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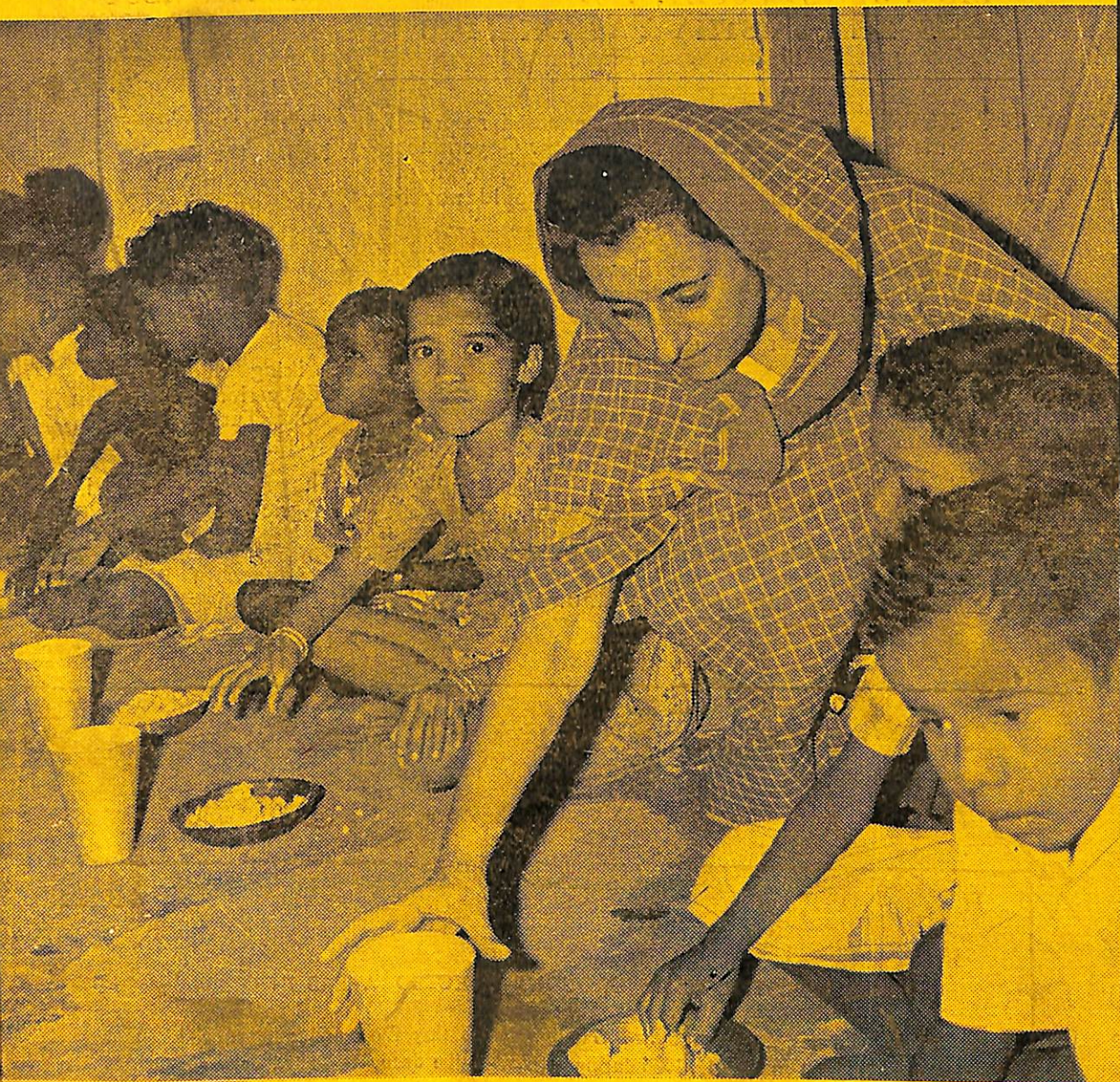
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MAY, JUNE & JULY, 1966
BAISAKHA, JAISTHA &
ASADHA, 1888

ORISSA REVIEW



- ❖ DEVALUATION OF THE INDIAN RUPEE
- ❖ NEHRU, THE DEMOCRAT
- ❖ GOKHALE, THE RAJGURU OF INDIA

Orissa Review

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ORISSA REVIEW seeks to provide a condensed record of the activities and official announcements of the Government of Orissa and other useful information. Many items appear in summarised form. Such items should not be treated as complete and authoritative version.

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Our Cover

PRIME MINISTER VISITS DROUGHT-AFFECTED AREAS IN ORISSA

The Prime Minister, Shrimati Indira Gandhi, distributing food and milk to children at a centre in Badimal on May 15, 1966 during her visit to the drought-affected areas in Orissa.

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DEVALUATION OF THE INDIAN RUPEE

In accordance with the decision of the Government of India to refix the par value of the rupee, the Indian rupee has been devalued by 36.5 per cent, with effect from June 6, 1966. According to this, the new par value of the rupee has been fixed at 1 rupee equal to 0.118516 as compared to the previous par value of 1 rupee equal to 0.186621 gramme of gold. Thus the par value of the rupee was changed from 18.66 gramme of gold to 11.85 gramme per hundred rupees. In practical terms this means that the value of U. S. dollar will be Rs. 7.5 as against Rs. 4.75 existing so far and of the pound sterling Rs. 21 as against Rs. 13½ so far.

Condition that led to it

The decision to change the par value of the rupee was taken after fullest consideration and in the best interest of our economy. The requirements of economic development over the last fifteen years had thrown a heavy strain on our resources, more especially our external resources. Despite foreign aid, our necessities had forced us

to make frequent inroads in our foreign exchange reserves which, excluding gold, had consequently declined from Rs. 788 crores in the beginning of the Second Plan to the low level of Rs. 184 crores at the end of March 1966. At the same time, apart from our developmental needs, our import requirements have been steadily increasing in the wake of the growth of our industrial capacity as a result of our Plans. While we have been relying, and would have to rely on foreign aid for some time to come to meet these import needs, it has always been our determination to move towards greater self-reliance where we could finance these needs through our own increased earnings.

But in a large measure, due to inflationary pressures, the growth in our own earnings through exports as well as invisibles had not been adequate, because inflationary pressures had meant higher costs for exporting industries and also a diversion of supplies to the domestic market. The tendency to our exports to be priced out in foreign

Devaluation was essential in the interests of our economy and to pave the way for future progress and development.

markets had been in evidence for the last few years and measures like the Imports Entitlement Scheme, the Tax Credit Certificate Scheme and various subsidy schemes etc., had been taken to remedy the situation. But these proved inadequate. Even the rising trend which was in evidence in the early years of the Third Plan could not be maintained and there was actually a slight fall in our exports in 1965-66 as compared to the previous year.

In the field of imports also, despite the progressive increase in import duties, imported goods still continued to command a premium and Indian prices of comparable goods were well above world prices. The result was that we had not been able to realise the full potentials of import substitution. With the present severe restriction on imports, this had also only enabled importers to make large profits without any profit to the consumers.

The experience of the measures taken so far suggested that they could not provide an enduring solution to the problem. Essentially this problem had arisen because of the decline in the purchasing power of the rupee, during the last 10 years or so. Attempts to maintain the existing exchange rate without achieving their purpose had conferred benefits on a small group of people and thrown the burden of helping exports increasingly on the public exchequer, private foreign investors who had

earned substantial profits as a result of soaring prices were able to remit their profits at the existing over-valued rate thus involving the country in an undue drain of foreign exchange. Anti-social practices such as smuggling, retention of illegal earnings abroad and concealed overpayments for imports increased and the existing black market rate meant a continuing leakage of foreign exchange. Our earning from invisibles, which had been sizeable, six or seven years ago had progressively dwindled to a negligible amount.

In these circumstances it was decided that the *status quo* could not be maintained any further without serious damage to the economy and that the only remedy lay in fixing the par value of the rupee at a more realistic level.

Economic Consequences of Devaluation.

The main economic consequence of this decision is that there will be an increase in the profitability and attractiveness of our export industries which would facilitate a greater flow of resources and investment in such industries. This is equally true of our agricultural exports. Similarly by increasing the cost of imports it will also make it more profitable and attractive for people to invest in import-saving activities. Only in this way we can provide stable conditions for further progress and development.

While devaluation would be followed by some increase in prices, it is to be expected that the rise would not be proportionate as imported goods were already selling at a very high premium because of their being in short supply.

Efforts to minimise the impact of devaluation.

In order to minimise the impact of devaluation on the life of the common man several measures are being taken. Although the cost of imported foodgrains will go up, it is not proposed to raise the issue prices. In the case of kerosene and other petroleum products this objective would be effected through adjustment in import and excise duties thereby maintaining unchanged, the existing prices to consumers. Import allocations for kerosene and copra will also be increased. A suitable Loan Scheme will be introduced to assist parents whose children are now studying abroad and the stipend of Government Scholars, studying will be increased automatically.

In the interest of higher agricultural production, fertilisers as well as raw materials for fertilizer production such as sulphur and rock phosphate will be free of all import duty and import of agricultural equipment will continue to be charged at a concessional rate of duty.

In the wake of devaluation

With this change in the par value of the rupee there would be no longer any need for subsidies given through import Entitlement Scheme and Tax Credit Certificates, these Schemes have been abolished with immediate effect. It has been considered necessary to levy appropriate export duties on our traditional exports so as to mop up the surplus, but at the same time leaving a sufficient edge to the exporter to give him a competitive advantage.

