Chapter - 9

The Third Five-Year Plan
THE THIRD FIVE – YEAR PLAN (1961-66)

The Madras State had a starving population during 1962-67 inspite of the implementation of the first two five year plans. Hence, the then Government of Madras had to give priority to agriculture. In order to provide food to the hungry people. The then Government continued to proceed with the Third Five Year Plan. The execution and the benefits of the Third Five-Year Plan are examined in this chapter.

Work on framing the Third Plan commenced in May 1959, with the setting up of several working groups for formulation of schemes under various heads of development. These working groups drew the schemes totalling to Rs.600 crores.1 A draft outline of the Third Plan of the State for Rs.399 crores was drawn up. During the Third Plan period, a recurring outlay of Rs.8 crores per annum for maintaining the services and institutions created during the Second Plan period. The total expenditure of the Third Plan was Rs. 291 crores.2

The Third Five-Year Plan envisaged the stepping up of the food production potential from 53.14 lakh tons to 69.64 lakh tons.

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Besides Thanjavur district, the Package Programme for intensive cultivation of paddy was extended to the districts of North Arcot, South Arcot, Salem, Coimbatore, Tirunelveli and Tiruchirappalli.³

The essential features of the scheme were to prepare an ‘Individual Farm Plan’ in respect to each individual farm, for the supply of the full requirements of the farms including credit facilities and help in maximizing the production to assure steady supply of chemical fertilizer, improved seeds, improved agricultural implements, etc.,

Each farmer was helped to draw a plan for increasing the yield in his farm and achieved a planned target. The total area was covered 6.93 lakhs acres. The consumption of fertilizers, both chemical and organic, by adopting improved agricultural practices, by extensive use of improved seeds. The gross area sown in 1965-66 was 7,304,757 hectares in the Madras State.⁴

The area under food crops in 1965-66 showed an increase of 51,925 hectares. The area under paddy was 2,659,010 hectares in 1965-66 and the produced rice was more than 50 per cent. The percentage of area under non-food crops was 24.3 per cent.⁵

It is estimated that an area of 35 lakhs acres had been covered by Japanese method of cultivation by the end of 1965 – 66.⁶

As against a sum of Rs.17 crores spent on irrigation during the Second Plan, the Third Plan provided Rs.27 crores, including a sum of Rs.21 crores for completing the Parambikulam – Aliyar project.⁷

In view of the emphasis laid on the complete utilization of the existing water resources, it was proposed to provide Rs.48 lakhs for the Palar Canal System so as to ensure stable supply to the tanks in the lower reaches.

The Sathanur Project II Stage which could enable better utilization of the existing reservoir was taken at a cost of Rs.55 lakhs. The other medium of irrigation schemes included in the Third Five-Year Plan period, Manjalar Scheme in Madurai district and the Gomukinadi Scheme in South Arcot district had been sanctioned at a cost of Rs.66 lakhs and Rs.87 lakhs respectively.⁸

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A token provision of Rs. 5 lakhs had been made for these Medium Irrigation Schemes and this could be stepped up in the course of the year with reference to the place of execution.

To supplement major irrigation, sufficient stress had been placed on minor irrigation schemes. Rs. 8 crores had been spent in the last 10 years towards the improvement of 27,000 tanks scattered all over the State. We had planned to spend another Rs. 8 crores for this purpose in the Third Plan. 9

Well irrigation was widespread in our State, the agricultural prosperity of Coimbatore district for instance, was largely based on well irrigation. These wells were being dug by ryots at enormous cost because they do yield an adequate return on the investment. It was necessary to expand well irrigation to the utmost in view of the fact that the scope for river irrigation in our State had been exhausted.

