		Bombay Presy.		Sind		Punjab	
	surfaced	Unsurfaced	S	U.S.	S.	U.S.	M.	U.S.
1926-27	21,440	3,290	8,730	8,940	100	12,350	3,400	16,020
1931-32*	23,758	12,542	10,963	21,625	--	--	4,932	48,881
1933-34	24,235	13,088	11,355 [@]	21,287	--	--	5,090	50,385
1935-36	25,453	15,061	11,167	10,707	508	11,623	5,339	83,219
1936-37	25,085	14,317	11,141	10,923	594	11,601	5,530	89,815

* From this year classed as Metalled and unmetalled.

@ For Bombay and Sind

Table VI. C.

- 5 -

Year	U.P.		Punjab		Bihar		Orissa		C.P. & Berar.	
	M.	U.M.	M.	U.M.	M.	U.M.	M.	U.M.	M.	U.M.
1926-27	7,710	27,670	3,000	19,940	3,750*	25,580*			4,670	3,770
1931-32	9,965	23,633	5,216	20,195	4,837*	28,505*			5,694	3,857
1933-34	9,852	24,401	5,321	21,004	4,959*	28,713*			5,743	3,348
1935-36	10,046	24,833	5,355	20,441	3,477	26,866	23,11	2,573	5,787	3,859
1936-37	10,199	24,988	5,410	20,314	4,068	26,905	2,156	2,641	6,005	3,700

* Figures for Bihar and Orissa combined.

(Continued on next page)

Table VI. C (Continued)

Year	Assam		N.W.F.P.		Baluchistan		Ajmer Merwara		Coorg.	
	M.	U.M.	M.	U.M.	M.	U.M.	M.	U.M.	M.	U.M.
1926-27	560	8,810	---	---	2,550	4,750*				
1931-32	811	9,676	1,303	3,009	2,394	4,801	377	236	234	830
1933-34	883	9,729	1,106	2,418	2,394	4,834	414	203	267	814
1935-36	899	6,531	1,105	2,452	2,697	4,807	419	197	277	858
1936-37	913	7,832	1,928	2,537	2,657	4,844	420	197	280	855

* Total for minor Provinces and Administrations.

Year	Delhi		Burma		Shan States Federation		Total	
	M.	U.M.	M.	U.M.	M.	U.M.	M.	U.M.
1926-27			3,200	8,910			59,110	14,030
1931-32	402	142	3,110	8,009	515	4,030	74,541	1,89,971
1933-34	520	138	3,233	7,849	710	4,084	76,082	1,92,795
1935-36	564	133	5,127	5,880	753	4,303	82,234	2,24,433
1936-37	583	132	5,033	6,255	797	4,016	32,299	2,31,882

TABLE VII

PARTICULARS OF WEALTH OF COMMUNICATIONS ON THE BASIS OF POPULATION
AND AREA IN AREAS HAVING A POPULATION DENSITY
OF 100 PER SQ. MILE AND OVER

Area involved sq. miles	Avg. density of population per sq. mile	Proportion of area. More than 10 mls. from any sq. per cent	Length per 100 sq. mls. of area.				Area per mile of					
			Rlys. Mls.	Roads. Mls.	All mot-orable Roads. Mls.	All Roads publicly maintain- ed. Mils.	Rlys. Sq. Mls.	M. Roads. Sq. Mls.	All mot-orable Roads. Sq. M.	All roads publicly maintain- ed. Sq. M.		
Madras	122,620	382	59	3.56	19.15	22.10	26.80	28.00	5.23	4.52	3.73	
Bombay Presy.	77,035	284	54	3.25	12.20	17.40	23.00	30.80	8.20	5.74	4.35	
Sind	21,670	118	32	3.68	0.23	0.23	39.00	27.00	18.40	108.40	2.56	
Bengal	71,684	679	40	4.81	4.87	4.87	55.40	20.73	20.50	20.50	1.80	
U.P.	93,000	506	28	5.32	8.20	8.20	35.00	18.80	12.20	12.20	2.85	
Punjab	73,000	290	26	4.52	5.05	12.12	29.10	22.00	19.80	8.33	3.42	
Bihar & Orissa	83,161	453	39	4.00	3.76	3.76	39.40	25.12	21.00	21.00	2.54	
Central Provinces	85,581	167	55	2.67	5.56	7.80	8.77	37.45	17.98	12.82	11.40	
Assam	32,590	236	29	3.65	1.00	1.00	22.00	27.40	100.00	100.00	4.42	
N.W.F.P.	7,231	265	39	3.20	8.07	11.60	22.00	31.50	12.40	8.60	4.50	

(Table taken from Mitchell "Report on Road and Rail", Page 30).

(Continued on next page)

Persons per mile of

	Rlys.	M. Roads.	All motorable Roads.	All roads publicly maintained.
Madras	10,700	1,950	1,720	1,420
Bombay Presy.	8,740	2,325	1,690	1,235
Sind	3,450	55,350	55,350	327
Bengal	14,117	13,932	13,932	1,235
U.P.	9,500	6,160	6,160	1,450
Punjab	6,400	5,800	2,400	1,000
Bihar & Orissa.	11,400	9,500	9,500	1,150
Central Provinces.	6,245	3,005	2,147	1,908
Assam	6,720	25,000	25,000	1,177
N.W.F. Province.	8,270	3,230	2,280	1,200

TABLE VIII

EXTRA MUNICIPAL ROAD EXPENDITURE IN INDIA, IN Rs. LAKHS

Year	From prov. & local revenues on original works. Roads & bridges.	Road main-tenance.	Total	From Central Road Fund		Total expenditure.		Grand total.
				Original Works	Maintenance	Original works.	Maintenance.	
1913-14	169.6	215.0	384.6			169.6	215.0	384.6
1927-28	218.6	437.2	655.8			218.6	437.2	655.8
1928-29	204.5	439.3	643.8			204.5	439.3	643.8
1929-30	186.0	450.0	630.0			186.0	450.0	630.0
1930-31	201.4	443.5	644.9	26.9		228.3	443.5	671.8
1931-32	112.1	392.2	504.3	53.4		166.5	392.2	557.7
1932-33	68.3	366.8	435.1	46.9	0.1	115.2	366.9	482.1
1933-34	59.7	373.6	433.3	38.5	0.3	98.2	373.9	472.1
1934-35	59.2	375.8	435.0	48.9	0.4	108.1	376.2	484.3
1935-36*	69.1	416.6	485.7	77.0	0.7	146.1	417.3	563.4
1936-37*	74.8	430.9	505.7	95.2	0.9	170.0	431.8	601.8

* Loans in C.P. of Rs.3.9 lakhs in 1935-36 and Rs. 7.5 lakhs in 1936-37, taken from the Central Road Fund are not included.

(Information supplied by I.R.T.D.A. Ltd.)

TABLE IX

The following table gives the losses of the passenger traffic suffered due to motor competition by the railways in different provinces. Figures of the losses of the carriage of freight not available.
(Report on the present state of Road & Rly. competition, Mitchell, page 12).

Estimated annual losses to Railways due to Motor competition, L. Rs. Lakhs.

Province.	A.B.	B.B.&C.I.	B.N.	B.N.W.	E.B.	E.I.	G. I.P.	N.W.	M.C.M.	S.I.	Total
Madras.	---	---	1.50	---	---	---	---	---	15.74	13.50	30.74
Bombay	---	6.65	---	---	---	---	7.50	---	4.70	---	18.85
Bengal	0.31	---	0.86	---	5.00	4.22	---	---	---	---	10.39
United Provinces	---	14.52	---	5.00	---	21.77	4.13	---	---	---	45.42
Punjab	---	---	---	---	---	---	0.67	33.00	---	---	33.67
Bihar & Orissa.	---	---	2.36	---	---	4.02	---	---	---	---	6.88
Central Provinces.	---	---	9.00	---	---	---	6.73	---	---	---	15.73
Assam	0.25	---	---	---	---	---	---	---	---	---	0.25
M. W. States.	---	13.83	---	---	---	---	1.45	4.67	5.17	---	23.12
	<u>0.56</u>	<u>35.00</u>	<u>14.22</u>	<u>5.00</u>	<u>5.00</u>	<u>30.01</u>	<u>20.50</u>	<u>39.00</u>	<u>23.61</u>	<u>13.50</u>	<u>186.40</u>

(Kirkness Mitchell Report)

TABLE X

Number of motor vehicles.

Year	Total No. of vehicles.	Heavy motor vehicles and buses.
1935-36	161,812	39,836
1936-37	171,463	40,941
1937-38	146,429	39,172

TABLE IX

Table XI.

DETAILS OF OPERATION INLAND NAVIGATION WORKS FOR BRITISH INDIA.

Year	Length of Canals open for navigation miles.	Total No. of Boats plying Cargo.	Total No. of Boats plying Passengers.	Quantity of Cargo carried. Tons.	Value of cargo carried Rs.	No. of Passengers carried.	Quantity of cargo carried by rafting.
1929-30	4,008 $\frac{3}{4}$	192,434.	22,751.	1,37,62,801	460508452	3142354	Cft. 9168325) Ton. 9721008)
1934-35	3,917 $\frac{7}{8}$	269,423.	31,917.	1,40,91956 $\frac{1}{2}$	375659805	247,331	Cft. 9108216) Ton. 2928198)
1936-37	3,721 $\frac{5}{8}$	264,115	23,723.	1,37,24,530	387056915	2457665	Cft. 10896659 Ton. 259396)

Table XII.

TRAFFIC CANALS IN THE U.P. DURING THE YEAR 1937-38.

Length of Channel open for navigation.	(Upper 213) miles (Lower 123)	Ganges canal 336
Total Receipts. Rs.		10000
Maintenance charges including navigation establishment.		3064
Net Revenue		6936
Total registered tonnage of cargo tons		31819
Total ton milage.		1262190
Total estimated value of the cargo Rs		413789

TABLE XIII.

TRAFFIC ON CANALS IN BIHAR & ORISSA IN 1935-36.

	<u>Orissa</u>	<u>Sion.</u>	<u>Orissa Coast.</u>	<u>Total.</u>
Length of canals open for navigate miles	205½	197	95½	497½
Total Receipts Rs.	69,246	36,123	4,665	1,10,034
Canal tonnage of boats Tons.	254,119	74,233	30,684	3,59,036.
Estimated weight of boat cargoes	107,961	66,702	12,806	1,87,469.
Estimated value of cargoes Rs	6,717,624	17,05,849	6,79,220	91,02,693.
Estimated value of rafts. Rs.	161,868	3,12,053	4,710	47,867.

(Figures for passengers, net revenue, maintenance charges etc, not available).

TABLE XIV

TRAFFIC ON CANALS IN BENGAL DURING 1936-37.

	Midnapore Canal	Hijilli Tidal Canal	Orissa Coast Canal	Calcutta & Eastern Canals	Sunderbans steamer route.	Maduripur Riv.routes.	Total
Length of canals for navigation Miles ..	65.31	49.75	54.504	834	350	33	
Total Receipts Rs..	10,440	53,680	25,722	342,722	79,954	169,860	682,378
Maintenance charges, in- cluding special navigation est- ablishment Rs..	52,107	19,692	14,301	240,287	38,408	110,110	4,74,905
Net revenue of the year.. Rs ..	-41,667	33,988	11,421	102,425	41,546	59,750	207,473
Total number of cargo, pass- engers & empty boats	4,918	10,816	10,190	77,339	--	29,152	132,421
Total ton mileage .. Rs ..	587,770	2,511,476	15,17,584	59,26,935	--	4,31,25,414	5,36,09,179
Total estimated value of cargo Rs.	12,05,466	20,83,639	18,17,052	3,54,13,280	--	8,02,81,346	120,800,783
Total number of passengers.	600	3,074	1,539	13,216	--	86,242	10,671

TABLE XV

TRAFFIC ON THE PRINCIPAL NAVIGABLE CANALS IN THE MADRAS
PRESIDENCY DURING 1937-38

	Godavari Canals	Kistna Canals	Kistna East Band canal.	Kurnool Cuddapah Canal	Buckingham Canal	West Coast Canals	Dummagudem Canals.	Vedrañiyam Canals.	Total
Length of canal open for traffic miles.	492 1/8	384 1/2	35 1/2	75	276 1/2	121	2	4 1/8	1428 3/4
Total receipts. Rs.	207,999	119,599	516	72	105,332	19,478	11,143	690	464,829
Maintenance charges including special navigation estab- lishment.	169,053	130,099	2,623	--	212,778	--	8,697	5,016	528,266
Net revenue.	38,946	-10,500	-2,107	72	-107,446	19,478	2,446	-4,320	-63,437
Number of passengers	986,763	163,335	60,120	--	128,561	--	155	540	13,39,474
Estimated value of cargo .. Rs.	79,635,428	50,390,428	613,630	--	10,768,933	242,5284	512,984	758,396	145,105,083
Total number of boats plying cargo.	64,765	10,113	289	--	--	--	106	137	93,221
Total number of boats plying for passengers.	6,860	2,165	25	}	8,758	--	3	--	
Total tonnage cargo boats									
"" "" passengers	849,167	800,684	27,369	--	199,446	---	2,040	884	18,86,590

TABLE XVI

TRAFFIC MOVEMENTS ON RAILWAYS & CANALS
IN INDIA

YEAR	Traffic on canals. Tons.	Weight of goods carried by railways in tons.
1931-32	12,100,019	99,314,000
1933-34	11,688,370	102,891,000
1935-36	13,373,318	115,506,000
1936-37	13,724,530	116,407,000

TABLE XVII A

Density of traffic per mile of canal	Density of traffic per mile of line.
Tons 3,626	Tons 2,699

TABLE XVII

Canal Navigation - Comparative Traffic
Density

Country	Year	Length	Tonnage of total traffic	Traffic per mile.
France	1935	6,036	47,770,00	47,915
India	1936-37	3,721	137,245,00	36,856.