Other measures envisaged include ; revision of the existing range of import duties, with out any adverse effect on the budget and relaxation of severe import restrictions affecting industrial production.

THREE-FOLD CHALLENGE TO OUR ECONOMIC SURVIVAL

To increase production of goods.

To maintain and constantly improve the quality of the goods.

To conserve and earn the scarce commodity, namely Foreign Exchange.

SHRI D. SANJIVAYA

Union Minister for Industries

(From his speech on the 13-6-1966)

DEVALUATION....

....ONLY A MEANS TO AN END

(Prime Minister Indira Gandhi)

There are times in the history of every nation when its will is tested and its future depends on its capacity for resolute action and bold decision. This is such a time in India. We are probably passing through the most difficult and crucial period since the very first year of Independence.

But we have not failed, and only the timid will say that we cannot succeed. We have carried the process of development to a stage where we are in a position to register substantially larger gains. There is a dynamic potential which we must use.

Yet, all is not well. A combination of circumstances, aggravated by war and drought, has temporarily slowed down, almost halted, economic growth. There is scarcity. The balance of payments crisis has rendered industrial capacity idle and compelled retrenchment. Small industry has been particularly hard hit. Exports have come to a rest. Prices have moved up steeply. There is frustration, agitation, uncertainty. Above all the people are in distress.

Various remedies were tried. But these first-aid measures proved ineffective. Stronger medicine was necessary to restore the nation to economic health.

Devaluation, however, is not a magic cure. It does offer an immediate corrective to some of the

distortions which had crept into the economy. The increasing disparity between Indian and international prices was one such element.

Its basic importance lies in increasing the profitability of exports and swadeshi import-substitutes and, thereby, establishing a climate in favour of investments in these two vital sectors. It should also give a useful stimulus to Indian inventiveness and technology.

We are seeking more aid in order to give a strategic push to the economy which will carry it to a stage of self-generating growth. We can achieve this objective within a decade, given a rapid increase in production and a sizeable expansion of exports which will enable the country to pay its way. We must aim at tripling earnings from exports, tourism, shipping and other sources over the next ten years. There must be a substantial widening of the export base and a built-in incentive to go swadeshi in order to register a permanent improvement in the balance of payments.

The price line must of course be held if the gains of devaluation are not to be neutralised.

There is little justification for any price increase in respect of items in which there is no import content. Anti-social practices will be dealt with

firmly under the Essential Commodities Act. Government will not hesitate to take additional legislative powers if necessary.

More non-project aid will enable us, selectively, to liberalise imports in accordance with a strict order of priorities. This will permit fuller utilisation of key industrial capacity and, to that extent, will not merely augment production but will reduce costs. We have already begun simplifying procedures and eliminating unnecessary and irksome controls so that everybody, whether in Government, industry or agriculture, whether in the public or private sector, can get on with the job. Urgent action is being initiated to relieve critical shortages and to avert the looming threat of further lay-offs and shut-downs in industry.

We must provide adequate and timely supplies of seed, credit, bullock or other tractive power, fertilisers and pesticides to each individual farmer. This year's scarcity must not be allowed to impair next year's crop. Agriculture constitutes the very foundation of the economy. We cannot falter or fail here.

Our administrative system and procedures must undergo drastic revision. There has to be decision, co-ordination and follow-up. There must be economy and a lively awareness of the waste inherent in delay. Merit will have to take precedence over seniority if we are to get the right men in the right job.

There must be an adequate return on the 2,000 crore rupees already invested in various public undertakings. The public sector is fast expanding and has a leading role to play in the scheme of development. Its performance must improve.

We must move ahead purposefully with the Fourth Plan. Planning has to be more meticulous; implementation quicker and more efficient. There must be a new deal for the *adivasis*, harijans, landless and other weaker sections of the community. It is they who deserve most. We must press forward with family planning. This is a programme of the very highest importance.

It is these things, many thousands of actions by individuals, organised groups, private agencies and Government, which constitute self-reliance. It is united and constructive action in these many directions which will make India strong and prosperous, which will enhance its prestige. It is by these means alone that we will defeat poverty and move nearer our cherished goal of socialism through the creation of new wealth.

Devaluation is a means.

It is not the end of the road.

We have to make a new beginning through hard, sustained, disciplined effort which will give substance and meaning to self-reliance through the exploitation of new opportunities.

DEVALUATION IN INDIA AND ABROAD

Is devaluation a sign of defeat in a country's struggle for economic development and self-reliance ?

An affirmative answer might be suggested by the example of some countries which have achieved remarkable economic growth in recent years. The United States dollar has looked every other currency in the face. The external value of the Japanese yen has remained unchanged for thirteen years. The change in the par value of the German mark in 1961 was a change slightly upward, not a devaluation.

These examples might suggest a necessary connection between stability of the exchange rate and economic growth. But there is in fact no necessary connection.

A country which has reduced the external value of its currency might well achieve a higher rate of growth than another country, at the same stage of economic development, which maintains its exchange rate. Take India and Pakistan. Indian devalued the rupee in relation to the dollar soon after independence, in September 1949. At that time Pakistan considered and rejected the option of doing likewise. It was only in July 1955 that Pakistan devalued its rupee to make its equivalent to 21 United States cents. This was the value, in terms

of the United States dollar, to which the Indian rupee had been reduced six years earlier.

Let us see what the relative performance of India and Pakistan was like during these six years.

According to the Statistical Year Book of the United Nations, the index number of India's national product at constant prices, with 1958 as the base at one hundred, was 76 in 1950. It stood at 90 in 1955. In other words, the national product rose by 18.42 per cent in the six years following the devaluation of the Indian rupee. According to the same Year Book, the index of Pakistan's national product was 85 in 1950 and 92 in 1955. In other words, the national product rose by only 8.23 per cent over the six years during which Pakistan did not devalue.

It was Britain's decision to devalue the pound sterling in 1949 which led to the devaluation of the rupee. As Jawaharlal Nehru said at the time in a nation wide broadcast, parallel action by India was necessary in order to maintain our exports—most of which went at that time to the sterling area. He pointed out that, in addition, a revision of the dollar rupee ration would help to stimulate our exports to hard currency countries.

Britain, like India, achieved a steady rate of economic growth after devaluation. The index figure of Britain's national product rose from 86 in 1950 to 98 in 1955, and has since maintained the upward trend. A large number of West European countries also devalued their currencies in 1949, in line with the pound sterling. Their economies, too, have been on the upswing ever since.

Another notable example of exchange reform is the devaluation of the French franc in December 1958. The reform was effected by General de Gaulle, who has become the symbol of the political and economic resurgence of France after the second World War.

Prior to the devaluation of the franc, successive French Government had attempted to correct the disequilibrium in the balance of payments by various measures short of devaluation—a national gold loan rather similar to our Gold Bonds Scheme, increased duties on imports, and export subsidies. In France, as in India now, these alternatives to devaluation were found inadequate.

Even ually when General de Gaulle decided on devaluation, the package of measures of which it formed a part was again similar to what our Finance Minister announced on June 5.

France liberalised imports and removed artificial subsidies for exports. The exchange reform undertaken by France induced friendly countries to extend substantial stand by credits.

After the devaluation of December 1958, the French economy has never looked back. The foreign exchange reserves of France went up from about a billion dollars in 1958 to more than six billion dollars by the end of 1965.

Another country and it is a socialist country which has found devaluation a valuable tool for certain jobs of economic repair is Yugoslavia.

That country found itself in difficulty in 1951 on account of high domestic prices. The situation was aggravated by the economic pressure to which Yugoslavia had been subjected by countries of the Cominform since 1948. Marshal Tito's Government found it necessary to bring the exchange rate of the dinar in line with the ratio between domestic and world prices. The dinar was, therefore, devalued in January 1952. The new rate was 300 dinars per United States dollar, as against the old rate of 50 dinars. Yugoslavia effected another exchange reform in December 1960. A uniform exchange rate of 750 dinars per United States dollar was established

"If India can beat 'a race against time' in solving its food and export problems, it will become a 'vibrant economy' within 10 years".

—JAMES LENINGEN

Commercial Attache in the U. S. Embassy

Because of the higher value of the pound and dollar in terms of rupees remittances of funds from outside into India will be increased. Simultaneously, remittance out of India will be discouraged. This means more foreign capital will be attracted for investment in India and foreign tourists will come in larger numbers making more foreign exchange available to the country.

in place of the multiple rate system which had developed over the years. These multiple rates had ranged from the official exchange value of 300 dinars per United States dollar to as much as fifteen hundred dinars for the export of certain commodities. More recently, in July last year, Yugoslavia found it necessary to devalue the currency further to twelve hundred and fifty dinars per United States dollar. Simultaneously with these reforms, Yugoslavia abolished Government subsidies for export enterprises, and relaxed the complicated administrative controls under which foreign trade had been conducted. The reforms were assisted by foreign credits from the International Monetary Fund and other sources.

You will notice that the pattern of devaluation and related measures was the same in Yugoslavia as in France in 1958, that is, abolition of artificial subsidies for exports, liberalisation of controls over foreign trade, and assistance from friendly countries and banking institutions to smoothen the transition to a new, realistic and stable basis for the further development of the economy. This is also the pattern of reform envisaged by us in India today, with the expectation of substantial aid from the World Bank, the International Development Association and other members of the Aid India Consortium.

