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Notes on the II and III Plans for use at the Meeting of the British Group of the Liberal International on 15th February, 1961.

"During the II Plan ending March 1961 national output is reckoned to have risen under 4% a year and half of this absorbed by the population growth, so output per head risen only 2% a year.

The III Plan aims at raising national output by 5% a year, roughly 3% ahead of population."

(Richard Fry, Financial Editor, Manchester Guardian Weekly, January 26, 1961.)

Total investment in State sector

I Plan	:	21 %
II Plan	:	53 %
III Plan	:	58 % (Raised by later revision by NDC to 66.6%)

(H. V. R. Iyengar)

But actual State sector production including Steel Plants : 10%

Public Sector capital-output ratio - 12.5
Free Sector capital-output ratio - 1.8

Uncovered gap in resources

Rs.3,200 crores (£ 2,400 million approx.)
(Economist - India Revisited Section - January 28, 1961.)

But MRM in Parliament - Rs.5,350 crores
(£ 4,012 million approx.)

So far promises of credit aggregate

Rs. 375 crores (£ 282 million approx.)

about one-seventh of the gap

(Economist - January 28, 1961)

"It is, indeed, an immense sum for a handful of friends to be expeated to find on the security of little more than an act of faith. It is in no sense a banker's proposition, yet three wise bankers have endorsed its general merits."

(Economist - January 28, 1961).

Notes

H.V.R.Iengar

1st February 1961.

Percentage of total investment in State sector

I Plan	:	21
II Plan	:	53
III Plan	:	58

Percentage of total industrial production

Now	:	7.8
After Steel Plants in operation	:	10.00

TTK: "No nonsense about autonomy"

HSL: Delhi breathing down necks of directors in Ranchi

Parliamentary questions

Learning by experience?

Oil : Government now prepared to consider private exploration

Fertilisers: Similarly fertilisers no longer exclusively in State sector