India has a coast line of 4,000 miles. The total value of coastal trade for different years is given below.

TABLE XVIII

1917-18	Rs. (1000)	1,30,97,51.
1919-20		2,23,19,51.
1924-25		2,11,54,33.
1929-30		2,03,25,39.
1934-35		1,67,33,92.
1935-36.		1,61,84,59.
1936-37		1,65,48,38

(Statistical abstracts of India)

TABLE XIX.

Number of passengers carried in Native Passenger Ships:

Year.	Total to ports within the province.	Total to Ports in India.
1924-25	114,27,848	619,911
1934-35	10,33,811	484,454
1935-36	10,53,733	478,441
1936-37	10,68,292	464,720

TABLE XX.

Passengers carried by Native Passenger Ships on long voyages outside India:

Year	Passengers
1924-25	28,376
1934-35	33,303
1935-36	48,038
1936-37	50,562

TABLE XXI

The following table gives the number of Haj pilgrims:

Year	Pilgrims
1924-25	4,975
1935-36	26,186
1936-37	22,156

TABLE XXII.

Statement showing the total cargo and passengers carried on the coast of India, Burma and Ceylon and pilgrims carried between India and Jeddah and the total freight and passage money earned by (Scindia) during the years 1934-35, 1935-36, 1936-37, 1937-38, and 1938-39.

Year	Cargo carried on the coast in tons.	Passengers carried on the coast.	Pilgrims carried between India and Jeddah	Total freight & Passenger money earned
1934-35	11,07,901	57,859	nil	Rs. 87,24,051
1935-36	11,18,850	58,476	nil	Rs. 93,32,562.
1936-37	12,78,688	56,612	nil	Rs. 113,58,035.
1937-38	11,49,493	54,502	6,258	Rs. 124,52,307.
1938-39	14,16,950	57,147	8,720	Rs. 137,57,700.

TABLE XXIII

The total value of foreign sea-borne trade is given in the table

Year	Exports (Rs. 1,000)	Imports	Total
1924-25	40,54,108	3525622	7579730
1929-30	3241330	2775394	6016724
1934-35	2190017	1397742	3587759
1935-36	2102656	1442125	3544781
1936-37	2326934	1432303	3759237

TABLE XXIV

Value of Government Stores imported, exported and re-exported to and from British India.

<u>Year</u>	<u>Imported</u> <u>(Rs. 1000)</u>	<u>Exported</u> <u>(Rs. 1000)</u>	<u>Re-exported</u> <u>(Rs. 1000)</u>	<u>Total.</u>
1921-25	6,73,83	2,06,83	nil	8,80,66
1929-30	8,91,05	9477	1,096	9,96,78
1934-35	2,29,60	2478	339	2,57,77
1935-36	2,34,05	2131	945	2,64,81
1936-36	2,48,08	976	265	25049.

Table XXV.

Ships built in Indian Ports.

Year.	No.	Total Tonnage **
1917-18.	142.	11,808.
1924-25	56.	2,094.
1929-30.	20.	1,017.
1934-35.	53.	2,122.
1935-36.	50.	1,816.
1936-37.	55.	2,418.

Table XXVI.

The number of companies engaged in navigation by provinces, their authorised, subscribed and paid-up capital in 1934-35. ***

Province.	No.	Authorised Capital Rs.	Subscribed Capital Rs.	Paid-up Capital Rs.
Bombay.	6.	231,00,000.	1,88,85,095.	1,84,00,042.
Bengal	29.	3162,55,000.	95,52,377.	74,89,540.
Madras.	1.	10,00,000.	4,15,630.	2,88,165.
Total	36.	3203,55,000.	2,88,53,102.	2,61,77,747.

Number, Description, and capital (in sterling) of Companies incorporated elsewhere than in India but working in India in 1934-35. ****.

Province	No.	Authorised C.	Paid-up C.	Debenture. (In £.).
Bombay.	4	28,855,995	20,912,810	8,487,560.
Bengal.	15	27,483,587	20,289,243	6,047,472.
Total.	19.	56,339,582.	41,202,053.	14,535,032.

Statistical abstracts for Br.India. *Joint Stock Companies in Br.India. P.12. ****Ibid Page 36.

TABLE XXVII.

MILEAGE OF REGULAR AIR ROUTES.

Year.	Great Britain.	India.	Br. Common Wealth of Nations.	U.S.A.	France.	Germany.
1933	11,670.	5,180.	32,670.	47,687.	21,450.	71,228
1934	13,750.	5,830.	41,390.	50,800.	21,290.	23,440.
1935	18,739.	6,395.	53,291.	52,461.	24,451.	22,291.
1936	23,717.	6,483.	68,240.	61,532.	33,798.	23,494.
1937	26,679.	8,325.	79,875.	63,656.	38,750.	31,880.

TABLE XXVIII.

BRITISH REGULAR AIR TRANSPORT SERVICES.

Year.	Miles flown.	Passengers Carried.	Outward Air Mail (External) tons.	AirMails (Internal) tons.	Total Tons.
1933	2,638,000.	79,100.	85.	86.	171.
1934	4,557,000.	135,160.	122.	128.	250.
1935	8,412,000.	200,000.	187.	527.	714.
1936	9,584,000.	236,300.	325.	652.	977.
1937	10,783,300.	243,805.	667.	935.	602.

TABLE XXIX.

INTERNAL REGULAR AIR SERVICES IN INDIA & BURMA.

Year.	Miles flown.	Passengers carried.	Mails carried. tons.
1933	153,680.	155.	10.5
1934	345,771.	757.	21.3
1935	553,754.	553.	43.4.
1936	496,539.	349.	49.4.
1937	622,193.	1,178.	61.2.

Table XXX.

AIR MAILS FROM INDIA & BURMA.

Year.	Imperial Airways Ltd. & Indian Trans-Continental Airways Ltd.		K. L. M.		Air France.		Total.
	lbs.		lbs.		lbs.		
	To the East.	To the West.	To the East.	To the West.	To the East.	To the West.	
1930.	..	34,015	..	..	..	..	34,015.
1933	NoRecord	54,178	1460	..	424	..	56,062.
1935	6,677	93,859	57	111	1087	124	101,815
1936	11,785	107,592	115	136	677	133	120,438
1937	16,550	124,549	181	44	441	189	141,954.

Table XXXI.

AIR MAILS TO INDIA & BURMA.

	From the West.	From the East	From the West.	from the East.	from the west	from the east.	Total
	1930	39,364	..	96	
1933	55,195	Norecor	4,731	1,319	834	268	62,347
1935	90,297	5,791	7,111	6,896	747	655	111,497
1936	105,701	17,265	10,338	1,841	1,101	736	136,982
1937	123,145	23,712	15,014	2,164	2,737	1,006	167,578

Table XXXII.

Total Number of Letters carried and brought by all the three Companies in, from and to India is given below.

YEAR.	TOTAL WEIGHT LBS.
1930.	73,475
1933.	1,18,409
1935	2,13,412
1936	2,57,420
1937	3,09,532

Table XXXIII.

Exports and Imports of General Merchandise.
Precious Stones, Bullion and Currency
Notes at Karachi and Rangoon.

Year.	Imports Rs.	Exports Rs.	Total Rs.
1931-33.	63,57,600.	40,79,898.	104,37,498.
1934-35.	45,80,824.	1,67,551.	47,48,375.
1936.	80,13,341.	2,67,821.	82,81,162.
1937.	101,77,206.	3,74,663.	105,51,869.

Table XXXIV.

Passengers and Freight carried by all Scheduled
Air Services to and from India.

Year.	To & from Karachi.	To & from Rangoon.	Total No. of Passen- gers.	Freight to & from Karachi.	Frt to & from Ran- goon.	Total Frt. carried to & from Indi
1930	148	--	148	--	--	--
1935	1367	240	1607	68,948	8,751	77,699
1936	1737	453	2190	56,158	18,366	74,524
1937	1890	510	2400	79,852	12,708	92,560

Indian Air Survey & Transport Ltd.	Air Survey & Charter.
Indian Aviation Development Co., Ltd.,	Air Charter, Aeronautical Consultants.
Himalaya Airways Ltd.	(i) Haridwar-Ganchar (Irregular) (ii) Air Charter.
<u>BURMA.</u> Irrawadi Flotilla & Airways Ltd.	(i) Rangoon-Yenangyaung (ii) Rangoon-Tavoy. (iii) Air Charter.

Table XXXVII.

Capital of all the Companies.

Company.	Authorised C. Rs.	Subscribed C. Rs	Paid-Up C. Rs
Indian Trans-Continental Airways Ltd.	10,00,000.	10,00,000.	10,00,000.
Indian National Airways.	30,00,000	12,32,388.	11,31,818.
Indian Air Survey & Transport	20,00,000.	2,00,220	2,00,000.
Himalaya Air Transport Survey.	3,00,000.	2,00,000	1,00,000.
Irrawadi Flotilla & Airways Ltd.	4,40,00,000.	--	--
Total	4,63,00,000.	26,32,708.	24,32,038.

Indian Aviation Development Co., Ltd. Figures not Available.

Air Services of India Ltd. " " "

The number of aircraft on the register increased from 127 in 1936 to 147 in 1937.

The total licensed personnel increased from about 387 in 1936 to 443 in 1937. The percentage of Indians holding licenses of all types rose to 64 percent from 58.5 % in 1936 and 56.3 in 1935.

P.S. All the tables are compiled from the report in the Civil Aviation in India and Burma.

Statement I.

Statement showing the position of Road Fund at the end of 1937-38.

<u>Gross receipts.</u>	<u>Lakhs.</u>	<u>Lakhs.</u>
(1) To end of 1936-37	960.25	
(2) For 1937-38	<u>144.36</u>	1105.31
Deduct Grant to Civil Aviation.		<u>5.97</u>
Net credit to the Road Fund.		1099.34
Deduct Reserve.		
From 1929-30 to 1937-38 including special contribution by oil companies in 1929 (Rs.9.32 lakhs) and from the revenue surplus for 1934-35 (Rs.40 lakhs).		<u>181.25</u>
Net available for distribution		918.09
Amount distributed to		
Provinces (including Burma)	710.50	
Minor administrations & administered areas.	26.24	
Indian States	<u>103.81</u>	<u>840.55</u>
Balance in hand at the end of 1937-38		77.54

STATEMENT II.

Statement showing the allocations made from the Road Fund and the expenditure incurred to the end of 1937-38.

Name of Province or State.	Cost schemes approved to-date against provincial allocation Rs.lakhs.	Allocation in respect of the revenue upto 30-9-37. Rs.lakhs.	Expenditure upto 31-3-38 Rs. lakhs.	Balance on 31-3-38 Rs.lakhs	Probable allocations during 138-39 Rs.lakhs.
1. Madras,	200.34	128.29	75.65	52.64	22.80.
2. Bombay	334.03*	153.91	125.68	28.31.	25.16.
3. Bengal	156.82	118.41	70.17	48.24	15.54.
4. U.P.	111.65	51.59	46.57	5.02	8.64.
5. Punjab	88.58	67.85	47.69	20.16	13.38.
6. Bihar	54.15	28.73	13.00	15.73	3.94.
7. C.P. & Berar	33.84	28.39	22.00	6.39	4.41.
8. Assam	37.12	20.00	17.50	2.50	3.27.
9. N.W.F.P.	30.52	16.12	15.04	1.08	2.42.
10. Orissa.	15.48	1.75	-	1.75	0.61.
11. Sind.	24.29	14.79	4.80	9.99	2.88.
Total provinces.	1086.82	629.91	438.10	191.81	103.05.

*Bombay proper Rs. 312.75 lakhs. o Excluding Rs.80.59 lakhs
Sind prior to separation. 21.28 allotted to Burma and Shan
Rs. 334.03 lakhs. states prior to separation.

Total Minor admini- strations & admini- stered areas.	35.51	26.25	21.94	4.31	5.15
Grand Total	1122.33	656.16	640.04	196.12	108.20

Statement III.

Position of the Reserve.

