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## DRAFT PLAN-FRAME

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## Planning the Plan

AN attempt has been made to present in this issue both a cross-section of political opinion on the Plan-frame recommended by Prof. Mahalanobis and a number of studies on different aspects of this Plan-frame. Examination of the plan, whether by economists at an expert level or by political groups, will go on yet awhile for the plan has stirred the country and set people thinking, but it will be some time before ideas crystallise and take final shape. This is as it should be, for the Draft is not the final thing and there is yet time to examine the different parts of the Plan more closely.

A close study of the draft and its exhaustive examination is essential in order to understand its full implications and to get a clear idea of what would be required from the people and from the administration for its implementation. Needless to say, the Plan has to be examined in the light of the Avadi resolu-

tion which commits the Congress as well as the present Government to "planning with a view to the establishment of a Socialistic pattern of society where the principal means of production are under social ownership or control, production is progressively speeded up and there is equitable distribution of national wealth." Full employment had been accepted by the Congress as a goal many years ago, at the Nasik session in 1950. Among the objectives, while the joint paper mentions only "fuller employment," Prof. Mahalanobis adds a time limit. His text is as follows—"To liquidate unemployment as quickly as possible and within a period not exceeding ten years". "The basic strategy" of the Plan-frame is "to increase purchasing power through investments in heavy industries in the public sector and through expenditure on health, education and social services; and to meet the increasing demand for consumer goods by a planned supply of such goods so that there would be no un-

desirable inflationary pressures. Planning would be thus essentially a feed-back process of matching a continuously increasing (planned) demand by a continuously increasing (planned) production giving rise to a steadily expanding economy."

From restoration of the pre-war level of consumption which was the aim of the Draft Outline published in July 1951 to doubling of per capita income in 27 years in the final First Five Year Plan, there is a jump not along any one line, but spreading out in several directions—employment, consumption and building up of heavy industry. The break with the past is not in the rates of progress sought in any one direction but in the perspective that is presented in terms not of income or employment—important though they are—but of "structural change" in the economy, through the building up of heavy industry to which goes the bulk of investment