

[Shri Shiv Charan Gupta]

public life and thus creating confidence in the system of democracy.

It is quite unfounded and baseless that I ever did any land business, purchased and sold land and thereby made profits. He stated that he could produce proofs. I challenge him to submit proofs and be ready to face the consequences for his failure to do so. It is again wrong and baseless that any land was ever sold through me. It is also baseless that any colony has been named in Delhi or outside after my name. It is unfortunate that the hon. Member Shri Kachhavaiya should take recourse to character assassination, lower the standards of public conduct and degenerate public life.

In the circumstances, I would request you to ask the hon. Member to withdraw his remarks.

अध्यक्ष महोदय : विद्वान् करने का तो स्वाल पैदा नहीं होता ।

श्री कछवाय (देवास) : उनका बयान हिन्दी में भी सुनाया जाए ।

अध्यक्ष महोदय : वह कहते हैं कि जो आपने चार्ज लगाये वह गलत हैं । उन्होंने न तो जमीन ली, न कोई कालोनी उन के नाम से बनी है । वह गरीब जरूर थे, लेकिन कांग्रेस गरीबों को अपनाती है । अगर आप साबित कर सकते हैं तो साबित करें ।

Shri Shiv Charan Gupta: I would request you to expunge those remarks.

Mr. Speaker: They cannot be expunged. If they are wrong, there is a counter-statement now, and both would remain on the record.

एक माननीय सदस्य : हिन्दी में भी बतला दिया जाये ।

अध्यक्ष महोदय : मैं ने समझा दिया है, और समझाने की जरूरत नहीं है ।

Shri A. P. Jain (Tumkur): I suggest that it can be referred to the Committee of Privileges.

12.26 hrs.

MOTION RE: REPORT ON MID-TERM APPRAISAL OF THIRD FIVE YEAR PLAN

Mr. Speaker: The House will now take up further consideration of the motion moved by Shri B. R. Bhagat on the report on the Mid-term Appraisal of the Third Five Year Plan. Out of 15 hours allotted, 1 hour and 35 minutes have already been taken up, and 13 hours and 25 minutes now remain.

Shri D. N. Tiwary who was in possession of the House may continue his speech now.

Shri D. N. Tiwary (Gopalganj): Last evening, I was describing the condition of Bihar and its utter dependence on agriculture. The population depending on agriculture in Bihar is nearly 86 per cent as compared with the all-India average of 70 per cent.

I had also referred to the discriminatory treatment meted out to Biharis in the Central undertakings. Then, I was interrupted by the hon. Minister of Steel, Mines and Heavy Engineering. For his information, I want to quote certain figures. In the Heavy Engineering Corporation, Ranchi, out of technical and engineering posts, only 406 are held by Biharis, and 1638 are held by non-Biharis. In Sindi too, out of 90 engineering posts only 6 are held by Biharis, and 89 are held by others. In other posts also, the position of Biharis is not very good, if we compare the position with what exists in the State undertakings established in other States. When you go to Madras or Calcutta or Bombay, you will hardly find a single Bihari there . . .

Mr. Speaker: The hon. Member should address me. I would request hon. Members to be careful that they do not address the Ministers directly. We have had experience of two years in this new House also. Addressing the Chair is a wholesome procedure and that must be followed.

Shri D. N. Tiwary: Sometimes, we go astray.

Shri Nambiar (Tiruchirapalli): The hon. Minister is here, and we can talk to him.

Shri D. N. Tiwary: I may point out here that if you were to go to Madras or Bombay or Calcutta or to any other place, you will hardly find any Bihari in any post in the Central undertakings there. I do not want any discrimination against any State. But I am concerned with the fact that Biharis should not be discriminated against even in their own State but unfortunately, there is discrimination today.

The employment position in Bihar has gone down to very great extent in the last two years, that is, since the inauguration of the Third Plan. I would ask the hon. Minister of Finance and the Minister of Steel, Mines and Heavy Engineering to take this matter into consideration and issue directives that no discrimination should be made against the Biharis.