Though foreign aid helps to smoothen the transition, devaluation is essentially a move away from depen-

dence on foreign aid. It is a move towards self-reliance by strengthening the competitive power of a country's exports in the world market. Devaluation can succeed in this objective only if it is accompanied by a high degree of internal economic discipline. In Yugoslavia, for instance, the improvement of productivity and economy in administration were undertaken as the primary national tasks in order to contain the tendency for internal prices to rise in the wake of devaluation.

Even the Soviet Union, whose trade transactions with other countries are essentially in the nature of barter, has devalued its currency in order to increase invisible earnings. From 1950, when the value of the rouble was fixed on a gold basis, the official exchange rate was four roubles to the U. S. dollar. In March 1957 it was announced that premiums ranging up to 150 per cent would be paid on conversions of U. S. dollars and other specified foreign currencies into roubles.

On the 1st of January, 1961, a new 'heavy' rouble was introduced, which exchanged internally for 10 old roubles, however, the external value of this new rouble in terms of gold was reduced. It was fixed at only 987 milligrams, not at ten times the previous value of 222 milligrams.

We have seen that many countries have been able to strengthen their economy following devaluation of the

currency. But it is not as if devaluation is a guaranteed remedy, by itself, for a country's balance of payments difficulties. To create the basis for a resurgence of production and of exports on a new and realistic basis, it is necessary that there should be political stability as well as prudent and careful management of the budget.

Indonesia is an example of a country where devaluation has not helped to improve the economy. Following the restoration of Indonesian freedom in December 1949, the Indonesian rupiah was first devalued in February 1952. From the rate of 11.4 rupiahs per U. S. dollar, the exchange rate was brought down to 31.72 rupiahs. But the devaluation failed to stabilise the Indonesian economy. Heavy military expenditure and other non-productive spending over the years eroded the value of the Indonesian rupiah. Inflation became so rampant that in the latest devaluation of the rupiah, in December last, the exchange rate was brought down to 10,000 rupiahs for one U. S. dollar. Consider the fall: from about 32 rupiahs in 1952 to 10,000. There was no question of

any stand by credit from the International Monetary Fund. Indonesia had withdrawn from the Fund in August, following its walk-out from the United Nations in January 1965.

To the question, then, whether devaluation means defeat in the struggle for economic development, the answer is obviously: not necessary so at all. Devaluation can, on the contrary, create the basis for conquering economic difficulties and becoming self-reliant. The question is really: Will the present devaluation of the rupee help the Indian economy to move forward, as happened after the devaluation of 1949 and as happened in Britain, France and Yugoslavia whose examples we have surveyed? Or will devaluation, as happened in Indonesia, make no difference to spiralling inflation?

Given India's political stability, the determination to channelise both public and private expenditure into productive fields, and the international goodwill and assistance available to us, there can be no doubt about the answer.

(Courtesy : All India Radio)

" It seems to me that much of our present difficulties in regard to food and foreign exchange are, in large part, a reflection of the fact that the rising expectation of the Indian people have overtaken the progress so far achieved. "

—INDIRA GANDHI

A Bold and Necessary Decision

(Shri S. K. Patil)

Devaluation is a big and important decision. By no means it was easy to take it but it was unavoidable. Any delay would have made the position worse. Some of the criticism of it would seem to suggest that the Government has been guilty of some monstrous crime and that it has undermined the national prestige.

Now the first sin of which the Government is accused is of not taking the country into confidence about this matter earlier. Nothing would have been more disastrous than any hint or suggestion that the Government proposed to alter the external value of the rupee before it actually did so. **There would have been a rush of speculative transactions that would have cost us crores and crores of rupees.** Clearly, any Minister making a premature pronouncement on this subject would have committed a terribly costly indiscretion that might have ruined us.

The other argument, that our prestige has gone down is equally wide of the mark. It is like telling a sick man that his reputation will be affected if he has an operation. The Indian economy has been a little sick. The earlier remedies that had been tried did not prove effective. So some surgery was indicated, there is no such thing as a painless operation. Devaluation certainly does not have this miraculous property. But with

due care and some discipline the patient should be restored to health before long and be able to go about his business with renewed vigour.

Let us first understand the nature of the problem we had to face. With the steady rise in prices, the external value of the rupee had fallen quite considerably. The black market price for the dollar in New York, or for the dollar traveller cheques near the Gateway of India was from Rs. 10 to Rs. 12. Yet the official rate of exchange maintained the fiction that Rs. 4.75 could buy a dollar. This artificiality increasingly distorted the economy. It created a situation in which it was unprofitable to export but profitable to import. We tried to correct this by levying import duties on the one hand and offering a variety of export subsidies or incentives on the other which in fact amounted to partial devaluation. Experience however showed that these measures were not only complicated but incomplete and arbitrary. They did little to widen the export base or promote import substitution. Nor did they do anything to prevent illegal, under the counter transactions like smuggling, under-invoicing and over-invoicing which resulted in illegitimate private profit and public loss. Ultimately the community, the common man, paid for these leakages.

There were a number of other adverse consequences too. Because of the worsening balance of payments

position, industry has been starved of raw materials and components. There has been partial closure of capacity, sometimes total shut-down, resulting in retrenchment, unemployment, loss of production, added scarcity and higher prices.

After careful consideration it was concluded that the most effective way to stop the rot and make a clean start was to devalue the rupee.

With devaluation, the internal value of the rupee is unchanged. But the rupee cost of imported articles will go up. This will tend to push up some prices. At the same time there will be many correctives. First, a reduction in import duties; secondly, the import liberalisation.

The essential thing is to encourage production, exports and import substitution and to get the entire economy moving. This is the only way to provide more for our people, maintain reasonable prices and both practise as well as achieve self-reliance. Having done some spring-cleaning we must not permit a slide back. We must inject into our activities a new sense of purpose, a new spirit of *swadeshi*. This was the spirit that animated us in the days of Tilak and Gandhiji. It is this spirit that we must revive in the new context of today.

Now that the decks are cleared, all those engaged in trade, business and industry should face up to the challenge and grasp the new opportunities. It is now easier to export early and extensive advantage of the new situation, should be taken so that we can push up our exports by three times in the next ten years from Rs. 800 crores to Rs. 2,400 crores. Devaluation will encourage investment in export industries. Our international relations should be further strengthened by trading in new commodities. We should enter and establish ourselves in new countries where the standard of living—and with it the demand for Indian goods—is going up steadily. With devaluation, the competitiveness of our goods and services has increased. We must exploit this advantage to the full.

Now that the imports are more expensive, it is easier for taking further strides in import substitution. The most promising field is that of making machines and of making machines that make machines. For some time to come the costs may be a little high. The Government's decision, however, gives a measure of protection. And when our Industries operate at fuller capacity, their cost will decline. We shall need crores of rupees worth of machinery for our metal-lurgical, chemical, electrical, transport and consumer industries. Here then

“Devaluation was essential in the interests of our economy and to pave the way for future progress and development”.

With rupee devalued anti-social activities like under-invoicing of exports, over-invoicing of imports, sale of travellers cheques in black markets, smuggling, etc., will be less attractive and less widespread.

challenge to your capacity to improve, to invent, to organise and to take the country forward towards the goal of self-reliance.

Devaluation, by itself, will not carry us very far along the road to economic recovery unless it is accompanied by a number of other things : hard work, social and economic discipline, better management, cost-consciousness, greater productivity, avoidance of waste in whatever we do, and administrative efficiency both in the secretariat and in the conduct of the public sector. These are hard realities which cannot be ignored at any time. Government is determined to play its part. Irksome controls are being lifted and procedures simplified.

In our economic efforts, we have received help from a large number of

countries, the United States and the Soviet Union in particular. We have chalked for ourselves a path in co-operation with these countries. Ours is not an isolated economy. Also, as the largest democracy in the world, we owe it to ourselves and to our friends abroad, who have taken continuing interest in our development, that we make good. We must justify their faith in us. This can happen only if we move forward with courage and with greater confidence in ourselves.

For those of us who are engaged in the export trade and in small and big industry, the prospect is now much more favourable. We have taken a bold and necessary decision. Let us reap the full advantage of that decision.

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JHARSUGUDA (SAMBALPUR)

HOW PEOPLE CAN HELP

KEEP DOWN PRICES

That the rupee will hereafter be worth only 64 Paise is a popular fallacy that has gained currency after the Government's decision to alter the exchange value of Indian rupee.

These fears only underline the need to understand clearly what the Government has done and what it signifies. Government's decision was only to alter the ratio of Indian rupee in relation to the foreign currencies.

In other words, the number of rupees required for getting, say, a dollar or a pound-sterling will hereafter be more than what it was before. The only consequence that flows from this decision is the increase in the number of rupees required to get what is popularly called foreign exchange, i.e., the currency of foreign countries. The value of the rupee internally remains unchanged. Devaluation does not affect it. For example a saving of hundred rupees prior to June 6 will continue to be equal to 100 rupees even now.

Internal value Unaffected

The rupee is only a means for exchange, i.e., we exchange the rupee and in return we buy the commodities or the services that we want. Since the internal value of the rupee remains unaffected, the volume or the number of commodities and services that we should get hereafter for the Indian rupee within the country ought to remain the same as before the devalu-

tion. But this depends not only on the value of the rupee but on what is called the price levels. If the price levels, that is, the price of commodities and services, go up, naturally the rupee, whatever may be its value, will fetch you only a lesser quantity of commodities and services. Therefore, to protect the internal value of the rupee what is crucial is the prices. So long as prices do not increase, our individual rupee accumulations retain the same value. Therefore, the only way to protect and safeguard the value of the Indian rupee internally is to prevent rise in prices. This is a task in which basically four parties figure : the Government, the producer, the distributor and the consumer.