Revenue to end of 1937-38.		1skhs Rs.	181.25.
Estimated revenue for 1938-39 to 1941- 1942.		94.00	275.25.
Deduct			
Grants approved.	Lakhs Rs.		
Special Schemes.	213.57 (see statement IV).		
Experiments	8.09		
Road test track	1.10		
Indian Roads Congress.	0.68		
Motor vehicles Insurance Committee.	0.54		
Technical Sub-committee of transport Advisory Council.	0.05		
	224.03.		
Cost of Administration upto 1941-42	0.05.		
	224.94	say	235.00
Balance			40.25.

Statement IV.

Statement showing the position of grants approved from the Reserve as on 28-2-1939. (The figures exclude the grants approved by the Standing Committee for Roads on 25th Feb. 1939 for allotment during 1939-40).

	Grants	lakhs Rs.
Madras	3.66.	
Bombay	5.38	
Bengal	11.46	
U.P	10.45	
Punjab	5.46	
Burma	5.27	
Bihar	11.09	
C.P. & Berar	11.45	
Assam	39.64	
Orissa	17.28	
Sind	15.19	
Total Minor administerations	9.84	
Total Indian States	57.40	
Total	213.57	

All these statements are taken from the proceedings of the eleventh annual general meetings of the I.R.T.D. Association held on 3rd April 1939.

THE NATIONAL PLANNING COMMITTEE.

Telephone: 35194
Telegrams: "Placonat"
Ref: 2480

Council Hall Building,
Apollo Bunder,
Bombay, May 22, 1940.

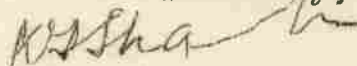
To the Chairmen, Secretaries and Members of the
Rural Marketing & Finance, River Training,
Animal Husbandry, Horticulture, Engineer-
ing, Labour, Population & Housing Sub-
Committees.

Dear Sir,

I am writing this to inform you that the Final Report submitted by your Sub-Committee was considered by the National Planning Committee at its meetings held on The Committee adopted the procedure of considering the recommendations made by your Sub-Committee, and expressing its own opinion in the form of resolutions, copy of which is attached herewith for your information.

As your Sub-Committee has made its Final Report, the resolutions passed by the National Planning Committee may be taken to express the trend of its opinion on the recommendations made by you. In case, however, you have any further material to submit, or views to address to the Committee, will you please let me have them at your early convenience? The National Planning Committee is meeting again from the 21st June, 1940, and if any report is received from you before that time, I shall place it before the Committee for its consideration, if so desired.

Yours faithfully,



Hon. Gen. Secretary.

TVP

The following resolutions were adopted:

1. Regulation as regards living and working conditions of the employees, including hours of work, employment of children, provisions for safety and sanitation, social insurance and such other matters should apply, subject to such variation as may be necessary owing to the nature of the occupation, to industries and occupations to which so far no such regulation has been applied.

2. It is of paramount importance that certain essential human standards be maintained. In giving effect to any regulations for the improvement of living and working conditions, due regard will be paid to interests of the consumer and the capacity of each industry to support this obligation. In the event of an industry not being able to comply with these conditions, the State may protect, subsidise or take it over, if it is the interest of the community to do so.

3. HOURS OF WORK:- Working hours should be limited to 48 hours per week and nine hours per day. This should not lead to any reduction of earnings. It is recommended that a committee should investigate into all the questions arising out of the application of a 48 hour week on an all-India basis, including conditions of work.

Labour

4. This provision (relating to hours of work in resolution 3 above) shall apply to all employees in -

(a) factories and workshops, employing five or more persons and using mechanical power, or to factories and workshops employing ten or more persons even though not using mechanical power;

(b) mines and quarries;

(c) Public transport services using mechanical power.

5. The principle of limiting the total weekly hours of work should be applied to other industrial and commercial occupations including plantations, building works, public utility services, with due regard to the nature and varying conditions of the occupation.

6. CHILD LABOUR. The minimum age of employment of children should be progressively raised to 15, in correlation with the educational system.

7. HEALTH AND SAFETY. In view of the specially Technical nature of the problems of health and safety, a special committee should be appointed to make detailed investigations and recommendations for improving provisions for the health, safety, and ~~work~~ conditions governing night work, in all regulated undertakings.

8. WAGES:-- A wage fixing machinery should be established early in all provinces in order to secure for the workers a living wage, fix minimum wages, consider other questions relating to wages, and obtain for them a decent standard of life, health and comfort.

9. There should also be a Central Board in order to coordinate the activities of the Provincial Boards.

9. HOUSING. The question of Housing should be considered as a national obligation of the State and should, therefore, be more fully considered in connection with the housing sub-Committee recommendations. It is desirable therefore for the State, including the Local Body, to make provision for housing, as well as cooperation schemes to be undertaken.

During the period of transition, and in order to improve housing conditions as rapidly as possible, employers should be required to erect suitable houses for workers, provided that full provision is made for freedom of movement and association, and against victimization by way of ejection during industrial disputes. Where necessary, facilities for transport should be provided.

10. HOLIDAYS WITH PAY. All industrial employees should be given at least 10 continuous working days (exclusive of public holidays) as paid holidays after 12 months service.

11. Maternity Compensation. The present rates paid by way of compensation should be examined and made adequate.

12. MATERNITY BENEFITS. Maternity benefits legislation should be undertaken on the general lines laid down by the Geneva Convention of 1919, in regard to the period before and after child-birth, and payment being made out of a special public fund.

Mr. Ambalal Sarabhai pointed out again that all these provisions relating to Housing, Holidays with pay, Compensation, etc., should be on an all-India basis.

13. The Committee resolved that the right of women workers to get equal pay for equal work must be recognised.

Prof. K. T. Shah further proposed that wage units should be considered for individual workers and not by families, so that married women workers should not suffer.

There was a discussion on the consequences of such a rule being applied. Srimati Mridula Sarabai pointed out that at present married women were thrown out of work and thus suffered greatly.

It was decided that as this proposal involved a general principle which affected the social structure, it might be considered later when these broad principles were taken up.

SOCIAL INSURANCE:

Mr. Ambalal Sarabhai accepted the principle of social insurance for the untoward consequences of industrial employment, but pointed out that any further protection of industrial workers for other ills would be at the expense of the community which itself was not so protected, and many of whose members required help even more. There was considerable discussion in which Mr. N. M. Joshi, Mr. Nanda, Prof. K. T. Shah, Prof. Mukherji and others joined and pointed out that while it was desirable that the entire community should be so protected, and this objective should be kept in view and was in fact a part of planned economy, the question of feasibility had also to be considered. Special circumstances applied to industrial workers and their need was often greater, as they were cut off from their old

meetings.

The following resolution was ultimately passed:

14. A system of compulsory and contributory social insurance for industrial workers should be established directly under the control of the State to cover the risks of sickness and invalidity other than those covered by the Workmen's Compensation Act. Schemes for providing alternative employment to those involuntarily unemployed, Old Age Pensions and Survivors' Pensions, and also Social Insurance to cover risks of sickness and invalidity for all, should be established directly under the State. These schemes should be extended by stages, priority being given to particular classes of workers, with due regard to the relative urgency of their needs, facility of application, and to the ability of the community to provide for them.

The following further resolutions were passed:

15. LITERACY: A nation-wide campaign of adult literacy and education should be started by making it obligatory on every illiterate adult to attend a literacy centre for a fixed period. The necessary finances required for launching the scheme should be provided by the State.

16. TECHNICAL EDUCATION: Provision should be made for technical education of the workers by establishing Day and Night Schools for the purpose, so that the worker might become more efficient in his own industry and might also learn an alternative occupation. After the State has made suitable provision, a certain period should be fixed after which only literates will be employed.

17. TRADE UNIONISM: Legislation should be passed to recognise Trade Unionism as an essential and integral part of the economic system.

18. TRADE DISPUTES: Machinery for the settlement of disputes should be provided by Government in the form of a Conciliation Board and an Industrial Court.

A prolonged discussion took place on the desirability or otherwise of compulsory arbitration in labour disputes. Mr. N. M. Joshi argued that the system of arbitration in which the decisions of the arbitrators are binding on both parties must be rejected. Mr. Nanda was, however, of opinion that under existing circumstances, compulsory arbitration was desirable and should be encouraged. Labour was weak and to invite conflict with a more powerful adversary was to invite disaster. Arbitration strengthened the workers and it was for this reason that employers were usually opposed to it.

Prof. K. T. Shah pointed out that in Planned Economy there should be no room for strikes and lock-outs. Prof. Mukherji, Mr. Shuaib Qureshi and other members also took part in the discussion. Before any decision could be arrived at, the Committee was adjourned at 12.5 noon to the afternoon.

19. STATISTICS: Legislation should be passed to enable full collection of all necessary labour and other statistics.

20. LABOUR INSPECTORATE should be strengthened in the various provinces and should include women. Cooperation between Inspectorates of various provinces should be established by periodical conferences.

21. LABOUR LEGISLATION: It is desirable to have uniformity and co-ordination in labour legislation all over India. There should, therefore, be full co-ordination between the Centre and the Provinces and the Provinces and States inter se, and appropriate machinery for this purpose should be devised, such as Tripartite Industrial Councils representing the Government, the employers and labour. This principle of uniformity and co-ordination should be borne in mind when prescribing the respective spheres of Central and provincial legislation affecting labour.

22. Both in the interest of industry and the community, it is desirable to associate the workers progressively in the control of the industrial system.

23. DOMESTIC SERVICE: The case of those engaged in domestic services requires special attention and legislation in regard to their hours of work, wages, holidays, social insurance and the like.

24. In order to remove the practical restriction on the freedom of movement and association of the workers on plantations, legislation should be undertaken with a view to providing public roads leading to the worker's places of work and residence and sufficiently large open spaces near their houses.

25. The right of repatriation of the workers on plantations should be made adequate.

Seamen:-

26. An Employment Bureau under Government control should be set up in each major port and recruitment of seamen should be made only through such a Bureau. The work of the Bureau should be carried on by persons possessing practical experience, but there should be a Joint Maritime Board to tender advice on all matters concerning the work of this Bureau. This Joint Maritime Board should include an equal number of representatives of ship-owners and seamen.

27. There should be adequate accommodation, with light and air, and sufficient food of proper quality on board and there should be no racial discrimination in regard to these.

Dockworkers:-

28. Each major port should have a register of all workers who have a genuine claim to be regarded as dock labourers, and appropriate arrangements should be made for the proper rotation of work. This principle should be extended to other classes of casual labour, wherever possible. Labour exchanges and other appropriate machinery should be devised for the recruitment of all classes of workers.

Industrial Disputes:-

29. Under Planned Economy, legislation should be passed for adjudication of industrial disputes by impartial tribunals.

(The question of arbitration in industrial disputes had been previously discussed on May 7th. It was further discussed before this resolution was passed. Prof. R.K. Mukherji was opposed to any provision which might come in the way of strikes even under Planned Economy. Mr. N. M. Hoshi stated that he would like to see the future State before he could commit himself to the principle underlying this resolution. Much depended on the nature of this State. He would therefore suspend judgment till then.)

Mr. Gulzarilal Nanda stated that it was desirable to have adjudication in Labour disputes even before Planned Economy began to function. Mr. N. M. Joshi did not agree with this view. The Chairman said that it was not necessary for them to consider this matter at that stage. They were concerned with the picture of a Planned State.

Mr. Nanda drew attention to certain criticisms in the Report of the late Bombay Government's Labour policy in respect of the Trade Disputes Act. He said that in effect this policy had been successful and beneficial, and many of its critics had come to recognise this. In any event, the criticisms in the Report were uncalled for. Mr. N. M. Joshi, in reply, adhered to his opinions as expressed in the Report and said he was prepared to justify them.

The Chairman said that the Committee was not sitting in judgment on the late Bombay Government's Labour policy nor were they directly concerned with it. He saw no reason why the matter should be discussed by them. The opinions expressed in the Labour Sub-Committee's Report on this subject were their own and did not commit the N.C.C.

HORTICULTURE SUB-COMMITTEE.

Additions suggested by Sardar Sahib Sardar Lal Singh.

- Page 9 - line 33. Between "track of India", and "This Section", add "In the North there may be one main experimental station, near or in Delhi and the other a sub-station in the Canal Colonies of the Punjab Province so as to represent two separate specific sets of climatic conditions. If funds permit a sub-station in the hills (5000 to 7000 ft.) would also be a great asset to solve problems confronting growers of temperate fruits."
- Page 23 - para 3. add Glacier Fruit Products India, Pathankot, District Gurdaspur after at Kadium in Madras.
- Page 24 - Against vinegar - add "Dates".
- Page 25 - Above "The Cashew nut Industry" add as follows Fruit Juice Industry. The greatest scope in the fruit and vegetable preservation at present lies in the development of fruit juice industry. India is a tropical country where cold drinks are in constant demand throughout the greater part of the year. This demand is at present being met with by resort to areated waters which generally contain nothing but synthetic materials like saccharine, essenses and colours, all of which have absolutely no food value. If these artificial areated waters can be substituted by pure fruit juices either by persuasion or propaganda or by enacting laws, it would not only go a long way in raising the income of fruit growers and giving employment to hundreds of educated as well as illiterate people but would also add to our national health and efficiency. Laws should be enacted to debar shopkeepers from selling beverages not conforming to the standards laid down.
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SUMMARY OF RECOMMENDATIONS OF THE
CHEMICALS SUB-COMMITTEE OF
THE NATIONAL PLANNING COMMITTEE.