In all the Central undertakings in Bihar, you will not find a single Bihari as manager as personnel officer, the two key officers who give employment to people there. These posts are generally held by outsiders.

This is bias against Biharis.

Mr. Speaker: These matters should rather be taken up privately with the Minister or the appointing authority instead of discussing them on the floor of the House.

Shri D. N. Tiwary: We are tired of raising this matter with them and therefore, I have taken this opportunity to say it here.

Shri C. Subramaniam: May I say that the charge of discrimination is completely unfounded? At the engineers level, selection is made on the basis of all-India recruitment, and if there are not sufficient number of

Bihari engineers qualified to be employed, there is no discrimination at all. Therefore, simply because it is in Bihar, we cannot employ every Bihari there to swell the number.

Shri D. N. Tiwary: I challenge this statement, because in Bihar there are quite a large number of engineers and diploma holders who are sitting idle. Yet they are not getting any employment there. The reason is that the head of the undertaking and the personnel officer there are not Biharis. Therefore, such things are happening.

A sense of justice should be shown to Bihar so that it can come up to the level of the advanced States.

Bihar has a *per capita* income of only Rs. 193 as compared to the all-India figure of Rs. 329.

Coming to the subject of the motion, I wish to say that it is not creditable for us not to fill the gap in agricultural production since 1950. In 1950, the gap was of the order of 4 per cent. Today also it is of the order of 4 or 5 per cent. We have no doubt produced more, but the average gap is not filled up.

The second point is that the outlay on the Plan has gone up by Rs. 500 crores, from Rs. 7500 crores to Rs. 8000 crores. I only wish to point out that the investment should be commensurate with the benefit. Why has the Plan failed? The main deficiency is of the implementation machinery, as was said here. The administrative machinery reeks with corruption which is widespread at the lower level but the higher level is also not immune to it. I can say without fear of contradiction that so far as the Railways, PWD, Supply Offices and Block Offices are concerned, 90 per cent people are corrupt. In those places, it has penetrated even the higher level. You have to make provision against corruption and have to tighten up the looseness and softness in the administrative set-up. The system of recruiting retired personnel should be done away with. If you

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want to profit by their advice, keep them on advisory boards, but not in places where implementation is required. They have grown old, they have worked sufficiently and cannot be expected to put forth the same dynamism which can be expected from a young man.

The third point is that the burden of taxation falls more heavily on the middle income group. This should be tightened. Central taxation has brought revenue to the tune of Rs. 1900 crores, that is, Rs. 800 crores more than the target. It is time the Finance Minister gave thought to this problem of lightening the burden on the middle income group.

Diversion of funds from one head to another as agreed upon under the F. Y. Plan and annual plans should be checked up; otherwise, national and State priorities are upset.

The most important social objective of planned development is to lift up those regions and sections of the community which are lagging behind, and bring them on par with those who are advanced. The whole body cannot be strong unless every limb thereof is strong. Bombay, Calcutta and Madras have an advantage in that they came under the occupation of the British earlier, and so they developed earlier. Special care has to be taken of the backward areas.

As you have already rung the bell, I will just refer to what the Prime Minister has said, which hangs in every office: 'I am not interested in excuses for delay. I am interested in the work done.' The people of India are looking to us, to the Government, specially to Pandit Jawaharlal Nehru, to lift them up from misery. Let us not fall them. Let all of us put our heads together to help our great leader to achieve our goal.

Shri Indrajit Gupta (Calcutta South West): This mid-term appraisal report of the Third Plan has been under considerable public scrutiny during the

last 8 or 10 days. Newspapers have commented widely on it, various economic journals and prominent persons have made several remarks regarding it. It is being referred to as disappointing, somebody has referred to it as a painless appraisal, somebody else has termed it as a painful appraisal. The Prime Minister is reported to have said that it shows that the Plan is in a 'rut'. He seems to have diagnosed its ills in one word, that is, failure to implement the Plan, that is, the failure of implementation and administration primarily.

Yesterday, we had an introductory speech from Shri B. R. Bhagat which, I think, was also painless rather than painful, because it was certainly complacent, whatever else it may not have been. Then we had our familiar prophet of doom, Shri M. R. Masani, speaking here prophesying that the end of the Plan was in sight or even if it was not, it should be scrapped as soon as possible.