Subsidy for essential articles

The devaluation should not result in any rise in the cost of living of the lower income groups, i.e., that commodities normally consumed by the common man cannot cost more.

Most of the articles consumed by this section are produced within the country and, therefore, their cost should not go up. In the case of consumer articles such as imported food, fertilisers and kerosene, we do import some quantities to meet our demand. Since we will be called upon to pay more rupees than before for importing the same quantities of these commodities, the prices of these imported commodities will naturally be higher.

But considering the importance of making available these commodities to our people at reasonable prices, the Government have decided that these commodities should continue to be sold to our people at the same prices which obtained before devaluation. The difference in the prices would be met from the public exchequer, that is, through subsidy.

The temptation, however, to put up prices of commodities produced within the country may be too strong to be resisted in some cases. Producers and very often the distributors may charge higher prices even if such commodities are produced wholly in India.

Such artificial increase in prices have occurred before and it is the fear that this may happen again that makes people doubt the wisdom of devaluation. There is, however, a difference this time. As the Prime Minister told the nation on June 12, 1966, "Anti-social practices will be dealt with firmly under the Essential Commodities Act. Government will not hesitate to take additional legislative powers, if necessary".

Manufacturers' Assurances

The redeeming feature this time is the fact that the Government have received assurances from a number of responsible manufacturers that they will not increase the prices of their products. Such assurances, if kept, would, go a long way in arresting any

spurt in the prices of commodities of common consumption.

The next point where one has to keep a watchful eye is the point of distribution. The trader may misbehave when the producer or the manufacturer chooses not to.

Here, a two-fold approach becomes necessary. Firstly, a large number of consumer co-operative stores and fair price shops are to be opened, from where it will be possible for the people to get such essential supplies as food, vegetable oils and kerosene at fixed prices. Wherever co-operatives cannot immediately come up, other agencies including even the Government will come forward to open and run such shops.

But these efforts required to be supplemented and strengthened by the efforts of the consumers. Apart from resisting the extortionate demands of the avaricious trader, the consumers will have to develop what is commonly called consumer resistance. In simple words, this is the determination on the part of the buyers not to fall an easy victim of the trader.

"Buy later and buy more".

"Buy only what you need".

"Buy only what you must".

These are the slogans around which a strong movement requires to be built which would act as a powerful deterrent to the capricious trader seeking to exploit the consumer.

"We must never forget that there is no substitute for hard and determined effort and sacrifice on the part of the Indian people".

—INDIRA GANDHI

Nehru, The Democrat

By

Shri Chanchal Sarkar

On the occasion of the Second Death Anniversary of Jawaharlal Nehru, All-India Radio organised a symposium on 'Legacy of Nehru'. The following is the text of Shri Chanchal Sarkar's broadcast talk on 'Nehru, the Democrat', which was also included in the symposium.

You might well ask why we should have to pause at all and consider whether Pandit Nehru was or wasn't a democrat. Isn't the answer self-evident? Well, it's because democracy is a complex thing and because, to our generation, brought up in his shadow, Panditji's most consistent advice was: "Be scientific in outlook, never take anything for granted". That's why it's important to question and analyse.

Democracy is something which deeply concerns the individual, and also the State. It has a personal side as well as an institutional. Panditji's personal commitment to democracy was clear. He believed in the freedom of the individual, in the right of an Opposition to exist and criticise. His faith was in a Parliamentary system, a free Press and an independent judiciary upholding the Rule of Law.

But politics is about power and democracy is one of the ways of using and regulating that power. We have to ask whether the seventeen years of Panditji's Prime Ministership saw the full transformation of

the Indian people from subjects to citizens. Whether, in social structure, India became an egalitarian society. We should also ask if Panditji was able to transform his subordinates into colleagues, his followers into co-workers.

These are relevant questions, because democracy is not only about fundamental rights and entrenched freedoms, but equally about cabinets, parties and voluntary organisations. I posed the question about transforming subordinates into colleagues with the Nehru cabinets in mind. And, in asking about the change from followers to co-workers, I was thinking about him and the Congress Party.

Institutional side

Democracy, as I said, has an institutional side. It is the sum of a chain of free organisations, small and large, which guarantee that there is no regimentation. Perhaps it will not be wrong to say that, in the years since freedom came, the initiative of other associations has waned while the Government, as an organisation, has waxed and waxed, until it bestrides

us like a colossus. In their Communist Manifesto Marx and Engels wrote, "The State is the executive committee of the Bruling class". This definition does need some change but there is a trend towards the State, in India, becoming the joint executive committee of one party and of a privileged and constantly growing, army of Government employees.

Did Panditji help to strengthen this trend? I don't wholly know. When an under-developed country plans economic and social advance, the Government has to be the major focus of decision and power. And since political leadership, stripped of all its coatings, is the exercise of power it may be necessary to concentrate it in a strong, charismatic leader. If that leader is personally committed to democracy then it's safe—during his tenure. But a chain of colleagues and organisations must keep that democracy growing and changing. Gandhiji foresaw this brilliantly and provided for it. Panditji loomed too large among his contemporaries. And, taking Parliamentary democracy as the British left it, was, he, I wonder, able to give it any special twist to make it immediately relevant to the poor masses of an Asian country?

Let's make no mistake. It's a terribly, terribly difficult thing to exercise great power for a long time and leave a net-work of people and institutions that are vigorously, self-actively democratic. Particularly so in India where traditions of caste, great economic inequality, feudal relationships and parental authority often lead to the easy acceptance of autocracy.

We must remember this when judging Panditji. A foreign contemporary of his has recently written of the "wordiness all around him, and the fussiness, and the ineffectuality, and the begging and the prevarication". One might add the sycophancy, and the eagerness to agree. From such an environment the democratic convictions of Panditji stand out as a shining thing. It is remarkable that, with so much power in his hands and so much eager conformism around him, he retained his democratic instincts and principles. We must be grateful for having lived in the Nehru era. And give thanks for two special qualities of his, compassion and a sense of justices—without which there can be no democracy.

(By Courtesy A. I. R.)

ASHES OF NEHRU

'Ashes of Nehru' is a poem in Persian composed by Abdol Hussein Sepenta, a noted poet of Isfahan in Iran. Mr. Sepenta met the late Prime Minister Jawaharlal Nehru during his visit to India some years ago.

He has sent the following poem, suitably framed with, a request that it may be kept in the Nehru Memorial Museum and Library in New Delhi. The English version, given below, is a free translation.

Where freedom has been given to every creed, community and religion
from historical past,

And where the freedom of nations has been guaranteed in the name of
humanity by the Farman of "Asoka",

Nehru's ashes have been scattered on that land.

Where through the light of freedom and culture prevails harmony among
Hindus, Muslims and Christians,

And where every bell in a temple rings in unison with Church bells, conveying
the same secret,

Nehru's ashes have been scattered on that land.

Where steel mills stand majestically and where industries based on steel
have come into being,

Where the country has developed through electricity and the atom and
where problems have been solved through science and
experiments,

Nehru's ashes have been scattered on that land.

Where Tagore's school is the cradle of literature,

The land of gold, jewels and pearls, where now oil is creating new
wealth,

Nehru's ashes have been scattered on that land.

Where philosophy lies hidden in dances and where one hears secrets in music,

And where, if one has the ears to hear the sleeping sound in the stone idol is playing the flute, the voice of "Krishna",

Nehru's ashes have been scattered on that land.

Where nature is everywhere happy and beautiful, where the Taj Mahal stands like a crown of honour on the top of Agra,

Where Delhi is all beauty and dreamy and where the Ganga kisses the shores of the ocean,

Nehru's ashes have been scattered on that land.

Where came world-guides like Gandhi and where Nehru raised the banner of peace,

Where the aim of politics is peace and sincerity and where there is no other attitude than of love and fellow-feeling,

Nehru's ashes have been scattered on that land.

That India which is the spring of world mysticism and the India where lie hidden many secrets,

That ancient land of India which is young today and which is the second home of 'Sepenta',

Nehru's ashes have been scattered on that land.

Abdol Hussein 'Sepenta'

GOKHALE :

THE RAJ GURU OF INDIA

By

P. KODANDA RAO



Shri Gopal Krishna Gokhale whose birth Centenary is being celebrated on May 9, 1965

Mahatma Gandhi acclaimed Gopal Krishna Gokhale as Mahatma Gokhale and as *Gokhale the Good*, and acknowledged him as his *Raj guru* in preference to such eminent patriots and statesmen as Dadabhai Naoroji, Pherozeshah Mehta, Mahadev Govind Ranade and Bal Gangadhar Tilak, and described him as one who is "pure as crystal, gentle as a lamb, brave as a lion, chivalrous to a fault and the most perfect man in the political field". Mrs. Sarojiniaidu hailed him as "the great saint

and soldier of our national consciousness, whose life was a sacrament and whose death was a sacrifice in the cause of Indian unity".