1. We recommend that there should be legislation of the nature of census of Production Act, in order that planning may be accurate and effective.

2. We recommend the formation of a Dye-stuffs corporation either owned or subsidised and controlled by the State for the very rapid development of the Dye-stuffs industry. We would recommend that in the initial stages the dye-stuffs corporation should concentrate on the production of 17 direct colours, 10 basic colours, 10 Naphthols, 8 bases, as given in Appendix II of the Report. We would also recommend that when the factory or factories under the corporation start operations, the importation of dyes and intermediates be prohibited except under licence for special reasons.

3. We recommend the immediate establishment of a synthetic ammonia plant with a view to making India self-sufficient with regard to synthetic nitrogen fertilisers. This factory should be located in the neighbourhood of the coal fields of India. A factory for producing our deficit of ammonium sulphate of the order of 50,000 tons may be started with a capital of about a crore of rupees.

4. We recommend that (a) the use of raw coal for domestic purposes, which causes smoke nuisance, should be prohibited, (b) 3 million tons of coal should be distilled to produce the soft coke necessary for this purpose, (c) the tar obtained from this process as also that from factories now in existence for the manufacture of metallurgical coke, which in the near future, will involve the distillation of 3 million tons of coal should be processed to yield the road tar necessary for improving the road surfaces of the country, ammonium sulphate for use as fertilisers and the chemical and intermediates essential for the dye and drug industries.

A plant for distilling 400 tons of coal tar a day would cost 15 lakhs of rupees. A plant for recovering 1.5 millions of gallons of benzene per year would cost 20 lakhs of rupees and accessory plants for refining benzene and recovering naphthalene would cost about 10 lakhs of rupees. The cost of plant for distilling 3 million tons of coal to produce soft coke may be obtained from the present distillers.

5. We would recommend that the indigenous synthetic drug industry should be encouraged by a protective duty on synthetic drugs imported from abroad and by suitable modification of the excise regulations relating to the spirits required for the manufacture of drugs.

6. We recommend that an explosives industry be started at an early date in India [if necessary with the aid of skilled labour imported from abroad and by purchasing the rights of foreign patents.]

7. We recommend that crude petroleum be imported into the country and subsequently refined in this country in accordance with the recommendation of the Tariff Board on the subject and the import of petrol and kerosene be subjected to a heavy duty.

8. We consider that research is needed in the following subjects before industrial utilisation can be undertaken.

(a) The possibility of using nitro-chalk and urea as a substitute for ammonium sulphate as synthetic nitrogen fertiliser. (b) The possibility of obtaining sulphur from (i) Gypsum, (ii) Copper pyrites and (iii) Assam Coal. (c) The possibility of obtaining potassium and bromine from Indian bitters where 15,000 tons of potassium bromide are wasted annually. (d) Manufacture of zinc chloride up to 98% purity from the galvanisers' pot skimmings at Tatanagar. (e) the utilization of the phosphatic nodules of Trichinopoly for the manufacture of phosphatic fertilisers. (f) The design of suitable furnaces for the manufacture of dichromate from the Mysore Chrome Ore (g) The fermentation processes utilising molasses and starch leading to the manufacture of glycerine, acetone, butyl alcohol, citric acid etc. (h) The manufacture of plastics in India.

9. For all the above investigations and similar other industrial investigations a national Chemical laboratory should be established.

10. We recommend that a protective import duty should be imposed for a definite period in the case of heavy chemicals and that free import of raw materials and chemicals, which are not available in the country, e.g. Sulphur, Arsenic, Lead, Tin etc., and some of their compounds should be allowed.

11. We recommend that chemical industries should be owned or controlled by the State, particularly the heavy chemical and tar distillation and associated industries.

12. In connection with the development of chemical industries in India, we would make the following observations.

Unskilled labour: Unskilled labour is available in the country in plenty. The cheapness of labour is favourable factor for Indian industry. Besides, the so-called unskilled labour is really intelligent and is capable of being trained to the required standard.

Skilled labour: Highly trained technical men are available for most of the industries. Further, the large number of research chemists turned out by various scientific institutes and colleges would be available for absorption in the various industries. The cheapness of skilled labour is a factor which operates in favour of some of the industries particularly the fine chemical industry. In few cases where skilled technical labour is not available experts may be brought over from abroad for starting the industry and running it in the initial stages on short term contracts on the ~~basis~~ definite understanding that they shall fully train up Indians for the running of the industry, during their term of service. In other cases, where necessary young Indians who have received the best available training here, may be sent abroad for training for the particular industries.

1.

SUMMARY OF RECOMMENDATIONS
OF THE
POPULATION SUB-COMMITTEE .

1. We agree with the view that the size of the Indian population is a basic issue in national economic planning in so far as its unrestricted increase out of proportion to means of subsistence affects adversely the standard of living and tends to defeat many social and ameliorative measures.

The problem has been fundamentally caused by the lack of all-round, coordinated economic development. While measures for the improvement of the quality of the population and limiting excessive population pressure are necessary, the *and a decent standard of living lies in the economic program* basic solution of the present disparity between population of the country on a comprehensive and planned basis.

2. With a deficit in food supply estimated at about 12% of the population, and chronic under-nutrition and unbalanced dietary of the masses, India should utilise her waste lands and improve her yields per acre as much as possible.

We recommend that these should be established in relatively sparsely populated Provinces and States. Land Reclamation and Rural Settlement Departments, and planned inter-Provincial migration from over-crowded regions should be promoted, establishing zones of agricultural colonisation in newly reclaimed areas. The State should own such areas to avoid the creation of vested interests and settle colonists in these.

3. We consider that the prevalent under-nutrition and malnutrition should be tackled by systematic crop planning, stressing the production of heavy-yielding, energy-producing and also protective food-stuffs. We recommend in this connection the establishment of a Central Nutrition Board with regional boards for developing a national nutritional policy in coordination with the Departments of Agriculture and Public Health. There should also be nutrition research institutes under the Board or Boards.

The present food resources should be more adequately utilised and supplemented particularly by vegetable and animal proteins so as to give a more adequate and balanced diet, and an attempt should be made to improve food habits and methods of food preparation of the people so that they may obtain more nutritive values from the foods consumed.

4. The people should also adopt a rational view of animal keeping so that there may be fewer but more efficient cattle--125 millions of cattle out of a total stock of about 200 millions are estimated by the sub-committee as superfluous and uneconomical--which may provide milk and milk products, and establish successfully the dairy industry in connection with intensive farming.

5. We consider that the adoption of birth control by the rural masses is essential and recommend the following methods for the diffusion of knowledge of contraceptive methods.

- (a) The inclusion in all medical colleges in the country of courses in contraception.
- (b) The training of women doctors and nurses all over the country in this regard.
- (c) The establishment of birth-control clinics where supplies should be given free, preferably in connection with maternity welfare centres, health units and hospitals.
- (d) The encouragement of the local manufacture of the material used for the purpose of contraception in order to bring the cost within the reach of the masses.
- (e) Propaganda amongst the masses through Municipalities, District Boards and Panchayats in favour of 2-4 years spacing of births and the limitation of the total family to 4 children.

6. We consider that the gradual raising of the marriage age and discouragement of polygamy are desirable in the interests of the limitation of the size of family.

For preventing the undue fractionalisation of holdings that has accompanied population increase, we consider that public opinion should be educated in the direction of modification of the laws of inheritance and succession.

7. We consider that the trend of 'mis-population' now discernible in the country has a very important bearing on

on the future constitution of the population, the general increase of population being greater among the less intellectual strata.

We consider that from the demographic point of view the Indian constitution, which is based on a scheme of representation according to castes and communities, is a serious set back and stands in the way of population planning for the nation as a whole in so far as mere numbers by castes and by communities has acquired a new role in terms of political rights and power, and the economic significance of low standard of living and poverty caused by unrestricted increase tends to recede into the background.

8. For certain upper Hindu castes, which are decaying, the promotion of inter-caste marriage and the abolition of regional, sectional and other barriers to inter-marriage are desirable.

Ageugenic programme should also include the sterilisation of persons showing one or more of the following conditions : insanity, feeble-mindedness and epilepsy.

9. For the blind, deafmute, infirm, feeble-minded and other socially inadequate persons, we recommend that there should be more adequate and more appropriate institutional care and vocational training through hospitals, special schools, colonies and "houses" in order that they may prove useful and be not an excessive burden to society.

10. In social service planning should be adopted and we recommend in this connection the shift of emphasis

(a) from individual almsgiving to institutional care

(b) from amelioration to prevention

(c) from dependence on charity to scientific social care work

and (d) from individual or communal financing of homes, colonies and institutions to the group or community financing of private charities.

11. We consider that the relegation of a large section of the population, estimated by the sub-committee at about 60 millions to low social status, to untouchability and even

even unapproachability is at once socially unrighteous and cruel and is a serious handicap for the full utilisation of man-power in the country.

We recommend the adoption of an extensive country-wide programme of economic uplift and social work, on the lines of the Harijan Sevak Sangh, and the preparation of the upper sections for a deliberate collective sacrifice of their hereditary social privileges and monopolies.

12. We consider it necessary that the objects of religious endowments and charity should be clearly defined for social and ameliorative purposes, and public opinion mobilised towards this end, and the trusteeship should be strictly supervised by the state in the interests of public welfare.

13. We consider that in the programme of planned industrialisation which will mitigate the effects of population pressure, special attention should be paid to the development of agricultural industries in the countryside as well as of cottage industries which can utilise raw materials and secondary crops, grown by the villager, increase his income and utilise more fully his spare time. Concentrated urban industrialisation fosters population increase by creating a continuous demand of cheap labour and by breaking up the old social^{order}/and the firmly integrated patterns of social central of the village.

We recommend the dispersal of industries and favour the growth of little towns with a rural atmosphere where small and agricultural industries might form the back-bone of industrial enterprise and be in consonance with the economic and the cultural traditions of the past, on the one hand, and the needs of industrialisation of the machine age, on the other.

14. When widespread unemployment, as in times of severe draught, cannot be prevented, adequate and liberal famine relief provision by the State is an urgent necessity, while the State should also assist liberally in promoting schemes of unemployment relief and insurance for the industrial workers.

15. We consider that there is large scope for the improvement of vital statistics on the lines suggested by the subcommittee and that there should be maintained on a standardised basis in the provinces and states and periodically published to help towards the formulation of a demographic policy for the nation.

16. We suggest the establishment of a National Population Research Board with regional Boards in provinces and States for comprehensive demographic surveys and research and the formation of a national population policy.

PGN

Draft Resolutions based on the Recommendations of
the Rural Marketing & Finance sub-committee:

A. General:

1. Our objective is to ensure that the machinery for distributing rural goods functions as efficiently as possible, so that the village produce may flow with the minimum of friction, thus benefiting both the villager and the ultimate consumer of his produce.

2. From the cultivator's point of view an optimum price for his produce may be defined as that price which he receives when the machinery of distribution functions with the maximum efficiency, or, to put it differently, when the margin between the price paid by the ultimate consumer and that received by the producer is at a minimum. Evidently, this will be the case only when the costs of each of the services involved in the process of distribution are the lowest.

3. It follows that we are in principle not opposed to the middlemen as such, who fulfil an essential function in the marketing of rural goods. Not to eliminate him, root and branch, but to harness him to the system in a more useful manner, should be our aim. If, however, it were found possible in some cases to do without him altogether and carry on the marketing operations more efficiently, e.g. through a co-operative sale society, there is no reason whatsoever why this should not be attempted. In general, we doubt very much if, for a long time to come, co-operative sale societies could be so developed as to carry on the marketing of rural goods in India without the support of the middleman at any stage.

4. Nevertheless, it is clear that in a reorganised system of rural marketing there will not be place for as many middlemen as there is today. The steps we recommend will lead to an automatic elimination of the redundant middlemen. The surplus number released from the distribution business, will have to be dealt with in the same manner as the surplus population which now crowd in our agriculture. The planning authority, one of whose major functions is to open up new avenues of productive employment, will have to bring about such a redistribution of the population among the various occupation groups as would redound to the greatest advantage of the country as a whole.

B. Communications:

5. The total railway mileage falls far short of our communication needs. Even today there are vast tracts of countryside which have not been opened up by any railway line so that people in these tracts may be said to live in a system of compulsory regional autarchy. This can be rectified only by a bold scheme for the construction of feeder lines.

6. The question of railway freights is of utmost importance in rural marketing as they usually constitute the biggest single addition to the price of a commodity, transported by rail from the place at which it is produced. The freight policy of the railway companies shows that they have not yet realised the fact that railways constitute the largest public utility in the country and that as such their first function is to stimulate the growth

of trade and traffic. Charging what the traffic can bear is not compatible with the fulfilment of this function. In fixing freight rates railways should enquire not what the traffic can bear, but what they themselves can offer.