This is a very big subject, and it is not possible to deal with all aspects of it. There are only a few problems which I would like to highlight. I do not wish to go into a detailed debate with Shri Masani because his is a lone voice in this House. I think nobody supports his idea that the country can advance without planning. My quarrel with him is not that there is socialism being built here; my quarrel with his outlook is that socialist is not being built here; in fact, capitalism is being built in the name of this Plan. It is not that the Government is interfering too much, but in my opinion, the Government is rather too timid and hesitant. It is not, as Shri Masani wanted to make out that the public sector is becoming so powerful; in my view, the public sector is still very very weak in relation to the private sector.

Somebody has said—I think it was the Prime Minister—that this report has the merit of frankness, that at least it does not try to hide unpalatable truths, but admits them. I am afraid I cannot agree with the Prime Minister

either. Certain truths become so obvious, so unpalatable that there is no way out but to admit them, at least under compulsion. Even so, the old habit dies hard.

Within the short time at my disposal, I would like to point out certain things. For example, as soon as one reads the opening pages of this report, there is a sort of deception of statistics being practised, which is certainly not consistent, in my view, with a desire to be frank. For example, the Government's estimate of national income prepared by the Central Statistical Organisation has made it quite clear earlier that between 1960-61 and 1961-62, there was an actual decline in the rate of growth; no question of the advance being slower than it was targeted to be—but that is the thesis made out in the appraisal report, that we are supposed to advance at the rate of 5 per cent, but the advance has been annually only of the order of 2.5 per cent. But this hides the truth which is revealed very much in the Government's own figures, that from a *per capita* national income of Rs. 293.7 in 1960-61, there was an actual decline to Rs. 293.4 in 1961-62. The index went down from 117.7 to 117.5, but the appraisal report hides this fact. It glosses over it by lumping two or three years together and saying that from 1961-63 the annual rate of increase was 2.5 per cent. It is not correct. Either the appraisal report is correct, or the estimates of national income are correct. So here the old habit persists because if you lump together 1961 to 1963, take the average and show it as an annual increase of 2.5 per cent, it hides a very serious fact, and the truth, that there was an actual decline between 1960-61 and 1961-62.

Calculations show that even if by 1976 we are to attain a state of affairs where every family will have an income of Rs. 100 per month, the rate of growth should go up to 7 per cent per year. This gives some idea of the mag-

nitude of the problem we are facing, and it has to be appreciated in the perspective of the controversy we had some time ago over how many people were living on three annas or $7\frac{1}{2}$ annas a day.

My other big quarrel with this report as a report is that it talks about production, growth, output and all that, but is silent on the distribution of that national income. What kind of an appraisal is this? Appraisal must be all-sided. The difficulties are there, nobody denies them, but only one side of the picture is shown. What is happening in the distribution pattern of the national income is not shown.

In fact, there is a certain amount of complacency in the rather boastful claim that though the national income may have gone down, reserves on a much larger scale have been mobilised. What is the conclusion Government wishes to draw from this? What they have stated is correct, but an appraisal must be made of its pattern.

In 1948-49 the amount mobilised in the form of direct taxes was 2.8 per cent, while in 1961-62 the percentage has not changed, it remains roughly the same, whereas indirect taxes from 4.1 per cent in 1948-49 have gone up to 7.8 per cent in 1961-62. This has some bearing on the distribution of the national income. It is not enough just to say that resources have increased.

The Reserve Bank made a study in September, 1963 which very clearly shows that in the urban sector—our economy is still very much urban-oriented, and that is the danger—the unequal distribution of income has increased instead of narrowing down. Nowhere does this report appraise this problem. Only the ultimate objective are extolled. According to the Reserve Bank survey, the top 10 per cent of the population gets 28 per cent of personal income, and the top 20 per cent of the population appropriates 42 per cent of personal income.

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So, this report is not frank, it is one-sided; it is only frank to the extent that it is not possible any more to conceal the truth about certain things.