Born on May 9, 1866, Gokhale may be said to have commenced his public life when, at the age of twenty, he joined the Deccan Education Society and promised to serve it for twenty years on a pittance. He died on February 19, 1915, at the very early age of forty-nine. During this short period he crowded an unsurpassed amount of public service

of the highest quality. He was the youngest President of the Indian National Congress; he was only thirty-nine in 1905, when he was elected to the highest honour that was then open to an Indian. It was a unique acknowledgement of his great personality and outstanding service to the nation.

Gokhale's mission was to strike for Swaraj for India, as the mission of the post-independence generation has been to work for Swaraj. The particular problems which engaged him, like the Indianization of the Services in India, have since been solved and have now only an historical interest. The spirit in which he served has a continuing and perennial value and is a permanent inspiration to posterity, like "the endless meaning in the narrow span of a song", in the words of Rabindranath Tagore. His life illustrates the lines of Longfellow:

Lives of great men all remind us
We can make our lives sublime;

And departing leave behind us
Footprints on the sands of time.

II

It may be said of Gokhale what he often said of his *guru*, Justice Mahadev Govind Ranade, that "younger men who came in personal contact with him felt as in a holy presence, not only uttering nothing base but afraid even of thinking unworthy thoughts". After eighteen years of strenuous work in the Ferguson College, Gokhale retired from it to embark on a wider

field of national service. In his touching Farewell speech, he said, among other things:

"I feel thankful, profoundly thankful, that it has pleased Providence to give it to me to discharge the solemn and onerous obligations of a vow taken so many years ago under the influence of youthful enthusiasm".

He went on to say:

"And yet I am giving up all this to embark on the stormy and uncertain sea of public life. But I hear within me a voice which urges me to take this course, and I can only ask you to believe me when I say that it is purely from a sense of duty to the best interests of our country that I am seeking this position of greater freedom but not necessarily of less responsibility."

"Public life in this country has few rewards and many trials and discouragements. The prospect of work to be done is vast, and no one can say what is on the other side—how all this may end. But one thing is clear. Those who feel in the matter as I do must devote themselves to the work in a spirit of hope and faith and seek only the satisfaction which comes from all disinterested exertions."

In 1905 Gokhale founded the Servants of India Society in Poona. The Preamble to its Constitution may be said to be his *Testament of Duty*, which has everlasting validity. In the course of it, he said:

"The claims of public life are everyday receiving wider recognition, and attachment to the land of our birth is growing into a strong and deeply cherished passion of the heart***. The results achieved so far are undoubtedly gratifying, but they only mean that the jungle has been cleared and the foundation laid. The great work of rearing the superstructure has yet to be taken in hand, and this situation demands on the part of worker's devotion and sacrifices proportionate to the magnitude of the task.***"

"Public life must be spiritualised. Love of country must so fill the heart that all else shall appear as of little moment by its side. A fervent patriotism which rejoices at every opportunity of sacrifice for the motherland; a dauntless heart which refuses to be turned back from its object by difficulty or danger; a deep faith in the purpose of Providence, which nothing can shake—equipped with these—the worker

must start on his mission and reverently seek the joy which comes of spending oneself in the service of one's country."

Noble sentiments nobly said.

III

The Apology incident was a high water-mark of Gokhale's Character and compassion. At the age of twenty-nine, he gave evidence in London before the Welby Commission on Indian Finance.

It was acknowledged as "splendid" and as "the evidence" on the Indian side, which highly gratified him. While in London for the purpose, he received complaints that some British soldiers were guilty of outraging some Indian ladies while engaged in plague relief operations, and gave publicity to them. On his return to India he was challenged by the Bombay Government to substantiate his charges. His informants hung back on the ground that they had not authorised him to publish them. Whereupon, like the gentleman that he was, he tendered an unqualified apology to the Government as well as the British soldiers. His reference to Mr. Rand, the British Officer who was critically ill at the time, showed Gokhale's compassion. "It was an odious position for any one to occupy while the officer who had suffered for them was lying in a condition which called for the deepest sympathy and respect from every quarter." His generosity was displayed when he acknowledged that, "while a few Englishmen in

this country had been not only just but generous in judging me, I have been much less than just to their countrymen, the soldiers engaged in plague operations”.

Gokhale was so bitterly condemned by a section of Indians for tendering the apology that he suffered greatly and even contemplated retiring from public life altogether, but was dissuaded from doing so by his more enlightened friends, British and Indian. He said :

“The day will come when it will be generally recognised by my countrymen that *** I had taken the only course which was consistent with duty and honour. Meanwhile I am content to wait. One is always glad of approbation by the public of what one has done. **** In this country it constitutes the only reward in public life. But it is not the highest purpose of existence, not nearly the highest. If it comes—to use the words of Herbert Spencer—well ; if not, well also, though not so well.”

When some of his harsher critics demanded that he should retire from public life altogether, Gokhale replied :

“Public duties, undertaken at the bidding of no one, cannot be laid down at the desire of any one.”

He picked up the threads of his public work with greater zest and devotion, if that be possible, and rose to greater height of disinterested public service.

IV

Broadly speaking, Gokhale stood for the achievement of Swaraj by constitutional means and within the British Empire. The Extremists of his day, on the other hand, would snatch Swaraj at one bound, if possible, and by any means, and quit the British Empire. Gokhale was no less conscious that the Extermists of the dwarfing effect of British rule on Indians who were condemned to be hewers of wood and drawers of water in their own country, while all positions of initiative and responsibility were held by the foreign British rulers.

To his Indian critics, he said :

“Do you think that we are so devoid of self-respect and so base as to be happy at our country being under foreign yoke ?

I would have my country free today if it were possible”. But then he asked : “But is it possible ?” He sadly recalled that it was easy to create disorder in India ; it was her portion for centuries. British rule had brought to the distracted country peace and order, without which there could be no progress of any kind. A succession of great British statesmen, who in their day represented the highest thought and feeling

in Britain, had declared that, in their opinion, Britain's greatest work in India was to associate Indians steadily with the government of their country and withdraw from a self-governing and friendly India. Notwithstanding occasional hesitations and retractions, the promise had been kept by the enactment of a series of political reforms, each of which gave more power to Indians, until the Indian Independence Act of 1947 completed the process and India remained a full member of the Commonwealth.

Bal Gangadhar Tilak, who represented the Extremist School of politics till late in his life, took a different view in his Congress Democratic Party Manifesto of 1920. In it he said that all he wanted was autonomy for India and equal status with the other partners in the British Commonwealth. He wanted British institutions, liberty and Empire.

"It has been well said that British rule is conferring inestimable benefit, not only in its civilised methods of administration, but also by bringing together the different nationalities and races

of India, so that a united nation may grow together out of it in course of time"

He went further when he said :

"I do not believe that if we had any other ruler, except the liberty-loving British, they could have conceived and assisted us in developing such a national ideal. Every one who has the interest of India at heart is fully alive to this and similar advantages of British rule."

In expressing such views, Tilak echoed those of Gokhale.

Gokhale was once challenged to point to any precedent in history of a subject country attaining independence through constitutional means. He replied that the last chapter of history had not yet been written, and it might well be given to, Britain and India to set the precedent. His hope was ultimately realised since India won its independence constitutionally by the enactment of the Indian Independence Act in 1947 by the British Parliament. His political prognostication that India's independence was possible within the British Empire, as it was then and the Commonwealth as it is now, has also come true.



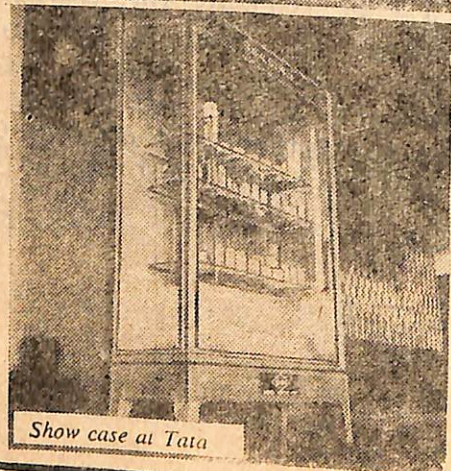
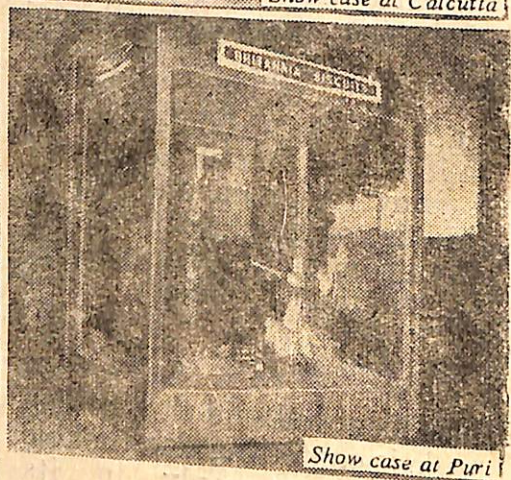
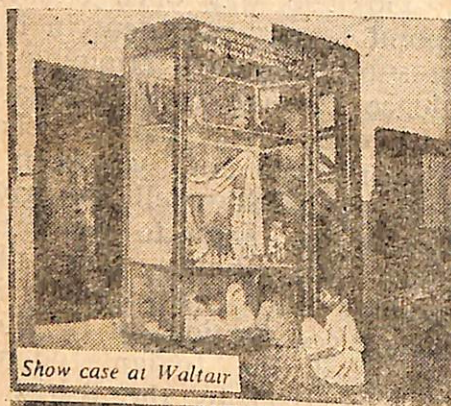
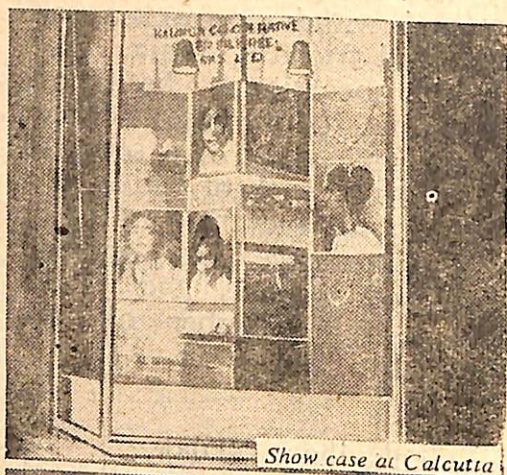
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SOUTH EASTERN RAILWAY

PURI—THE COSTA DEL SOL

(The Sunny Coast)

By

S. M. Gani

When the moment comes to select the perfect place in which to spend a holiday one cannot overlook the sunny coast on the Bay of Bengal at Puri, one of the ancient cities of India.