7. The freight policy of the railway companies has given rise to a long controversy in this country. The general level of freight is regarded as too high. The present policy is also supposed to favour exports and imports to the detriment of the home trade. Short hauls are often relatively much dearer than longer ones. The information at present available on the subject is far from being adequate. We are, therefore, of the opinion that, at an early date, a special investigation of the freight question in this country should be undertaken, which should be extended to include a comparative study of the freight structure of the more important countries abroad so that on the basis of such comprehensive data suitable measures might be devised and adopted.

8. Certain improved facilities, if provided by railway authorities, would reduce the net incidence of transport costs, e.g. the introduction of through rates and 'owners risk rates', permission to forward mixed consignments where special wagon rates are in force and the introduction of special rates for smaller consignments where the minimum quantity allowed is too high, an expansion of railway services for collecting and delivering parcels, etc., arrangements for shelving in wagons, as otherwise the produce at the bottom becomes crushed and endangered, introduction of express goods trains in certain cases, supply of better containers for eggs, etc. All such opportunities for bringing about an effective reduction in the total transport costs should be explored and exploited, for though some of the items, taken individually, may appear unimportant, they would in the aggregate render possible the saving of large sums now spent on transport.

9. In an ideal system railways and roads are not competitive, but complementary. Competition between them means duplication and waste, and should, in consequence, be avoided through a proper scheme of co-ordination. Feeder railway lines with feeder roads are what we need most.

10. Just as we require roads to feed railways, so also there must be smaller roads to feed arterial ones. Not infrequently the condition of the first few miles of road is the decisive factor for a villager, for the trouble and expense involved in bringing the produce to the point where better roads begin, are in many cases disproportionately heavy. Village roads have, however, been neglected most so far. The construction of minor roads should be stimulated in future and for this purpose more resources should be placed at the disposal of local bodies through a suitable system of grants-in-aid and/or by including a larger number of roads in the arterial system now maintained from the Provincial revenue, so that a larger part of the resources of local bodies might be released for the development of communications between such roads and the villages not immediately situated on them.

11. Water transport is considerably cheaper than transport by rail or road. So far India has not realised more than a fraction of the vast possibilities in water transport, with the result that she has remained excessively dependent on her railways for the transport of primary produce. We have also to remember that under conditions of monopoly the interests of the public are not always properly safeguarded. The opening up of alternative possibilities of transport by water, both inland and coastal, will operate to the advantage of the cultivator as the element of competition thus introduced would almost necessarily lead to lower rates. The question of water transport is so important that special investigations should be undertaken on:

- a. inland water transport on an all-India basis; and
- b. coastal shipping together with the freight policy of the shipping companies. Such investigation should include a study of conditions prevailing abroad as this would throw valuable light as to the lines along which development should take place in this country.

C. Regulated Markets:

12. The working of the existing regulated markets has seldom been flawless. In future no more regulated markets should be established under a Municipal Act and the markets of the C.P., now controlled and regulated under such an Act, should, when practicable, be reorganised and brought under provincial legislation. When an existing market is turned into a regulated market, the ideal course for the market committee would be to compensate the Municipal Board, or whatever other body it may be, once for all by paying a fixed sum either in lump or in several instalments. If the market committee in the initial stages lacks the resources necessary for such compensation, the provincial government should advance the required amount from provincial revenue on reasonable terms.

13. The development of regulated markets in India has been a remarkably slow process. Legislation for the introduction of such markets will soon be in existence in all provinces and in all the important states. All provinces and states should make prompt and un stinted use of the new legislation. The phase of experimentation with regulated markets is now over. What is needed at this stage is their multiplication on the basis of the consolidated results of our past experience.

(continued on next page)

D. Some Technical Factors.

14. There is at present an absurd multiplicity of weights and measures which affords greater opportunity for cheating the ignorant cultivator and has, in general, a hampering effect upon trade and commerce. Standardisation of weights and measures all over the country should be brought about as quickly as possible.

15. The Bombay Weights and Measures Act of 1932 is in force in the provinces of Bombay and Sind. The passage of the standards of Weight Act of 1939 for the whole of India constitutes a landmark in the process of establishing uniform weights and measures. Owing to the force of local trade custom and local tradition, standardisation within provincial limits will have to be attempted first. If the provincial legislation is to lead to the desired results, the general public will have to be properly educated and made, so to say, more "weight-conscious".

16. The Metric system not only for weights and measures but also for currency has great advantages. The possibility of adopting this system in India should be seriously examined by the authorities.

17. The Central Marketing Staff has made a beginning in the standardisation and grading of agricultural produce and established grading stations at several places. Provincial and state governments have taken over some of these stations. The process has been very slow. Where grading has proved profitable, the multiplication of such stations should be expedited and the efforts of the Central Marketing Staff should be supplemented by more active initiative on the part of provinces and states.

18. The introduction of standard contracts should be expedited so as to cover the main agricultural products of India. The market news service should be further developed.

19. How to retain the advantages of legitimate speculation or risk-bearing and at the same time prevent it from degenerating into gambling pure and simple, is one of the major problems with which every country is confronted to-day. The present state of "future" market in India is far from being satisfactory. The question of curbing irresponsible speculation should be carefully examined.

20. Steps should be taken to bring about a much greater correlation between production and marketing.

21. "Utilisation" industries, e.g. for canning fruits, producing fruit juices, tomato sauce, chutneys, etc., and "processing" industries, e.g. husking paddy, grinding wheat, curing tobacco, will directly widen the market for many agricultural products and frequently fetch higher net prices. Steps should be taken all over the country to explore the possibilities of developing such industries.

22. Adulteration of food has become a growing menace in this country. The consumer should be better educated to appreciate the purity of food-stuffs and, if necessary, pay a slightly higher price. In addition, the existing Pure Food Laws should be re-examined and supplemented whenever necessary, and must be strictly enforced so as to stop the evils of food adulteration.

E. Rural Finance.

23. The failure to draw a distinction between short-term and long-term finance has been a weak feature in the rural credit system. Suitable institutions for meeting these two types of credit requirements should be developed and simultaneously steps should be taken to increase the credit-worthiness of the cultivator.

24. The growth of co-operative land mortgage banks has been very slow except in Madras, their individual loans are relatively small while the total volume of their transactions has never been large. The extension of these banks on proper lines can go a long way in meeting the demand of the cultivator for long-term accommodation, but it is doubtful if co-operative land mortgage banks could be developed, at least for a long time to come, on a scale which could be regarded as adequate for the purpose. There is a strong case for establishing State or State-aided banks, in addition to the co-operative land mortgage banks, for dealing with long-term agricultural credit. In order to improve the creditworthiness of the cultivator some of the restrictions prevailing at present in some of the provinces, on the right to transfer land should be relaxed and in the case of tenants at will, the right to transfer occupancy rights should be bestowed on them.

25. Short-term loans are needed by the cultivator mainly for his seasonal operations and for the marketing and movement of his crops. He should therefore be in a position to borrow against the hypothecation of the crop to be raised and against the produce after it has been raised.

26. In order to render crop hypothecation both cheap and easy, the necessary security must be provided by taking such steps, as making it a penal offence for a cultivator to remove or dispose of hypothecated crops without the creditor's consent, introducing some kind of crop insurance, creating a form of chattel mortgage in respect of the crop in favour of the creditor whose claim will have priority over all others.

27. Large sales immediately after the harvest cause a slump in the market and the producer receives a low price for his crop. The reasons why he is constrained to dispose of his produce as soon as it is harvested are (a) being in dire need for hard cash, he cannot hold out for a better price and (b) there are no facilities for storing his produce and borrowing against it. We very strongly recommend that a system of warehouses should be established in rural areas. Such warehouses may be built by private enterprise, co-operative societies, railway companies, market committees in regulated markets. The Government should give whatever assistance and encouragement is possible for the construction of godowns or warehouses at least in the initial stages and in this regard the lead taken by the Madras Government should be followed in other provinces. We approve of the recommendations of the sub-committee as to the licensing of warehouses and the issue of warehouse receipts so that these may be turned into a negotiable credit instrument.

28. Liquid funds have long been unequally distributed as between urban and rural areas and this maldistribution has been further aggravated in recent years by various factors. What we need most in the field of credit to-day is, so to say, a system for better financial irrigation. This could be achieved if the Government were to float long-term loans and were to make the sums thus raised available through some suitable machinery to the cultivating classes as long-term loans for specifically productive purposes. There was almost an unanswerable case for adopting such a policy on a bold scale when, during the depression years, the rates of interest in the bigger money

markets had reached a low level, unprecedented in the history of India. The same remark applies even to-day, though with diminishing force in view of the recent trend in the money market.

29. The mal-distribution of credit facilities is, however, to be attributed to institutional shortcomings. A canal should be cut between the big financial centres and the rural areas so that the liquid money might automatically flow and irrigate the latter. The simplest and most effective method of bringing the advantages of cheap money conditions to the door of the cultivator would be to induce the joint stock banks to participate actively in agricultural credit. In order to achieve this branch banking will have to be developed on a larger scale and on less expensive lines so that the cheapness of the ubiquitous village sowcar may be combined with the efficiency of modern banking.

30. At the same time first-class agricultural bills will have to be created so that such branches may have a sufficient volume of business to transact. Railway receipts can and should be turned into negotiable credit instruments. Similarly, crop bills and warehouse receipts should be developed on the lines recommended by the sub-committee so that they may become first-class agricultural paper for short-term investment.

31. Much will, however, depend on the credit facilities offered by the Reserve Bank as the attitude of commercial banks will be largely influenced by their ability or inability to discount such bills or receipts at the Reserve Bank. Section 17 confers wide powers on the Bank to engage in operations which would be of great assistance to agricultural credit. But the attitude of the Bank has so far been singularly unhelpful. Sec. 17.(4) (d), as interpreted by the legal advisers of the Bank, presents some difficulties and should, in our opinion, be amended or more liberally interpreted. In our opinion the Reserve Bank should make an immediate start in making use of the powers conferred on it by Sec. 17 (2) (b). We strongly recommend that, as an experiment, a number of co-operative central banks and primary societies from among the best existing at present, should be selected and that the Reserve Bank should declare its willingness to rediscount their promissory notes on condition that these notes also bore the signature of the provincial co-operative bank.

F. Concluding Remarks.

32. The information at present available on agricultural marketing in India cannot be regarded as satisfactory. The publications of the Central Marketing Staff which started a series of marketing surveys four years ago, may be expected to meet this want at least in part. While it is as yet too early to pass any judgment on the work of the staff, there seems to be room for speeding up the whole work. On the whole, it is yet to be seen if the extensive and expensive marketing organisation which has been created in recent years succeeds in evolving a system of marketing the agricultural produce, which might be regarded as a sufficient quid pro quo for the large amount of public money which is now being spent on it annually.

33. The all-India marketing surveys tend, from their very nature, to be more comprehensive than thorough and as such cannot supplant the need for intensive studies on a regional basis, on which real progress so largely

depends. We, therefore, recommend that regional investigations on scientific lines, which would take full account of the conditions prevailing in a particular locality, should be encouraged and assisted, whenever possible.

34. A proper marketing organisation presupposes a much more detailed and reliable statistical information than has hitherto been the case. Steps should be taken to compile more comprehensive statistics on agriculture, production, consumption, trade etc., and the methods employed for collecting such statistics should be improved upon so as to increase their accuracy.

KS.

DRAFT RESOLUTIONS BASED UPON THE REPORT OF THE
TRANSPORT SERVICE SUB-COMMITTEE

1. The transport facilities of various kinds available in this country compare somewhat unfavourably with the corresponding facilities in other industrialised communities, with due regard to their area, population, and productive efficiency.
2. Considering each of these forms of transport service in India, though in general, the railways may be said to meet the present traffic demands upon them, there is room for internal economies in the working of the railways, and better adjustment of the available traffic suitable for Planned Economy.
3. In the event of Planned Economy being given effect to, both these requirements of the railway service will have to be examined before any programme of railway expansion can be considered. The Planning Authority will have to distribute the available traffic so that the fullest utilisation is made of the existing track, rolling stock, terminal facilities, and ancillary services of the railways.
4. Assuming that Planned Economy results in an increase of the total volume of goods and passengers having to be moved by railway, it will be a part of the functions of the executive authority, charged with carrying out the plan, to determine how this extra traffic in goods and passengers should be apportioned as between the railways and other means of transport.
5. As regards the roads, the present mileage of all motorable roads, metalled and unmetalled, compares unfavourably with the corresponding facilities in other industrialised countries. In view of the relative economy of road transport for comparatively small scale production, and short hauls, - both characteristic of Indian economy today, - the Planning Authority will have, in the initial years, to examine the possibility of developing the road service as an alternative or supplementary, to the railway carriage.
6. Roads, to be useful for efficient transport service as an integral part of the planned programme, will have to be considered, not only as national highways, but provincial as well as local means of transport and communication. One of the most considerable handicaps of the existing economy in India is the relative lack of cheap and adequate transport service, which, it is considered, is likely to be provided by a better development and use of the roads. The National Planning Authority must, accordingly, devise means to provide this form of transport in every region considered to be the unit for this purpose, in the planned programme.
7. Another handicap for an adequate development of road as well as railway services is the absence of the necessary manufacturing industries for the production of locomotives, automobiles, wagons and coaches, their parts and accessories, within the country. The Planning Authority must attend to the establishment as soon as possible of the necessary industries in this regard.