Since there are one or two polite but critical remarks about the private sector in this report, there is quite a hubbub in the private sector, and they are saying that the whole trouble is that the climate of investment is not what it should be, that Government is not doing anything to create a proper climate of investment. I find that the latest issue of Birla's Eastern Economist of today's date says that no measures are taken in terms of Government planning to provide for a favourable climate of expansion in the private sector. This is their grouse. And Shri Bhagat sounded rather dutiful when he seemed to echo this yesterday by saying that Government was very anxious to take steps to see that a favourable climate was created for investment and expansion. What do these gentlemen want? They should tell us clearly. Shri Masani is one extreme phenomenon of this theory, and I do not bother much about him.

The national income rose by 43 per cent in the whole of the 'fifties; absolute profits rose in the same period by 76 per cent; dividends rose in the same period by 55 per cent. And yet there is no climate for investment according to these gentlemen. This rate of profitability is higher than the rate available in U.K. Many figures can be produced to show that the lion's share of these companies' surpluses are being appropriated by the promoters, directors, managing agents and so on. One has only to compare the state of affairs that existed 15 years ago with that of today. Let us take any one of the top business houses in this country and see how many concerns they owned 15 years ago and how many they own today. That is enough to show whether the climate of investment is favourable to them or not.

This talk about unfavourable investment is also cited to show that foreign

investment is not coming fast enough, because of disincentives in this country. Here is a statement made some time ago, in November, by Shri R. S. Bhat, who is Director of the Indian Investment Centre, which, as you know was set up some time ago with Shri G. L. Mehta as Chairman to try to attract more foreign private capital investment into this country. In this statement reported by the PTI Shri Bhat says that investors of the capital exporting countries are investing in those industries whose products can command a large and growing market, either domestic or foreign. Welcoming this as a satisfactory trend, he said:

"This was because there was a large domestic market for the products of some of the manufacturing industries. The rate of profits was also attractive in India as compared with the developing countries. A recent study had shown that U.S. companies in India reported an earning ratio of 20.9 per cent. In 1961 the ratio was 9:1 in Japan and 19:1 in the Philippines. He added that many foreign firms regarded India as a base for acquiring a foothold in the markets of the neighbouring countries."

If the Director of the Indian Investment Centre can talk like this, I do not see any evidence of an unfavourable climate. It is a smokescreen created by Shri Masani and his friends and certain of their friends abroad in order to put more pressure on the country to make more concessions to them.

Shri Ranga (Chittoor): You want control.

Shri Indrajit Gupta: As a matter of fact, even the Government has a particular weakness, and seems to argue continually that foreign private investment is essential for our economic growth.

Shri Ranga: Of course.

Shri Indrajit Gupta: Plenty of foreign private capital has come to this country. Nobody answers the ques-

tion. How does it fit in with the planned economy? What is its contribution specifically to the development of the Plan, along the lines that want the Plan to go? Foreign investment pattern is only in those industries which are highly profitable. That is natural. That is what Mr. Masani says day in and day out: if you leave a free field they will go into the most profitable industries. But it does not follow necessarily that the industry earning the highest profit is the industry which we shall give high priority in our Plan. If the capital inflows and outflows are balanced over a period of years it will be found that the net result on our balance of payments is negative, it has a negative effect on our balance of payments. That is the whole pattern of foreign investment and foreign capital in this country. The worst example is our trading terms with West Germany. Everybody knows it. What a huge deficit are we incurring with West Germany as a result of the pattern of investment and trade with them? It is calculated that if the gross inward cash transfers plus investments in kind are taken together and from that we take the total outpayments for repatriation and for service charges, every year there is a deficit of Rs. 20-30 crores that this country is suffering. It is not as if it is a shibboleth whether we should have foreign capital at all costs in the country or we should never have foreign capital. What is its impact and effect on the economy?

The Minister of Planning (Shri B. R. Bhagat): What do you include in the outgoing?