The golden beach offers not only an infinite variety of amusements but also an ideal climate. In addition to being a magnificent touristic attraction itself, it is a perfect base for excursions to the famous city of Bhubaneswar (52.4 Km.) and the huge temple of Konarak (84.8 Km.).

The visitor has the choice of several places to stay, ranging from luxurious hotels patronised by international smart set, complete with sporting facilities to the simplest of picturesque Tourist Bungalow so "far from the madding crowd" as to offer an ideal place in which one escapes completely from the stress and strain of every day city life. Summer is a season unknown to Puri owing to cool sea breeze so pleasant and invigorating.

It is fascinating to watch the sun-set on the beach, like a golden red globe the sun melts, as it were, with the

luminous liquid horizon. A sight which is a marvel of the nature. At sun-rise the fisher-folk with their characteristic conical straw hats jump into the roaring restless waves to collect the booty from the bountiful blue ocean. The fishermen use the same old process which their ancestors did. A simple net and a tattered boat are all they know and they still live comfortably in this dynamic modern age. Till late in the evening people sit on the sands beneath the stars. A snatch of song and music, spray on your cheek, the wind tugging at your clothes—are things you will remember.

As one moves into the heart of the city to the famous temple of Jagannath, the Lord of Universe, the serene nature gradually mingles with an unalloyed Panorama of history. To a foreigner this place will give a glimpse of traditional India where people from remote corners of the country come to pay their homage to the Lord. It is a place which presents to you "Unity in diversity" a caption often accredited to India. Here one finds, the people speaking varieties of languages and dialects; adorned in various costumes,

moving towards the Lions Gate (main entrance to the temple) for a single purpose—to worship Lord Jagannath. You personally acquaint yourself with the most bewildering variety of Indian life through which runs the mighty current of unity. The clash of gongs, the beat of drums and the music of various choral groups mingle discordantly with the continuous clamour of a surging mass of people. Well, one cannot miss the market here, displaying the indigenous handicrafts, a tradition long associated with Puri. Naturally a souvenir for your relatives and friends cannot be excluded. Why not find out a dancing lady carved out of soapstone, or a palm leaf painting. The silver filigree ornaments are superb, can't go without it. They are not costly at all. Just a couple of rupees and a great remembrance to carry home. Very close to the temple is the Raghunandan Library. It has a rich collection of palm leaf manuscripts—the documents of the past. Go to the top of the library building to have a view of the great temple. (A non-Hindu is not allowed inside the temple compound). The staff of the Library are very courteous and helpful people.

A few kilometres here and there are famous tanks and beautiful temples hoary with age—a long history behind each. If you happen to be there during any festival, it is pleasure to be among simple folk in perfect

rural setting. Puri has many festivals. They say "In seven days nine festive feels". A visitor gets a greater sense of discovery to the opportunity to see and take part in a local festival—a real, non-manufactured celebration with definite roots in history, tradition and India's culture. Probably no other place offers as many varied 'real' festivals as Puri. One will be amazed to see the tradition of Car festival so rigidly followed since pre-history till this day. The biggest and the best attraction is the Car festival to be celebrated on June 20, 1966 when the deities Jagannath, Balbhadr and Subhadra will be carried in chariots drawn by millions of devotees to the garden house.

In the outskirts of the city, the rice fields reveal a fascinating mosaic of terraced landscape with umbrella-like palm trees, appearing like so many watch towers whose vigilant silhouettes recall ancient tales at every turn, where the air is sweetened by the scent of mango trees, betel-leaf yards and casuarina plantations. As though to mark the end of Puri there is a final burst of sub-tropical flowers and plants along the vast fields of paddy spread as far as the vision could go. The artist or beauty-lover in search of peace and relaxation amid perfect surroundings, the traveller seeking change or the simple tourist—all find in Puri, the ideal holiday setting.

Striking Achievements in Education in Third Plan & Targets for Fourth Plan

One of the striking features revealed by the Annual Report of the Union Ministry of Education for the year 1965-66 is that education is one of the few sectors where the Third Plan targets have not only been physically attained but exceeded considerably.

As against the original target of 152.92 lakh children, the additional enrolment in classes I—V at the end of the Third Plan is expected to be 165.02 lakh. This will bring the total number of school-going children in these classes to 514.67 lakh. The total percentage of school-going children in the age-group 6—11 at the end of the Third Plan will thus be 78.5 against 62.3 at the end of the Second Plan.

For middle stage, the target of additional enrolment during the Third Plan was 35 lakh children. It is now expected that 43.77 lakh additional children will be enrolled in classes VI—VIII. Thus the enrolment at this stage at the end of 1965-66 is likely to go up to 110.33 lakh. This will bring the percentage of children attending the schools in the age-group 11—14 to 32.4 as against 22.4 at the end of the Second Plan.

The increase in enrolment at the secondary stage during the Third Plan has been phenomenal. At the end of the Second Plan, there were 30.17 lakh students in classes IX—XI. This number is expected to rise to 53.76 lakh by the end of the current Plan.

The total enrolment at the university stage is likely to increase from 7.32 lakh to about 12 lakh at the end of the Third Plan.

FOURTH PLAN

The total outlay for education in the Fourth Plan has been tentatively fixed by the National Development Council at Rs.1,260 crores which has further been distributed among the various stages of education like this : elementary education—Rs. 398.50 crores, secondary education—Rs. 279.17 crores, university education—Rs.132.45 crores, scholarships—Rs. 55.00 crores, social education—Rs. 71.00 crores, technical education—Rs.252.70 crores, cultural programmes—Rs.16.18 crores and others—Rs. 55.00 crores.

In the Fourth Plan, provision has been made for an additional enrolment of 1,90,00,000 children in the age-group 6—11 and 80 lakh in the age-group

11—14. This will bring the percentage of school-going children in the two age-groups to 93.1 and 47.4 respectively. Special measures are being taken to enrol more girls and it is expected that the percentage of their enrolment to their population in the age-group 6—11 will be 81.5 by 1971. In the age-group 11—14, the corresponding percentage will rise to 29.6.

Similarly, at the higher secondary stage also, special efforts are being made in the Fourth Plan to enrol more and more boys and girls. A substantial provision has been made at this stage for providing vocational courses of a terminal character. Nearly 40 per cent of the outlay in this sector has been apportioned for the various schemes of improvement and diversification of courses at this stage. Besides, a provision of Rs.28.50 crores has been made for the development of science education in this sector.

So far as higher education is concerned, a target of 5 lakhs of enrolment has been fixed for the Fourth Plan.

TECHNICAL EDUCATION

The post-independence period has witnessed a significant expansion in the field of technical education. At the end of the First Plan, investment in this sector was of the order of Rs.20.2 crores. During the Second Plan, the investment was about Rs.49.0 crores and in the Third Plan Rs.142.0 crores. The targets fixed under the Third Five-Year Plan for

admission into the technical institutions were revised from 20,000 in the degree and 40,000 in the diploma courses to 25,000 and 50,000 respectively. Against these revised targets the admissions in 1965-66 were of the order of 23,000 in the degree courses and 43,000 in diploma courses. During the year under report, about 10,100 graduates and 17,500 diploma-holders passed out of the technical institutions.

Under the scheme of part-time diploma courses in engineering, 18 centres, against 25 originally approved, have been set up to conduct part-time courses for diploma in engineering for the benefit of the persons working in industries and other technical establishments. Under another scheme, it is proposed to set up about 30 centres, spread all over the country, to provide part-time degree courses for in-service diploma-holders.

Eighteen engineering colleges, 7 polytechnics and 17 junior technical schools were started in 1965-66, thus bringing the total number of these institutions to 133, 274 and 103 respectively. The State Plans also provide for establishment of 24 polytechnics for women, out of which 17 have already started functioning. Besides, 1,551 students were admitted to the 5 institutes of technology in the first year class of the degree courses in engineering and technology during 1965-66. The total students enrolment at these institutes stood at 7,984.

The programme of training teachers for engineering colleges was initiated in 1959. Last year 52 candidates completed their training

were assigned to different engineering colleges for regular appointment. The total number of teachers so far trained under this programme is 306. A provision has been made for training of about 13,000 additional teachers for degree institutions during the Fourth Five-Year Plan.