8. When an adequate road service has been developed and equipped in this manner, and the railway service has been improved apportionment of the traffic between these two will have to be determined by the National Planning Authority with due regard to the interests of the producers and the consumers in each case, as also to the cost of carriage involved. This means that each of these forms of transport has its appropriate field of service, which, though not exclusive, may yet be regarded as its proper sphere within which it may render the best service and produce the utmost economy.

9. Facilities for inland waterways in the shape of perennial rivers and navigation canals based upon them, though abundant in some parts of the country, have not been utilised as fully as they might have been, mainly because of the competition of the railways. This competition went on unchecked ever since the railways came into being because of the financial stake of the State in the commercial success of the railways.

10. The present extent of transport service obtained from the rivers and canals does not compare so unfavourably with similar facilities rendered by the railways as to make any form of further developing and improving the inland waterways in India as outside the region of economic possibility. It would, therefore, be the task of the Planning Authority to consider the scope available for improving the existing waterways, and developing their ancillaries, to serve as supplement to the other transport facilities by road or railway, and take such traffic as may be found by the Planning Authority to be uneconomic for carriage by road or railway.

11. The volume of traffic, both in goods and passengers, carried by coastal ships in Indian coastal waters, is very considerable, both in value and in quantity. But the Indian share in carrying this traffic is comparatively insignificant, and of very recent date, owing to the handicaps placed by the foreign vested interests in this sphere.

12. The Planning Authority must devise steps progressively to Indianise the carriage of coastal traffic available at present as well as the increased traffic resulting from the coming into operation of the planned economy. As a first step the carriage of goods and passengers along the Indian Coasts must be reserved exclusively for Indian-owned and Indian-manned ships.

13. India has a very considerable volume of foreign sea-borne trade in regard to exports and imports on private a/c, as also in respect of Government Stores, Mails, the carriage of troops and public servants. This volume of traffic for overseas carriage is sufficient to provide profitable occupation for a reasonably sized Indian Mercantile Marine. The Planning Authority should assume such powers to control India's foreign sea-borne trade as would enable the carriage of traffic in goods and passengers on Government account at least to be carried in Indian bottoms. The Planning Authority could thus provide for the building up in due course of a full-blooded mercantile marine which would take its due share in the world's carrying trade.

14. India also suffers a severe handicap in the lack of a ship-building industry of a modern character within her own waters, as also in the absence of an engineering industry for the equipment of ships and ports, with such items as engines, cranes, etc. The Planning Authority should endeavour

to overcome this handicap by seeing that the requisite industries are established in this country.

15. To give effect to our several recommendations progressively in regard to the improvement, extension and the expansion in the several forms of the National Transport Services, noted above, and to establish the necessary industries for the production of the machinery and equipment for such services, a capital investment of Rs..... for this purpose will be necessary, as estimated under present conditions. This is only a rough estimate, which may vary considerably when the actual plans are prepared and being given effect to. But it will serve as a basis for preparing concrete plans. It is, besides, spread over a period of ten years, which is deemed necessary for carrying out the Plan. The burden involved for providing this capital will thus not be impossible to bear.

Addition to the Draft Resolutions
of the
Transport Service Sub-Committee.

Para Six, 2nd Sentence -

Substitute -

"One of the most considerable handicaps of the existing economy in India is the relative lack of cheap and adequate transport service, particularly so, in the rural areas. This gap can be filled up by the provision and development of road systems as between the villages as also between the villages and market towns."

in place of the original sentence.

The first and the third sentences in this para remain as they are.

A NOTE ON THE
"USE OF STATISTICS IN NATIONAL PLANNING"

(By P.C. Mahalanobis.)

Planning in its proper sense is impossible without an adequate knowledge of basic facts. A critical examination of the statistical data on which any scheme is based is therefore essential; and can be undertaken only by persons with experience of statistical work.

2. It is desirable therefore that the statistical material used in the reports of the different sub-committees should be scrutinised carefully by statisticians. This will prevent important conclusions being based on unreliable data or on doubtful assumptions; will enable gaps in the statistical material being filled in some cases from sources which were not available to the members of particular sub-committees; and will also indicate what additional information will be required in proceeding with the different schemes.

3. In certain subjects the use of analytic methods is essential for success. A few words on the scope of analytic statistics may be useful in this connection. Theoretically the ideal method is to make a complete enumeration of all relevant information. The population census is an outstanding example. Barring mistakes in counting, enumeration is complete; we possess full information in regard to each item included in the schedules, and we may extract all the information we require by simple tabulation. But the method of complete enumeration is often difficult or even theoretically impossible to adopt in practice. In purchasing electric fuses, for example, we cannot blow them all up in order to acquire complete knowledge. We are obliged to proceed by the method of sampling; we take out a random sample of fuses and test them; and from the results of these tests proceed to judge the quality of the lot from which the sample was drawn. Similarly when we desire to compare the yield of different varieties of any crop or the effect of manures we are obliged to base our conclusions on the yield of plants grown on a comparatively small number of experimental plots; or when we want to study the standard of living our results are based on enquiries into the family budgets of a comparatively small number of families selected at random.

4. The study of variations due to multiplicity of factors becomes essential in the sampling method; and the use of mathematical statistics is indispensable for this purpose. Provided the samples are taken at random and adequate statistical methods are used it is possible to make an estimate of the margin of error of the final results. This is a great advantage as it enables all decisions being made on the basis of facts ascertained with scientific and objective precision.

5. Another advantage of the analytic method of statistics lies in the possibility of studying a large number of factors at the same time. R. A. Fisher pointed this out sometime ago in a forcible way:-

"No aphorism is more frequently repeated than that we must ask nature few questions, or, ideally one question at a time..... This view is wholly mistaken. Nature will best respond to a logical and carefully thought out questionnaire. Indeed if we ask her a single question she will often refuse to answer until some other topic has been discussed."

The significance and importance of this principle cannot be emphasized too much. In the old type of experiments isolation of each individual factor was considered to be a necessary condition for success. (Heisenberg's principle of uncertainty has shown however that this is not practicable even in physics, so that experimental methods in the positive sciences are tending to become more and more statistical in nature.) In biology, social and economic studies, agriculture, commerce or industry it is never possible to isolate the different individual factors. The use of statistical methods, and of the theory of design of experiments is therefore indispensable in these subjects.

6. Finally, in the sample method we have the great advantage of a far wider survey being conducted at a comparatively small expense. In many economic surveys it has been found, for example, that random samples of the order of one per cent or even one per thousand sometimes give results with a margin of error of less than five per cent. A great saving in time and money is therefore possible in this method.

7. The advantages of analytic methods may be now summarized:-

- (1) It enables a large number of factors together with their multifarious inter-connexions being studied at the same time; and hence makes it possible to separate, or where necessary to eliminate, variations due to different factors.
- (2) The sampling method enables wide ground being covered at a comparatively low cost.
- (3) Finally it enables personal equations of observers or of experimental methods being eliminated, and the margin of error or the accuracy of the final results being determined with scientific precision so that all conclusions may be reached with objective validity.

8. To come back to our main topic, the use of proper statistical designs is necessary, for example, in agricultural field trials, animal nutrition experiments, forest research, and biological and industrial experiments. The use of random sample methods is indispensable in a large class of problems of various kinds such as economic enquiries including studies of the standard of living of both working class and agricultural families; population questions; public health and medical surveys; marketing research; commercial surveys; estimates of acreage and outturn of different crops; crop forecasts and crop planning etc. The methods of mathematical statistics are finding equally fruitful applications in totally different spheres such as the study of rainfall, floods and river problems; the routine inspection of the quality of raw materials purchased in bulk for manufacturing purposes; or the economic control of the quality of articles manufactured in mass production. The use of statistics in applied psychology is also extending rapidly in connexion with intelligence and educational tests; vocational guidance; comparative studies of different educational and instructional methods; or in connexion with studies on fatigue, accident proneness, influence of working conditions on the comfort and output of labourers in factories etc.

9. In all these subjects the use of statistical methods forms an integral part of planning. At the present advanced stage of the work of the various sub-committees it is not possible to work out detailed schemes for this purpose; but it is essential that the statistical structure should be indicated in each report in a condensed form.

10. There is still another way in which statistics is useful in national planning, namely, for assessing the progress made from time to time. With the help of the sampling method it is possible to conduct a preliminary survey of initial conditions before work is started. The scheme (which may be one single unit, or may include the experimental trial of two or more different methods of procedure) is then put into operation. After a suitable interval if a random sample survey is again conducted, it will be possible to estimate the actual progress made, and hence to find out how far the scheme is successful in practice. It thus becomes possible to judge whether the achievements are commensurate with the expenditure of money or of human effort. In the financial audit we merely know whether the whole of the money has been spent in accordance with prescribed rules, and whether all the vouchers and book-keeping entries are in order; but the financial audit cannot tell us whether the purpose for which the expenditure was incurred has been attained in practice or not. The statistical survey (or the achievement audit), on the other hand, can supply accurate information on this point. In the case of each scheme in which achievement is capable of being assessed on an objective basis it is, therefore, desirable to incorporate in the scheme itself appropriate methods for carrying out achievement audits with the help of statistical surveys at suitable intervals after the scheme is put into operation.

11. Finally, there is the task of co-ordinating the activities in different spheres of work. Our resources in both men and money are strictly limited in India; and the question of allotment of time or money to different activities is one of vital importance. Here also statistics supplies the only tool for comparisons on an objective basis. For example, the harmonious adjustment of wages and prices, or of the standard of living and of the tempo of progress in agriculture and industry can be made only by a careful comparison and use of relevant statistical information. Similarly in all broad questions of economic policy regarding rent; irrigation, forest, and agricultural projects; regulated markets; control of agricultural and other prices; labour problems including sickness or unemployment insurance; village welfare etc all require a good deal of technical use of statistics for effective co-ordination.

12. It is not possible at this late stage to go into statistical matters in any great detail. It is, however, desirable and possible to have statistical aspects of the problems examined in a general way before the reports of the sub-committees are given final shape or are printed or released for use by the public. The most convenient way of doing this will be to send these reports or relevant extracts therefrom to the Indian Statistical Institute, Presidency College, Calcutta, which will gladly undertake the examination of statistical questions at its own expense (but, of course, within the limits of its rather limited resources). This will consist broadly of the following four types of work:-

- (1) The statistical material used in preparing the various schemes will be examined and brief comments will be made on the reliability of the data; where possible additional material will be supplied or likely sources of information will be indicated.
- (2) In the case of schemes or subjects in which the use of statistical designs of experiments and/or the use of random sample methods is essential, attempts will be made to give in

in a condensed form proto-plans for the statistical portion of the work indicating briefly the lines of development after the schemes are put into operation.

- (3) In all schemes in which progress can be assessed on an objective basis, attempts will be made to indicate how appropriate achievement audits can be carried out with the help of statistical methods at suitable intervals after the schemes come into operation.
- (4) Finally, in the case of schemes which require co-ordination attempts will be made to indicate briefly the most promising lines of advance from the statistical point of view.

Note on a Statistical Policy for India.

Collection of statistics at present is proceeding haphazardly in different departments of the Government of India, the Provincial Governments, Indian States, municipalities and local authorities, universities, scientific institutions, public utility companies, chambers of commerce, business and commercial firms, and various non-official organizations. A good deal of material is also collected spasmodically at the time of special enquiries undertaken either by Government or by non-official bodies. There is practically no attempt at co-ordinating the work done by different authorities; and there is lack of standardization in definitions, weights and measures, systems of classifications, or methods of analysis and interpretation of the data. The purpose for which the data are being collected is in many cases not clearly defined, and the methods of collecting the data are often faulty and inadequate; breaks occur in time-series or sudden and unjustifiable changes are introduced in the procedure which make it difficult to undertake comparative studies. The form of publication of Indian statistics is also often inefficient and wasteful, and essential details are sometimes wanting. Much data collected by Government departments and other organizations are not utilized subsequently or are not made available to the public; and valuable material is often allowed to be destroyed by white ants or other equally effective agents. Finally, little use has been made so far of modern analytic methods for the collection and interpretation of statistical information; and the need of statistical controls is only very partially understood or often not realized at all.

2. Planning in its proper sense is impossible without an adequate knowledge of basic facts. In India such knowledge is meagre and often unreliable or of doubtful value, and acquiring the necessary basic knowledge is an essential condition for success for which a strong statistical organization must be developed at the earliest opportunity. The use of statistics in planning has been discussed briefly in a separate note; while the lines of development of the statistical organization is considered in the present note.