Shri Indrajit Gupta: I will have to go into a lot of details; I do not wish to be derailed. I can show it to him any other time and I shall discuss it with the Minister. Of course, most of the British companies in the country operating for a very long time are ploughing back their profits. That is also counted as far the inflow is concerned. Now, let us see the climate

for investment. Take any of these concerns. The Hindustan Lever, for instance, for a long period has been ploughing back. What has happened. It began with a subscribed capital of Rs. 5.57 crores and its accumulated reserves are 3.87 crores. In the last three years, it declared dividends at the rate of 24, 26 and 26 per cent. The Dunlop Rubber's subscribed capital is Rs. 5.2 crores its accumulated reserves are already Rs. 4.7 crores. It declared dividends at the rate of 21.5, 21.5 and 20 per cent. The subscribed capital of Metal Box was Rs. 1.91 crores but its reserves have already exceeded Rs. 1.97 crores and it has been declaring dividend at 17 and 25 per cent. Is this an unfavourable climate for investment? I do not go into the question of repatriation of profits of the oil companies: this is known to everybody. Between 1955 and 1961 over Rs. 83 crores have been repatriated from these three oil companies in view of profits, depreciation, operational requirements, etc. So, on balance what is happening? How much are we gaining? Are they assisting us in our economic growth? Is there not ample compensation for them for bringing in this capital in this form? On the whole, as I said, it is having a negative effect but there is no appraisal of it in the report here.

The whole question of the private sector's performance has come up. It is quite helpful that this morning during question hour two statements were laid on fertiliser and cement. The Ministers, the report and Mr. Masani attach great importance to giving the people minimum of housing, clothing and food and you cannot do these things without these materials—fertiliser and cement. In the statement there is much juggling of figures. They say the demand for cement has gone up very much and is now in excess of the capacity. It may be correct. But the real point is: why production has not kept up with today's installed capacity? For meeting increased demands you may have to have increased capacity. But what about the existing installed capacity?

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No answer is given. In the statement they say that in order to induce the industry to maximise production, a scheme for incentives by way of increased price for extra production over and above the base production has been introduced. That is the hub of the question. The private sector, being a capitalist sector, operates according to the economy of capitalism which means they will always produce only when they can sell it at a certain price and at a certain margin of profit in the market. Otherwise, they would cease to be capitalists. Therefore, the installed capacity is not being utilised to the full. It will be utilised to the full only when this condition is satisfied. The figures in the statement show how production is lagging behind capacity in respect of fertilisers. In this case the public sector plants are also partly to blame. In reply to a question the other day, hon. Minister Shri Humayun Kabir gave a delightful vague reply; out of 7 licences issued to the private sector for fertiliser plants, three were going ahead. That means what? They are going ahead for the last several years. Then, there were under discussion: and one was being transferred to the public sector. That is the record of the private sector. The least that I can say about the public sector is that it should do much better. The main bottleneck in respect of the public sector is in administration. There is a certain amount of anarchy in planning: then there is the rather chaotic administrative method and then there are conflicting interests between Ministries and the Planning Commission and the State Governments and all these constantly push and pull and hamper the advancement. There is the bureaucracy which has been referred to many times. People who have very little qualification are put as heads of industrial units or in big posts. I read today for instance that the scientists who work with the CSIR are complaining that they are never consulted, there is no co-operation and co-ordination with them—they have said in a statement—when foreign collaboration agreements

are entered into whether the CSIR laboratories could produce indigenous—some part of the materials required for the projects; their possibilities are never explored. The result is much wastage of expenditure and talent. Certain collaboration agreements are positively harmful to our local interests and industries. This is the kind of thing going on in the Government sector.