SCHOLARSHIPS

It was planned to raise the number of scholarships considerably during the Fourth Five-Year Plan, but due to paucity of funds as a result of National Emergency, the number had to be reduced during 1966-67. For example, against 16,000 national scholarships originally proposed to be given in 1966-67 over and above the existing 2,650 it will now be possible to give only 1,150 additional awards. Under the National Loan Scholarships Scheme, it was originally proposed to give during 1966-67, 29,600 scholarships over and above the existing number of 26,500. But it had to be reduced to 18,000. It is, however, hoped that the shortfall during 1966-67 will be made good during subsequent years in the Fourth Plan.

PHYSICAL EDUCATION

During 1966-67, the implementation of the National Fitness Corps Programme, an integrated programme of physical education evolved in accordance with the recommendations of the Kunzru Committee, received special attention. The programme

consists of a basic compulsory curriculum including a minimum of physical and cultural activities.

It has been decided that the National Discipline Scheme instructors, hitherto employees of the Central Government, will be transferred to the States for the implementation of the N. F. C. programme. Reorientation of in-service teachers to the new programme is essential and to that end over 15,000 physical education teachers/NDS instructors have already been put through a re-orientation course. The re-orientation training programme is to be continued during the Fourth Plan period also.

The pace of activities in the field of sports and games continued to maintain steady progress. From the reports of the observers deputed by the Government and other sports organisations to watch the Olympics at Tokyo in 1964, a conclusion has been reached that sports talent among the very young boys and girls needs the greatest attention and encouragement. The Government is, therefore, considering measures for spotting sport talent at a very early stage in child development with a view to fostering and developing it on the right lines.

DEVELOPMENT OF MODERN INDIAN LANGUAGES

The Fourth Five-Year Plan envisages an outlay of Rs. 12 crores in the central sector for various schemes relating to development of Hindi, Sanskrit and modern Indian languages.

(See page 33)

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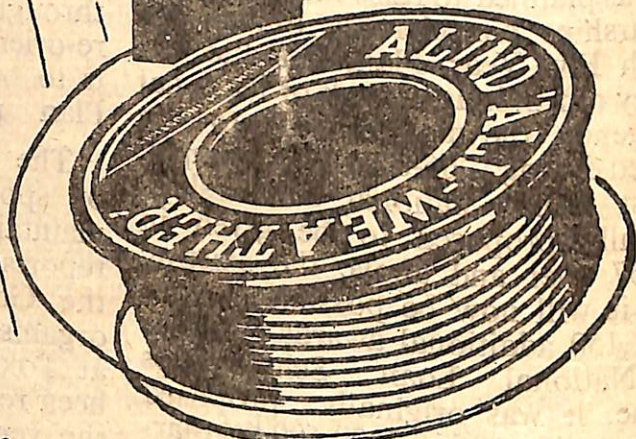
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The new Strategy in Agriculture

By—V. K. R. V. RAO

There has been a lot of talk in recent months about India's agricultural stagnation. In fact, this is not true. From 1950-51, the pre-Plan year, up to 1964-65 we have witnessed an increase in the production of food-grains from about 50 million tons to about 88 million tons, or more than 75 per cent. During the year that has just ended, of course, due to the unprecedented drought, our production fell to 76 million tons. But that should not be taken as the normal yield for the year. If the weather gods become kind, we should get a production of between 92 and 93 million tons during the current year without much additional effort. We are however putting in extra effort and aiming at a production of 97 million tons. With favourable weather conditions, I see no reason why we should not succeed in reaching this level of production.

The important thing about agriculture during the Fourth Plan is not just this target of 97 million tons for 1966-67. It is the target of 120 million tons which we hope to reach as a minimum by the time we come to the close of the Fourth Plan. With luck and additional inputs, we may even reach 125 million tons. And once we do that, we shall be out of

the wood as far as our problem of foodgrain shortage is concerned; and there will be no more imports of either commercial or PL 480 food-grains.

How do we propose to get this increased production of 28 to 33 million tons, when during the Third Plan period we have been able to accomplish so little by way of increase in annual production. The answer popularly given is that we will do this by employing a new strategy for agriculture. Actually, this is an over-simplification of what we propose to do; and it is only a dramatic way of summarising what we propose to do during the Fourth Plan period. This new strategy that we are talking about is based on an identification and rectification of the mistakes that have been made in agricultural policy and planning during the last ten years of planning and a more determined and purposive application of the results of science and technology to Indian agriculture. I shall now proceed to outline in summary form the main ingredients of the agricultural strategy we propose to follow for increasing the production of food-grains by 28 to 33 million tons during the next five years from the potential base of 92 million tons reached at the end of the Third Plan period.

(1) We should continue in a more effective way our policy of selective approach in increasing agricultural production. The selective approach means concentrating our effort on the areas which have either an assured rainfall or assured supplies of water through irrigation and saturate these areas with high yielding seeds that are also highly responsive to high dose of chemical fertilisers and giving them good agricultural implements, plant protection, and assured supply of the credit required for financing the larger working capital requirements of the modernised and more scientific agriculture that we are seeking to promote in these areas. We shall use hybrid seeds of jawar, bajra and maize evolved by Indian scientists and selections of Mexican wheat and Taiwan rice which have been found suitable for Indian soils. By this means, we hope to double production on an area of about 32½ million acres and by this means alone increase agricultural output by 16 to 20 million tons.

(2) In all other irrigated areas and areas of assured rainfall, we are going in for better water management, supplementary minor irrigation in the outlying and fringe portions of the command areas, more chemical fertilisers, more plant protection and larger supplies of credit linked to crop requirements.

(3) We shall increase the supplies of water available for agriculture not only by reducing the time lag involved in the utilisation of canal water but also by a substantial programme of minor irrigation works and three

and four-fold increase in their effective utilisation by a massive programme of rural electrification aimed specifically at the energisation of pump sets.

(4) We shall resort to a more effective application of scientific research in agricultural practices by having a better rotation of crops, reducing the duration of existing varieties in order to promote the number of crops that can be raised on the same acre and, by thus increasing the intensity of cultivation, increase the total yield of foodgrains per acre.

(5) As regards land which does not have assured rainfall or irrigated water-supplies we shall go in for contourbunding and dry-farming methods which would enable the farmers in these areas also to increase their output.

Above all our agricultural strategy in the Fourth Plan is based on a continuance of the practice of incentive prices for farmers produce which we instituted with such great success during the last two years of the Third Plan. We affirm that given remunerative prices and adequate supplies of inputs the Indian farmer is second to none as far as his energy in applying modern agricultural practices for increasing agricultural production is concerned.

To conclude, the most satisfactory thing about the agricultural situation in the Fourth Plan is not merely the inputs we are providing, the new scientific research and methodology that we are making available and the

credit that we are organising, but the fact that the human factor in Indian agriculture has become far more responsive and for more production-oriented than it has been for many decades. We are now getting in all parts of the country a large new class of what may be called progressive farmers, men who are educated who take agriculture as business, who keep accounts and who are anxious to make a good profit out of their business, and in doing it, also help the country to maximise its food production and relieve itself of dependence on foreign sources.

It must be admitted that our agricultural planning has failed to solve the problem of the small peasant, who still continues to eke out a sub-standard living and is unable to take advantage of the production facilities which the bigger and richer farmers are now beginning to use with such profit. Nor have we been able to lessen the population pressure on land or effect any significant improvement in the conditions of agricultural labourers. In spite of the programmes we

have for contour bunding and dry-farming, we have not really been able to make a dent on the problem of the unirrigated areas or the vast areas which have to depend upon certain rainfall for their production. We may be able to meet the problem of overall national shortages in food and raw materials but this is not necessarily going to solve the problem of the poor peasant or prevent the emergence of sharp and growing inequalities in rural incomes. While the "selective approach" has got its own short-period logic, it is going to confront the country with long period problems of inequalities and tensions that are likely to threaten rural, social and political stability. It is time that both the Planning Commission and the Central Ministry of Agriculture paid more attention to this aspect of the Indian agricultural problems and started formulating plans and programmes that will lead to increase in agricultural production with stability and lead to mass welfare in rural areas rather than class and regional conflicts. (Copyright: Publication Syndicate).

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For propagation and development of Hindi, the Government gives financial assistance to voluntary Hindi organisations for running of Hindi teaching classes in non-Hindi speaking states, training and appointment of

Hindi Pracharaks, setting up of Hindi libraries and reading rooms, etc. The quantum of grants admissible under the scheme is 75 per cent of the expenditure on approved activities.

Shri S. G. Barve, a member of Planning Commission, says:

"The year 1966 is being observed as Indian Productivity Year and a number of seminars and discussions are being held about the subject of productivity. Ultimately, however, the fate of Indian productivity will be decided in the field and factory, and not in the lecture-halls. We will achieve higher levels of productivity only in so far as we adopt appropriate management, technological and labour practices and develop the requisite will and attitudes necessary for achieving high production at low cost.

Devaluation, in my judgment, has brought for us, perhaps at a considerable cost, a respite and a fresh opportunity to make good. Substantially larger maintenance imports will also now be available for working our industrial capacity more fully. If we avail of this, to introduce the necessary measure of discipline in our economy, we should be able to exploit this opportunity to our lasting advantage. If we fail to do that, the position would be further aggravated and there is no reason why we should fail.

We enjoy in our country a fair measure of nature's bounty in the shape of our rich endowment of natural resources. We have ample

reserv.s of man-power. We have been increasingly developing the technological capacity for putting these resources to use. Yet, as at present, we are among the poorest countries in the world, and our rate of growth also has been modest.