3. It must be remembered that the statistical method is merely a scientific tool for the collection and interpretation of facts; and that the use of statistics is only a means to an end and not an end in itself. It is necessary, therefore, to organize statistics on technical and scientific lines; so that the responsibility for formulating the policy and course of action will

definitely rest on the administrator, while the statistician as a technical expert will be required to collect necessary information and give his opinion on such matters as may be assigned to him by the administrator.

4. Statistical problems may be conveniently divided into two broad types :- short-range and long range. In the short-range problems the administrator requires the expert opinion of the statistical on questions of immediate policy or day to day action which have got to be decided usually on the basis of available evidence. Even if new data have to be collected, it must be done quickly. The short-range work will naturally vary from one administrative department to another; so that the departmental type of organization will be more convenient. Agriculture, commerce, industry, medicine and public health, education, village welfare, social uplift etc. have all their special problems; and gradually each department or organization dealing with such problems should get a small statistical section exclusively for its own work. The administrator will in the first instance ask for expert opinion from the statistical section of his own department which in most cases will possess sufficient material and knowledge to be able to give the required advice or prepare technical reports without difficulty. Sometimes, however, it will be necessary to refer the matter to a central organization which will be in charge of the more long-range work.

5. It will be necessary to set up such control organizations in different provinces or regions or for groups provinces and States. It will be convenient, however, to make a beginning by appointing a Central Committee or Board on an all-India basis in the first instance. We may now consider briefly the functions of such an all-India organization which will have to carry on work of the following broad types:-

- (1) Giving advice regarding the collection, interpretation, and publication of statistical material
- (2) Acting as a clearing house for statistical enquiries and information.
- (3) Vetting and examining statistical schemes and projects.
- (4) Undertaking the analysis and interpretation of statistical data.
- (5) Organizing special surveys and enquiries including "achievement audits".
- (6) Giving training in statistics; and maintaining professional standards.
- (7) Advanced studies and statistical researches.

6. (1) Advisory Work. A good deal of technical guidance and help is required in connection with the collection of primary material. The first thing necessary is to define as clearly as possible the purpose for which the data are collected. The next thing is to standardize the statistical units, the aim being not merely to maintain a uniform standard within the same series but also to make possible comparisons between different provinces and states and finally between different countries of the world. There is also the need of providing adequate checks at the point of collection of data; for even if the material cannot be made completely accurate it should be collected in such way as to enable an estimate being made of the reliability which is attained in practice.

7. After the primary material is collected, the statistics must be compiled, tabulated, classified and analysed for actual use and for publication. Laborious procedures are often being used at present which can be conveniently replaced by more efficient methods, and it is not rare to find that much of the primary material is being partly or entirely wasted for lack of proper analysis.

8. After analysis the usefulness of statistics depends to a great extent on a clear and unambiguous presentation of the material in a standardized form which should be concise and yet attractive, and which should be provided with adequate explanations and relevant references; where charts and diagrams are given they should be correctly and properly used. In case of printed material, it is desirable that there should be certain broad and uniform standards not only in publications belonging to a particular series or in a particular department or province, but, as far as practicable, for India as a whole. One of the most important and useful functions of the Central Committee would be to give advice and technical help in all these matters.

9. (2) Statistical Information. It is the common experience in every country that both Government departments as well as the general public often find it difficult to trace official and other statistics, and a great deal of available information is not used for lack of knowledge. The Statistical Board would be very useful in this connection acting as a clearing house for information regarding statistical matters of all kinds. It is not possible for any particular department to be conversant with the information and material which is available elsewhere; requisition to the Central Board will enable such information being secured promptly and without difficulty. The Statistical Board would also naturally help in keeping Indian workers fully informed regarding advances in statistical matters in other countries of the world.

10. In Great Britain and other countries of the world guides to current statistics are published to facilitate the scientific use of statistics. In India also the publication of such guides must be taken in hand as early as possible. The most convenient plan will be to start with a guide giving concise information regarding annual reports and compilations, and to follow this up from time to time with current supplements for different Provinces and States or for different subjects as occasion arises. There is also an urgent need for compiling other guides giving information regarding what statistical material is already available in various official and non-official publications and reports. This work naturally can only be taken up gradually, so that separate pamphlets will be brought out dealing with particular subjects or chronological periods as may be found convenient from time to time. The Central Committee will obviously be the most suitable organization to undertake the task of preparing statistical guides on the lines explained above.

11. (3) Examination of Statistical Schemes. Special enquiries and investigations of various kinds are being increasingly undertaken in India; and the efficient organization of such enquiries is a matter of great importance. Inadequate and faulty methods may involve not only a great deal of unnecessary waste of time and money but may make the enquiry worse than useless and positively harmful through the collection of defective and unreliable data. An important function of the Statistical Committee would be to make a critical examination of such schemes and to give technical help and guidance in the organization of the work.

12.(4) Analysis and interpretation of statistical material. A great deal of statistical material is already available in India and it is desirable that this material should be gradually and systematically examined so that suitable portions thereof may be analysed and interpreted in detail. Work under this head will naturally be of a low range character, and can be best carried out by a central staff. Apart from data collected in the past the Central Board would be able to undertake the scientific analysis of material collected by different agencies in the country in the future. This would ensure the primary material being utilized to the greatest advantage and would prevent wastage.

13.(5) Special surveys and enquiries. Another important function of the Central Board would be to prepare schemes of sample surveys or to undertake the organization of such surveys as required. One type of work under this head may be specially mentioned. Large sums of money are spent on various schemes and projects which are undertaken by Government departments or non-official organizations. It is desirable that a careful check up should be made of the results which are actually achieved in practice. This can only be done by a critical examination of each scheme as a whole, and by an objective assessment of the final results, that is, by carrying out what may be called an "achievement audit". One of the normal functions of the Central Committee would be to undertake such critical reviews as required from time to time.

14.(6) Training in statistics. In every advanced country of the world it has been found that training in statistics is essential for improving the quality of work. In case a Central Statistical Board is set up it would be possible to give short courses of training to selected officers from both Government departments and other public institutions, and also to give organized instruction to a small number of young workers. This will ensure the maintenance of an adequate supply of trained statisticians which is essential for progress on scientific lines. The Central Board would also be able to serve a most useful function by setting up and maintaining high professional standards (on the lines of Actuarial Societies and Institutes) by holding professional examinations and by awarding certificates and diplomas.

15.(7) Advanced studies and research. Finally there will remain the important function of carrying on advanced studies and researches in statistics which can be best carried out in a properly co-ordinated manner under the guidance and direction of a Central Board. Here the work would be broadly of two types. In many cases the Board would act in a purely advisory capacity for purposes of co-ordination of the work at different centres. But in certain cases research schemes would be taken up directly by the Board. As to details of the arrangements everything will depend on how the work actually develops.

16. It will be seen, therefore, that for the proper organization of statistical work in India an essential first step will be the setting up of an All-India Board of Statistics which will be entrusted with the long-range work in all statistical matters and which will act as a technical and advisory body on the lines explained in the present note. Large schemes of various kinds are being started all over India; without expert statistical help and guidance many mistakes will be made which will retard future progress. Administrative officers and workers in this country are generally inclined to work in their own water-tight compartments along

time-worn and accustomed lines; and unless a special statistical organization is set up few administrators will have the initiative to seek statistical help. Lack of knowledge of the possibilities of modern statistical tools is no doubt a factor of importance, but this is not the only cause; the real obstacle lies in the inertia of the administrative machinery. Setting up a Central Board of Statistics will most effectively break down this barrier and will enable officers and workers all over India to avail themselves of expert statistical help.

17. With the coming of provincial autonomy the need for co-ordinating statistical work of the different provinces will become more important everyday. To give a concrete example let us consider the construction and use of cost of living indices. Tastes and habits of consumption as regards food and clothing and other conditions of living are very different in different provinces, communities, or even in different castes and sub-groups of the same community in India. Standardization in the method of collecting the primary data and their subsequent analysis and use in administrative work is, therefore, essential in order that valid comparisons may be made between the different Provinces and States or between different places in the same region. For large business concerns or public utility authorities like the railways, who have employees working at many different centres, this is the only method by which difficult questions of equivalent wages can be settled on an objective basis. Such comparisons are also essential in settling questions of inter-provincial parity in wages or conditions of work, and in deciding questions of labour agreements or other matters of policy on an all-India basis.

18. A central co-ordinating agency for statistics is thus an urgent necessity in India. It is premature to consider the details of the proposed organization; but a very useful first step will be to set up immediately a small committee of four or five statisticians from different parts of India. In case the work of some of the sub-committees of the National Planning Committee continue for some time more, the Statistical Committee will be able to help in the work in the manner explained in this note. When the work of the sub-committees is completed the Statistical Committee would be still able to proceed slowly but steadily with the examination of basic information and other preliminary work. This will enable some kind of continuity in a very skeleton form being maintained, so that when the National Planning Commission comes into existence it will be possible to formulate the statistical requirements and to build up the necessary statistical organization without any unnecessary waste of time. The Indian Statistical Institute and the Statistical Laboratory of Calcutta will, of course, cooperate actively in this matter.

{ Dr. Bannu. to the members }
Presented at 1-3 P.M.

The National Planning Committee.

Third sessions - May 1940.

Chairman's Note to the Members of the Committee.

1. We are meeting today after a long interval and I owe an apology to the members of the Committee both for this delay and for the repeated changes of date. We met on the last occasion in full committee in June 1939 and it was decided then that we should hold our next sessions in the second half of October 1939, though no exact date was fixed. Owing to the delay in the work of the sub-committees, it was felt, however, that no useful purpose would be served by our meeting then. I consulted all the members by circular letters, and many of them personally also, and found that this was the general opinion. The war in Europe, which began early in September 1939, had created a new situation in India, both politically and economically, and various crises were developing. October was a changing and uncertain month, and later months added to this uncertainty. Under these circumstances, it was the general feeling that we should postpone the third sessions of the N.P.C. and carry on with the work of the sub-committees. Members will, I trust, appreciate the reasons for the delay in holding this session, and realise that the fault lay in the circumstances, and that no one was to blame for it.

2. Recent and repeated changes in the date of this meeting must have been disconcerting to members and I must apologise for them. It is not an easy matter to suit the convenience of all our members, who are busy men, living and carrying on their businesses or professions in distant parts of India. We have tried our utmost to meet their wishes and their convenience, but inevitably what suited some, did not suit others.

3. We meet under strange conditions in India and the world. It is a curious anomaly and contradiction

that while we think and plan to build up India, and thereby help also in building up the world on a securer foundation, that world is engaged in the work of destruction on a vast scale. The future that we envisage seems to recede further away, and even the heritage of the past stands in danger of being lost. A dispassionate consideration of the world's problems yields place to the crime and folly of war, where reason and logic and goodwill have no place, and passion and hatred reign and the sword decides.

4. To some it may appear that this is a most unsuitable time for planning, which is essentially a labour of peaceful cooperation. It may be argued that we should wait for better times and more stable conditions, for who knows what the outcome of the present conflict will be? On what foundation shall we build, when no man can foretell what that foundation will be? And yet though we are so uncertain of the future, this we know well that the future will be very different from the past or even from this changing present. Already we see vast political and economic changes taking shape in the womb of the future. Can we plan in India with all this doubt and uncertainty?

5. These considerations fill our minds, as they should, and we must give careful thought to them. And yet these very considerations lead us to a contrary conclusion. For it is this very time of change and uncertainty that demands mental activity and a vision of the future that we desire. If we are mere onlookers now, and passive and helpless agents of circumstances or the will of others, we barter away our claim to that future. Instead of preparing for it, we hand the reins to others. Every conflict ends some time or other, every war is followed by a peace, temporary or more enduring, every work of destruction has to be followed

by construction. That construction will be chaotic and wasteful unless previous thought has been given to it. A period of war and dynamic change therefore demands, even more than the static times of peace, the planned activity of the mind, so that, when time and opportunity come, this may be translated with all speed into the planned activity of the nation.

6. Another change, intimately affecting us, has taken place during the past few months. Most of the Provincial Governments, which fathered this Planning Committee and co-operated with our work, are no more, and in a large number of Provinces, the structure of a limited Provincial Autonomy has given place to autocratic rule by alien authority. The outlook has changed completely and we see from day to day the reversal of the old policies. India which was emerging gradually into a semi-colonial stage, is now again being treated as a full colony and its resources used for anti-national purposes.

7. This change is obviously of great significance for us. Under these circumstances our planning becomes even more divorced from present conditions than it was before, and the structures that we might build, might appear to some as castles in the air. Yet that would be a foolish thought, for every one knows that present conditions in India, as well as elsewhere, are transitory and must pass. And in passing, they will not give place to the limited and restricted autonomy of the Provinces, that we had, but to a much broader freedom. And so, though the circumstances have changed, the necessity for planning is all the more vital and urgent.