This Plan will never get out of this deadlock into which it has come unless Government makes up its mind whether it wants capitalism to grow or socialism to grow. We are haunted by this theory of mixed economy. In the beginning when we first won Independence it was found very necessary. I would like to know from the Government, on this theory of mixed economy, whether it means that for years together, and for all time to come, the balance of forces within the mixed economy, that is to say, the private sector and the public sector, co-existing side by side, will remain as it is and there will be no change in the balance. Certain people are wanting to change the balance in favour of the private sector, and to see that mixed economy framework must remain. Somebody wants the private sector to be more and more dominant, but does the Government want the public sector to be more and more dominant or not? That is what I want to know. If it does not, if it sticks to the rigid theory that there must be mixed economy and therefore everything has one national character, what is happening? The other day the Finance Minister said, "Why do you talk of public sector and private sector? There is one national sector." It sounds very nice, but inside this framework, what is happening? Therefore, only if this concentration of economic power, which is being allowed to develop the private sector, is frankly recognised—I will say that this report and appraisal has been frank. When that is recognised, and the Government decides that this further concentration of economic power will not be allowed to in private hands, and

that stronger measures will be taken against it to curb it and correspondingly the public sector will be developed, only then this Plan can go ahead and not otherwise.

13 hrs.

On the contrary, many of Government's measures are only strengthening and encouraging this concentration in private hands. Between 1960 and 1961, ten per cent of all the licences that Government issued—industrial licences and import licences,—were cornered by 25 top business groups. 10 of these industrial groups in this country controlled in 1951, 876 companies. In 1958, the same 10 groups controlled 929 companies. The capital controlled by them in these companies went up from Rs. 202 crores to Rs. 292 crores in 1958. And these Rs. 292 crores represented 25 per cent of the total share capital in this country, that is, non-Governmental capital. 25 per cent of the total share capital was held by these 10 large industrial groups with a total investment of Rs. 292 crores. These are the reported findings of the Mahalanobis Committee. I do not know whether they are accurate or not. When this report is laid before the House, if ever it is, we shall see. But this is the pattern of development that is going on, and to cover it up, a barrage is let loose by Shri M. R. Masani and his friends saying that there is no climate for investment and they must be given more and more concessions, more and more facilities; and more and more mollycoddling and more and more pampering of the private sector must be done! I am sorry to say that the Government and the official planners are more often than not tending to succumb to this pressure.

I have not much time left now and I wish to conclude. I come briefly to the question of this agriculture and land reform. What should be the immediate aim of this land reform? These are not new things. These have been stated so many times. Some-

body is haunted by a vision: Shri Ranga and his friends say that lands will be collectivised and taken away from the peasants. What the Government wants to do, I am not able to understand till today. (*Interruption*). At the present level of development, the immediate aim should be, the small peasant-owner not the big owner who is represented by Shri Ranga and his friends—must be stabilised on the basis of a proper fixity of tenure. The fact is that the ceilings are there on paper. In many cases they have not been able to firmly impose the ceilings; where the legislation has brought in the ceilings, the ceilings have evaded, as everybody knows. So long as this atmosphere of uncertainty persists, these small peasant-owners will never have the incentive to work and increase the production. Therefore, the immediate aim of land reform must be, especially of small peasant-owners, a fixity of tenure with a realistic ceiling. I am prepared to accept this definition of ceiling, the prescription for the ceiling, given by the Utkal Pradesh Congress Committee—Executive Committee. They have said it is a very realistic outlook. I do not know, whether it is scientific or not. They say:

“...land reform in terms of land ceiling has to remain within the orbit of the capacity of a pair of bullocks, which is the only agricultural fraction power in India today. It is estimated that the owner-tiller with a pair of bullocks cannot work intensively more than seven acres.”

Maybe seven acres at one place and something else somewhere. But some ceiling has to be fixed realistically on this basis, guaranteeing the fixity of tenure and all possible assistance to the peasant-owner from the State, in the form of fertilisers, better seeds, water, above all else perennial supply of water for irrigation, insecticide, implements shortage facilities, credit facilities, marketing facilities, etc. I am glad to say that various committees even belonging to the ruling party

[Shri Indrajit Gupta] have begun to support this rather more vocally in recent days.

Shri A. P. Jain (Tumkur): May I put a question?

Shri Indrajit Gupta: There is no use asking me a question, because I am not a Minister. This is not a socialist programme. It is an elementary programme which is capable of adoption, for land reform. Why is it not being carried out? The reasons are not given. The reasons for the short-falls are not given. What stands in the way? Why cannot the programme be carried out? Whose interests would be harmed if these were carried out? Obviously the interests of the big landholders, the traders, the grain speculators and the people who can profit at present by exploiting the peasants. Therefore, the pressure of these sections from outside the ruling party and inside the ruling party is holding back the hands of the Government, and so these land reforms are not going ahead, despite so many good intentions which are expressed.