During the last 16 years of planned development, we have made immense progress in many directions. A lot of industrial products and machineries, all of which we formerly used to import, are now made within the country. While industries have developed, our balance of trade position has, however, steadily worsened over the years. We had hoped that as we developed new industries, we would be able to export industrial products to service the foreign loans contracted for setting up these industries. These expectations have not been fulfilled. Our industrial products have been outpriced in the highly competitive international market. We had to build up our industries by incurring foreign debts for financing the import of necessary machineries for putting them up. In many cases, even after the industries were put up, production in the industries continued to depend upon imports of raw materials, intermediates and components.

If, on balance, the new industrial growth does not produce a sufficient export potential to pay for its maintenance requirements of foreign exchange and to service the loan incurred for setting up the factories initially, obviously such industrial growth worsens instead of improving our foreign exchange position. Unfortunately, something like this has happened over a large part of the growth of our new industries. Instead of our foreign exchange liabilities decreasing on balance, they have been increasing on balance.

Self-reliance in Production

Self-reliance in the economic field means that you should be able to purchase your import requirements out of your earnings from exports. If, in this respect, you are dependent upon the grace of other nations giving you loans, national self-reliance is compromised. Not merely that, in practice the foreign loans bring in a lot of handicaps. Foreign loans are generally tied loans and you have to purchase your machinery and equipment from the donor country. This means you are not able to buy it at the cheapest price in the world market. Owing to our dependence on tried foreign assistance over a number of years, a good deal of our industry, both in the private and in the public sectors, suffers from a substantial measure of such overcapitalisation. This and other attendant handicaps of such want of self-reliance tend further to harden your cost of production with the result that you are still more priced out in the international markets.

A situation like this developed over a number of years cannot be reversed all at once. As at present, a lot of our industry is pathetically dependent upon maintenance imports. You cannot make it self-reliant overnight. This can be achieved only over a period of time, during which strenuous efforts are made in the right direction both by Government and industry itself. Artificial respiration has its own uses in extreme cases; eventually, however, for functioning in a healthy fashion, the body must regain its natural powers of breathing.

Necessity of Cost-Consciousness

Productivity is only another expression for reduction of unit cost of production. Within the country we have a protected domestic market. A good deal of the new industry has been reared up, therefore, in this sheltered condition. When the industrial product has to be sold abroad, it has to compete with the rest of the world.

One of the most difficult problems of industrialisation in India is how to infuse cost-consciousness in our industry in the absence of competitive conditions. One must rely for cost reduction principally on those who work in the industry itself, namely, management and labour. So far as productivity of labour is concerned, systems must be devised for introducing incentive to labour and as much as possible of the work-load should

be brought on to the piece-rate basis. But productivity calls equally for greater effort and competence on the part of management. Inventory control, orderly procurement, optimal use of men, materials and machines, maintenance of machinery, proper layouts, technological improvement in all these fields there is an immense scope for cost reduction in Indian industry. Both management and labour must look upon cost reduction and increased productivity as a national duty. It is indeed a national duty in that without increased productivity and lower cost in industry, India will not be able to attain economic self-reliance.

Need to Reduce Imports

A number of measures need to be taken to create a strong bias in our economy in favour of Indians goods, Indian standards and specifications, Indian technology, Indian machines and equipment. Industrialists must develop a pride in workmanship and a pride in maintaining prices and even in reducing them in spite of adverse conditions like increases in the costs of some materials and services. As at present, we need, in some special sectors, import of foreign machinery, import of components and materials, foreign consultancy and technology. The aim must, however, be to replace such imported elements, wherever possible and as quickly as possible, with indigenous substitutes. And in

the meantime, industry must earn from the increased production secured from these inputs, enough foreign exchange to pay for the imported elements.

We have the resources and the man-power. Ultimately, economic self-reliance is a function of national character. I have no doubt whatever that if we go about this business with the determination and the will necessary for the purpose, we can achieve the economic discipline which would usher in self-reliance. Productivity, therefore, is not merely an issue of prosperity; it is an issue of no less than our economic freedom itself".

DO YOU KNOW

SUPPLY POSITION OF HIGH SPEED DIESEL OIL

There has been a marked increase in the production of high speed diesel oil in the country. Production has gone up from 140,000 tonnes per month in 1965 to almost 200,000 tonnes per month at present. The increase, nearly 45 per cent has been possible as a result of series of measures taken by the State owned refineries at Koyali and Barauni as well as by private sector refineries of Burmah Shell, Esso and Caltex at Bombay and Vizag. Later this year when the Cochin refinery is commissioned, India would become self-sufficient in diesel oil for the first time.

INSIDE THE STATE

SETTLEMENT OF INAM LANDS IN GANJAM

It has come to the notice of Government that there are still a number of Inamdars in Ganjam district who could not apply for settlement of their Inam lands on rights of occupancy on or before the 31st January 1965 as instructed in the Press Note, dated the 13th November 1964.

With a view to giving further opportunity to all the Inamdars to apply for settlement of their Inam lands, Government have been pleased to extend the time limit for filing of applications till the 31st August 1966.

The Inamdars desirble of availing themselves of this opportunity may apply to the Collector, Ganjam or any other Revenue Officer authorised by him in this behalf on or before the 31st August 1966.

DRAFT PUBLICATION OF ELECTORAL ROLLS

CITIZENS REQUESTED TO ENSURE VERIFICATION AND CORRECTION

The Electoral Rolls are revised every year for making them up-to-date. Every citizen who is not less than 21 years of age on the 1st January 1966, is entitled to be enrolled as an elector. This year the electoral rolls of all constituencies will be published in draft for 30

days, with effect from the 26th July 1966, in the offices of Electoral Registration Officers (Subdivisional Officers). The relevant parts will also be published in the offices of Tahasildars and Panchayat Samitis and police-stations and village centres. Every citizen, who is entitled to be enrolled as an elector, is requested to check up if his/her name is in the Electoral Rolls. In case it is not there, an application in the prescribed form for inclusion of the name may be addressed to the Electoral Registration Officer (Subdivisional Officer) and presented to the Electoral Registration Officer or Assistant Electoral Registration Officer or any other officer designated by the Electoral Registration Officer in this behalf or sent to the Electoral Registration Officer by post. Copies of forms may be purchased from the offices of the Subdivisional Officers, Tahasildars and police-stations and Grama Panchayat Offices.

If anybody's name has been wrongly or incorrectly included in the roll an objection application can be made in the prescribed form. The same procedure as mentioned above should be followed in obtaining and presenting the applications.

These applications can be made during the period from the 26th July 1966 to the 25th August 1966.

GRAMA PANCHAYAT ELECTION

Due to the acute drought situation prevailing in the State, which has imposed unprecedented strain on Government machinery and on the officers of the drought-stricken districts, Government have been considering the question of postponing the Grama Panchayat elections notified to be held from 23rd June 1966 to 3rd August 1966. Opinions have been expressed that the electorate of the affected area would be in no mood to take part in these elections.

As the Grama Panchayat elections are programmed to be held after a

general reorganisation of Grama Panchayats in the State, it is necessary that elections to all G. Ps. should be completed at the same time, so that new G. Ps. can take office on one date.

After careful consideration, Government have decided that the programme of Grama Panchayat elections should be deferred to 1st August 1966. If the situation improves it will be possible to start the election from 1st August and complete by the end of October. The terms of the G. Ps. have therefore been extended up to 15th November. The revised programme is as follows:—

1. Publication of voters list in Form No.1 wardwise by the Election Officer (Rule 4) and issue of 6 weeks notice by the Collectors for general election vis-a-vis revision of electoral rolls (Rule 8). 1-8-1966
2. Decision of Election Officer on the Electoral Rolls (Rule 9) 9-8-1966
3. Publication of notices in Form No. 3 by Election Officer for calling the names of candidates for the office of Sarpanch of each G. P. and member of each ward of such Grama Panchayats (Rule 24). 13-8-1966
4. Publication of lists of validly nominated candidates for the office of members of each ward and for office of Sarpanch of Grama Panchayat (Rule 33). 23-8-1966
5. General Election of ward members and Sarpanch .. 13-9-1966
6. Publication of results of Election to the office of members as well as Sarpanch in the Notice Board of the Block Office by the Election Officer and issue of notice for Election Scheduled Caste and Scheduled Tribe members (Rule 52). 30-9-1966
7. Election of Scheduled Caste and Scheduled Tribe members where necessary (Rule 63). 8-10-1966
8. Publication of names of the Scheduled Caste and Scheduled Tribe candidates for both as the case may be duly elected or nominated on the notice board of the Block Office by the Election Officer (Rule 72). 10-10-1966
9. Election of Naib-Sarpanches and publication of their names in the Notice Board of Block Office (Rule 73). 11-10-1966



shows—The distinguished guests, the State Officers and the local cultivators are looking into the process of collection of “Taichung” paddy crop at Putting village.



Dr. J. C. Moomaw, Agronomist, International Rice Research Institute of Manila in Phillipines and Dr. Bill C. Wright, Associated Soil Scientist of the Rockefeller Foundation, Chanakyapuri, New Delhi, visited Putting Village in Tirtol Block on April 29, 1966 to see the extraordinary yield of Taichung Native 1 paddy.

*Photo shows—*Dr. Moomaw and Dr. Wright in the paddy field while the local farmers look.