The provision for animal husbandry in the Third Plan was Rs. 352 lakhs including an outlay of Rs. 75 lakhs on key village and supplementary extension centres and Rs. 52 lakhs for poultry development. 10

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Dairying and milk supply could absorb Rs.275 lakhs under the Third Plan. This includes a sum of Rs. 100 lakhs for the Madras Dairy and Milk Project and Rs.53 lakhs for the installation of pasteurization plans at Tiruchirappalli, Thanjavur and Madurai.\textsuperscript{11}

UNICEF aid had been sought in respect of the scheme for Madurai. It was also proposed to set up a butter and milk powder factory at a cost of Rs.15 lakhs and cattle feed manufacturing centres at a cost of Rs.6 lakhs respectively.\textsuperscript{12}

A total sum of Rs. 2.12 crores had been allotted for development of forestry under the Third Plan. The most important scheme under this head was the programme of farm forestry at a cost of Rs.75 lakhs to cover an area of 2,62,000 acres in various selected villages.

For economic plantations, a sum of Rs.27 lakhs had been included and Rs.30 lakhs had been provided for planting trees along side rivers, lakes and canals and railway lines. Provision had been made for rubber plantations on 2,000 acres in Kanyakumari district.\textsuperscript{13}


\textsuperscript{12} Ibid.

Bulk of Third Plan Outlay was ear-marked for Power, the total outlay on power schemes being Rs.100 crores. During the Third Plan period, the installed capacity was targeted to be raised from 571 mega watts to 1,151 M.W.\textsuperscript{14}

The main schemes included in the Plan were the Kundah Hydro-Electric Scheme III Stage, The Mettur Tunnel Scheme, Periyar II Stage, the Parambikulam-Aliyar Scheme, the Kodhaiyar Hydro-Electic Scheme and Madras Plan Extension VI Stage. The Mettur Tunnel Scheme which was originally intended to had 2 units of 50 M.W. installed capacity had been expanded with 4 units of 50 M.W.

The Kodhaiyar Scheme and the Madras Plan Extension IV Stage had been newly added during the year 1962. In the matter of rural electrification, the Madras State ranks first in India. Out of 18 thousand villages, 15,673 towns and villages were connected with electricity system at the end of 1963-1964 and 1,81,000 agricultural pump sets been connected before 31\textsuperscript{st} December 1966.\textsuperscript{15}

The most important of the Public Sector Projects under this head was the Neyveli-Salem Steel Plant with a capacity of 0.5 million tons of


steel per year. It could be based on the iron ore available at Salem and the Lignite available at Neyveli.\textsuperscript{16} Survey for the determination of the plant location, water-supply and railway alignments had been completed.

On the advice of the Government of India, the State Government had notified an extent of 22,000 acres of land in Karjamalai area of Salem district for acquisition for the Steel Plant Township and Ancillary Industries.\textsuperscript{17} A steel rolling mill with a capacity of 20,000 tons per annum and costing Rs.1 crore was proposed to be established by the State Government for meeting some of the departmental steel requirements.\textsuperscript{18}

A sum of Rs. 1 crore had been provided in the States Plan for investment by the State in the share capital of the proposed Madras Industrial Development Corporation, which devoted itself to develop new industries. It could also set up a technical wing to provide technical advice to private industrialists. Government participated in the share capital of Co-operative Sugar Mills to the extent of Rs.110 lakhs in the Third Plan.\textsuperscript{19}


\textsuperscript{18} Ibid.

Provision had been made in the Central Sector of the plan for the establishment of 2,500 power-looms in the Handlooms Co-operative Societies. The Madras State had a well-knit system of roads, the total mileage of which was 25,867 miles.

The Third Plan provision for 'Roads' was Rs.200 lakhs had been ear-marked for Panchayat Union Roads. The Third Plan aimed at stepping up the rate of progress in educational sphere in the State with an outlay of Rs.25.45 crores. This was largely due to the Mid-Day Meal Scheme and the School Improvement Scheme under implementation in this State with contributions from the local public.

The plan provided for an additional enrollment of 2.15 lakh pupils of age group 11-14 six hundred new schools had been opened during the Third Plan. The Schemes under this head broadly related to the three sectors, namely 1. Medical 2. Public Health 3. Water Supply and Sanitation. The Third Plan provided for an outlay of Rs.2,150 lakhs for all these sectors.