8. The political changes in India have added in many ways to our difficulties, and it is conceivable that additional obstructions may hamper our work still further in the future. I was asked at one time whether it was

desirable to continue the activities of the National Planning Committee. I had no hesitation in giving answer that we must continue this work, even though the difficulties that encompass us increase and make normal functioning hardly possible. In any event, our sub-committees should carry on their labours and finish them; in any event, we must collect all our material and arrange it and give it shape. If this is done, we shall be in a position to deal with it rapidly and effectively when the time comes.

9. I should like to express my indebtedness, as well as, I am sure, the appreciation of the Committee, to the Chairmen, Secretaries and members of the various sub-committees that we appointed, for the way they have tackled their difficult tasks, and given their time and energy to them. I should also like to express my gratitude to the members of our office staff who have worked hard and willingly, often far beyond the usual office hours.

10. It is a matter of sorrow and deep regret for all of us that Mr. P.N. Mathur, the Chairman of our Engineering Industries and Transport Industries sub-committee, died suddenly a few weeks ago. Mr. Mathur took the deepest interest in the work of the N.P.C. and the report of his sub-committee, which he completed shortly before his death, is one of the most valuable and practical of our reports. It is exceedingly unfortunate that a man of his ability, training and earnestness should leave us in the prime of his life, when so much good work could be expected from him.

11. We have so far received reports from the following sub-committees, and these reports have already been circulated among members. Some of these reports are final, others are interim reports, as indicated opposite each.

1. Engineering Industries & Transport Industries	...	...	...	...	Final
2. Population	...	...	...	...	Final
3. Housing	...	...	...	...	Final
4. Labour	...	...	...	...	Final
5. Horticulture	...	...	...	...	Final
6. River Training Part I	...	...	...	...	Final
7. Manufacturing Industries	...	...	...	...	Interim
8. Chemicals	...	...	...	...	Interim
9. Transport	...	...	...	...	Interim
10. Public Finance	...	...	...	...	Interim
11. Currency & Banking	...	...	...	...	Interim
12. Land Policy	...	...	...	...	Interim
13. Animal Husbandry	...	...	...	...	Interim

12. I understand that we are also likely to receive very soon the following reports:

14. Rural Marketing & Finance	...	...	...	Final
15. Industrial Finance	...	...	...	Interim
16. Power and Fuel	...	...	...	Interim
17. Woman's Role	...	...	...	Interim.

13. There remain thus 12 sub-committees which have so far sent no report at all. It is unfortunate that some of the sub-committees dealing with agricultural subjects are particularly behindhand. Two sub-committees -- Technical Education and Fisheries -- have not functioned at all so far. Fisheries is perhaps not so important, but Technical Education is a vital and essential part of Planning and it must be dealt with adequately. Unfortunately the eminent men who were appointed, one after the other as chairman, were unable to give time to this work. I hope that this sub-committee will soon begin to function.

14. Almost every report complains of the unsatisfactory nature of the statistics and data available. It is clear that adequate data and information is of the essence of planning, and therefore the very first step that a planning authority must take is to organise the proper and scientific collection of sta-

tistics, both for the formulation of the Plan and for its checking from time to time. It might have been worthwhile for us to have a special sub-committee to deal with statistics, for this science is becoming highly specialised. It is not merely a question of collecting facts, but of doing so in the most advantageous way, of arranging them properly and of drawing the right conclusions from them. Fortunately we have in India an efficient organisation which deals with this subject — The Indian Statistical Institute and the Statistical Laboratory of Calcutta. Professor P.C. Mahalanobis, who is in charge of this laboratory, has kindly offered his co-operation to us in every way and has sent us two notes on the subject, which are being circulated to members.

15. I have gratefully accepted the offer made by Prof. P.C. Mahalanobis to examine all our sub-committees' reports from a purely statistical point of view and to send us his suggestions thereon. Copies of these reports have been sent to him.

16. The procedure to be followed during this session of the National Planning Committee will be determined by the N.P.C. itself on the first day. Provisionally, separate dates have been fixed for the presentation of each sub-committee's report and the Chairman and Secretary of that particular sub-committee have been invited to be present on that day. It is suggested that a general discussion might take place on the report then and advantage might be taken of the presence of the chairman and secretary to elucidate the report. If the N.P.C. desires to take any decisions on the report at that stage it will do so.

17. A very detailed discussion of all the recommendations made in the reports at this stage may perhaps not be desirable, as this might delay the presentation of the other reports. Many of the fundamental questions that arise are common to many reports and it would probably be

better to consider them as a whole after the various reports have been presented and generally discussed.

18. We have arrived at a stage when some of these fundamental questions of policy have to be considered and some indication given as to the method of approach to Planning. It is inevitable that some of the sub-committees adopt differing methods and even make recommendations which do not fit into each other. The N.P.C. itself represents many view-points, and while we must endeavour to bring them together and agree as far as possible, the possibility of disagreement on certain vital issues need not frighten us. A discussion of these different approaches and points of disagreement will be helpful to us, as well as later on to the public at large. That in itself has importance as the ultimate policy of the State will necessarily depend on public opinion, and the more informed this public opinion, the better it will be for us. It may be desirable, when our Report stage arrives, to give fully these differing view-points.

19. It must be remembered that final decisions in regard to National Planning will have to be taken by the State when it has the power to do so as well as the ability to give effect to its decisions. It is even more important to remember that the very basis of our Planning is a free India, democratically fashioned, where no external authority can interfere or obstruct the nation's work. There can be no planning otherwise; if there is interference or obstruction from outside, it means the imposition of external authority and other people's decisions on us. Full political and economic freedom is thus an essential pre-requisite to Planning.

20. It is obvious that at present we are far from this political and economic freedom. Political domination is patent enough, but a far more dangerous

and insidious thing is economic domination. While the public can see and feel political domination, and, therefore, reacts to it, it is not so conscious of the economic stranglehold which throttles the life of the nation and prevents industrial and other growth. We have had enough experience of this in the past and the present is full of dangerous possibilities owing to the War and its far-reaching consequences. These consequences are affecting Britain's economy vitally and may shake up completely or even upset her economic structure. Under present circumstances, it is exceedingly likely that the burden of this upsetting will be shifted as far as possible on to India, and we shall suffer because of it. Our financial and currency policy have long ~~been~~ had no relation to the interests of India or the good of the Indian people. They are controlled by alien authority for other ends. As the war progresses and the tension grows the necessity and desire to exploit India will also grow. All the misfortunes of the pound sterling will be passed, with something added on, to the rupee, which has been forcibly connected in unholy marriage to the pound. Our gold continues to flow away at a time when every nation tries to conserve it.

21. All these and similar considerations are of vital importance for us in the present as well as in future. They do not affect our Planned Scheme as that is based on an elimination of these factors and of all external autho-

rity. But it is possible that improper and unjustifiable advantage might be sought to be taken of a part of our scheme in order to consolidate and strengthen foreign authority and interests in India. We must be on our guard against this. Our scheme is conceived for a free India and not for a colonial India with the strings of political and economic authority held elsewhere. It cannot be transplanted on different soil.

22. To give an instance: Many of our sub-committees' reports have recommended State ownership or control of certain industries, services and enterprises. Indeed we have already come to some general decisions on this subject. Obviously, when we refer to the State we mean a free and democratic India; we do not mean the present State in India, subordinate to and controlled by foreign authority and interests. It would be absurd for the present State in India to interpret our recommendation in its own favour and thus add to its own political and economic power. This present State is carried on in the interest of British vested interests in India, and for this State to have more power means that British vested interests are further entrenched and added to. We know to our cost how Indian industry and enterprise have suffered because of this in the past. The Government of India Act of 1935 tried to perpetuate this state of affairs by preventing us from touching British interests in India. That policy continues and will be intensified under the pretext of war economy.

23. I have laid emphasis on this aspect of the question as it is important that all of us, and the public, should bear it in mind and prevent our exploitation as far as we can. Keeping this in mind, we should proceed with our Planning.

24. For thinking and planning for the future is essential if that future is not to end in misdirected energy and chaos. It is foolish to imagine that when the present crisis at long last ends, a new or better arrangement of world affairs or our national affairs will automatically emerge out of it. It is equally unwise to allow matters to drift, protesting occasionally perhaps, but otherwise looking on helplessly, for fear that what we may do might involve a risk or be taken unfair advantage of by our opponents. The world is full of risks and dangers today. We cannot escape them. The greatest risk and danger is to drift and not give thought and energy to finding a way out. It is manifest that the old order has had its day and is dissolving, whether we like this or not. It has led to wars and upheavals and continuing conflicts which involve not only passion and hatred and an enormous waste of energy and resources, but also prevent us from achieving what is otherwise easily attainable. We have to understand the conflicts of forces that dominate the world today and seek to resolve these conflicts. It is certainly a possibility that the world may inevitably be led to social dissolution. We have to avoid that, if we can, but we cannot do so by shutting our eyes to the fact that the existing order is incapable of preventing this catastrophe. Something else, more in keeping with modern conditions, has to be evolved. Politics, in our country as elsewhere, dominates the scene and occupies men's minds. But the real changes that are shaping the world are deeper than politics. If we plan, we must consider them and have clear minds about them.

25. We shall thus have to consider, at this stage or later, the basic and fundamental policies that must govern our Planning. Without a definite and clear-cut objective in view, and an understanding of the path we must pursue, we shall plan ineffectively or perhaps even in vain.

26. Already the N.P.C. has given some thought to this matter and we have come to some general but fundamental decisions. It is well to recapitulate some of them. We are aiming at a free and democratic State, which has full political and economic freedom. In this State the fundamental rights of the individual and the group - political, economic, social and cultural - will be guaranteed, and the corresponding duties and obligations laid down. The State will be progressive and will utilise all scientific and other knowledge for the advancement of the people as a whole, and for the promotion of their happiness and material as well as cultural and spiritual well-being. The State will not permit the exploitation of the community by individuals or groups to the disadvantage of the former and to the injury of the nation as a whole. To realise the social objectives, the State has to Plan through its representatives for the nation (whenever possible, in cooperation with other nations) and to coordinate the various activities of the nation so as to avoid waste and conflict and attain the maximum results. This Planning will deal with production, distribution, consumption, investment, trade, income, social services, and the many other forms of national activity which act and react on each other. Briefly put, Planning aims at the raising of the material and cultural standard of living of the people as a whole. In India our standards are so terribly low and poverty is so appalling, that this question of raising standards is of the most vital importance. The N.P.C. has suggested that national wealth should be increased between two and three times within the next ten years, and this should be so planned as to raise the general standard at least in a

like measure.

27. The principle of State ownership or control of Key industries and services, mineral resources, railways, waterways, shipping and other means of public transport, has also been accepted. This principle was laid down first by the Congress at Karachi in 1931.

28. Further it has been decided that Defence industries should be owned and controlled by the State; and that Public Utilities and all Key industries should be owned or controlled by the State. A strong body of opinion in the N.P.C. was in favour of the State always owning Public Utilities. The principle of State ownership or control legitimately applies to other large scale industries or enterprises which are likely to be monopolistic in character, or even to other large-scale enterprises.

29. This change may be impracticable in the near future in existing industries. But wherever even an established industry, under private control, receives aid or protection from the State, or tends to develop into a monopoly, or comes into conflict with the general policy of the State, the State should take necessary steps to assure conformity in all such ventures with its basic policy and with the objective laid down in the Plan.

30. It is clear that the very nature of Planning requires the control by the Planning Authority in some measure of even other than key or vital industries. This control might vary with the industry in question, but it will have to be rigid for the Key or vital industries.

31. It has further been decided that efforts must be made to avoid the establishment of new vested interests or any thing else which may come in the way of Planning.

32. A tentative list of Defence Industries, Key Industries and Public Utilities is given at page 102 of the Red Book. These lists will no doubt be revised by the sub-committees concerned.

33 The N.P.C. has also declared that cottage industries, in conformity with the national policy, should be protected and encouraged. I have dealt with this matter in previous notes to the members. It will have to be considered more fully when we have the sub-committees' reports before us.

34 At the instance of the Manufacturing Industries Sub-Committee, a meeting of the Chairmen and Secretaries of all the sub-committees was held in Bombay on February 11th 1940 in order to consider matters relating to the control and functioning of industries. A full discussion took place then which was very helpful to those present. I have already sent to all members of the N.P.C. a memorandum about this meeting. Some decisions were taken in conformity with those of the N.P.C. as mentioned above. It was further recommended that in the event of a private industry being taken over by the State, fair compensation should be paid. In calculating this compensation, a number of factors will have to be taken into consideration, so that the interests of the general public do not suffer and, at the same time, the owners are not victimised. It was not thought necessary to go into further details in regard to this matter at that stage.

35. This meeting of February 11th also laid down that any large scale industry, which may come into conflict with a particular cottage industry encouraged and supported by the State, should itself be controlled by the State. Such control will prevent any conflicts arising and co-ordination will be easy. This view point had previously been expressed in the N.P.C. also.

36. I must apologise to members for the length of this note. I have written it in order not to take the time of the Committee by having to talk about these subjects, and also to put the issues before us as concisely as possible.

Sd. Jawaharlal Nehru.

May 1st, 1940.

Chairman.