20. The Third Five-Year Plan for Madras State, The Director of Information and Publicity, Government of Madras, 1962, p.68
To expand medical facilities, the hospitals in the Taluk Headquarters, District Headquarters and in the Madras City were improved by construction by additional buildings, provision of equipment and other facilities. Under Family Planning Programme, 40,000 persons had undergone sterilisation operation during 1961-66.  

Under Public Health, the main attempt was to complete the programmes of eradication of Malaria, Small-pox and Guinea-worm diseases in the State. 150 Primary Health Centres were opened.

The entire State had been covered by the Community Development Programme and the implementation of the programme had been entrusted to the Panchayat Unions. The most important programmes entrusted to the Panchayat Unions were elementary education, provision of water-supply facilities, laying of link roads and implementation of the agricultural and animal husbandry schemes at block level. The total expenditure under the Community Development Programme for the year 1961-66 was Rs.2,046.59 lakhs.

24. Ibid.,
26. Ibid.,
Table 9-1

Outlays in three plans of the Madras State 1951-1966

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PLANS OUTLAY IN THE MADRAS STATE (Rs. Crores)
Annual Plan (1966-67):

Detailed studies on the various aspects of the Fourth Plan could take some more time. But the Third Plan was coming to a close and the formulation of a short term emergency plan, pending the Fourth Plan, had become necessary. It was decided to formulate the Annual Plan for 1966-67.\textsuperscript{27}

The Annual Plan took in to account the specific exigencies of the present situation and consequently it could be a special plan. It involves a rephrasing of certain programmes and outlays.

The original draft of the Fourth Plan prepared in 1966 under the stewardship of Ashok Mehta had to be a banded on account of the pressure exerted on the economy, by two years of drought, deviation of the rupee and the inflationary recession. Instead of the three annual plans euphemistically described as Plan Holiday were implemented.\textsuperscript{28}

The short term problems in agricultural and industrial production were tackled.

In addition to the maximum use of existing capacity, the major outlays in irrigation and power were diverted to the completion of quick yielding schemes.

State Governments were given guidelines to prepare their Annual Plan for 1966-67. They were asked to take into account the limitations of internal and external resources to provide for the completion of continuing schemes. This plan gave priority to agricultural production and especially to quick-yielding schemes and to utilize the maximum capacities created in the fields of industry, irrigation and power. Expenditure on new construction was to be kept to the minimum.

The main common features of the plan were:

1. Priority to schemes which could help in increasing agricultural production quickly.
2. No new projects of irrigation and power could be undertaken.
3. Major part of outlay could be spent on continuing schemes.
4. Emphasis on utilizing domestic resources to the maximum and substituting them for external resources.

The plan outlay of the Madras State was 75.33 crores and central assistance was 33.30 crores.\textsuperscript{30} The plan efforts to increase production with new technology, a good year of rainfall in record food crops production of 75.7 per cent, non-food crops were 24.3 per cent.\textsuperscript{31}

The total output of food crops in Tamil Nadu in 1966-67 was estimated at 5,458,300 tons comprising 3,790,950 tons of rice, 1,555,060 tons of millets and other cereals, 112,290 tons of pulses. During this year, 215,808 acres received the benefits of irrigation both under the major and minor irrigation programmes. Two thousand and thirty-eight filter point tube-wells, 565 artesian wells, 865 sub-artesian wells and 9,389 ordinary wells under new Well Subsidy Scheme were sunk in Tamil Nadu.\textsuperscript{32}

This chapter described the Third Five-Year Plan and the Annual Plans executed by the then Government of Madras. More attention was provided to the growth of agriculture than the other sectors by this plan. Annual Plans were introduced to improve the production food products since the Five-Year Plan could not meet the requirements.

\textsuperscript{30} Yojana, New Delhi, February, 1966, p.28.