Above all else, there is a failure to enlist the co-operation of the peasant himself, the man who is supposed to benefit primarily by this measure of land reform. Land reform cannot be carried out, as it sought to be done, entirely by the bureaucratic administrative machinery, by multiplying the committees and village community schemes and block development and so on. Do that by all means, in whatever way you think they are efficient, but these can never be worked without the active enlistment and co-operation of the peasants through some form of organisation which brings in their co-operation directly.

Another question in this connection which I would like to raise for the consideration of the Government is this. Our agricultural production is lagging so much and now the experts are saying it may take 25 years before we can attain self-sufficiency at the present rate. So, should we not

also think, along with this question of land reform which does not brook delay—I am not going into it again now—in terms of some sort of crash programme which will at least in some places put up our agricultural production, boost it up in a way which will be striking? Does this question of mixed economy apply only to the field of industry and commerce? Cannot it not be applied to agriculture? There is no assessment in this report. With whatever data are available, I went into the question of the working of the Central Government's mechanised farm at Suratgarh about which, I regret to say, very little has ever been told to this House. The experience in that farm is never properly shared with this House. In this Central Mechanised Farm at Suratgarh, I find that during the year 1-7-1960 to 30-6-1961—there is no subsequent report available—which was incidentally a year of very unfavourable climatic conditions—a very bad year as far as climate is concerned—the yield which was obtained was poor. What was the yield per acre which was obtained at Suratgarh compared with the all-India average? I have tried to compare it. I could get hold of the figure for paddy. The highest yield per acre achieved at Suratgarh was 43 maunds per acre. The all-India average, according to the Government, is 11.4. In jowar, the yield at Suratgarh in that year, which was a bad year, was 23.25 maunds per acre. The all-India average was 6.5 maunds. In the case of bajra, the yield at Suratgarh was 15 maunds 32 seers. The all-India average was 3.15 maunds. In the case of sugarcane the highest yield at Suratgarh was 1,000 maunds. The average yield was 417 maunds 29 seers. The all-India average was 50.5 maunds. In the case of wheat, the yield at Suratgarh was 30 maunds. The highest average yield was 19 maunds and 31 seers and the all-India average 9 maunds.

Shri Ranga is making a running commentary here about how much wastage, how much expenditure and so on. Well, he is welcome to go into that and give us the figures. The im-

portant point is, allowing for all wastage and excessive expenditure and everything, there is enough evidence here to show that the margin is so great. So, I would request the Government to take this more seriously. Side by side with land reforms on the basis of small peasant owners, why could they not set up more of these big State mechanised farms in suitable parts of the country? I do not see any reason against it. There is plenty of land lying around and if the Government organise such farms and run them more efficiently, there will be very good returns. Of course, in the case of Suratgarh, we know that the entire machinery and equipment that were required were supplied as gift by the Soviet Union, but if we have 10, 15 or 20 such farms, there is no reason why the Government will not be able to procure the necessary equipment and agricultural machinery from various friendly countries. So, my suggestion is, taking these figures—if these figures are wrong, I stand corrected; these are government figures—the margin of difference is so great that this seems to be a line worth exploring. I read somewhere that one Soviet agricultural expert is reported to have stated that if instead of one Suratgarh there were 100 Suratgarhs set up in India, India's problem of food deficit could be solved.

Shri Shivaji Rao S. Deshmukh (Parbhani): Then we will need a Moscow in India too.

Shri Indrajit Gupta: I expected these hon. Members to have a little more intelligence. When they cannot run their own Plans well.....

Shri Shivaji Rao S. Deshmukh: I thought Moscow had enough intelligence. That is why I said that.

Shri Indrajit Gupta: Now I come to the conclusion of my submissions. The real truth of the matter, as I see it, is that there are two plans at work, not one plan. At the AICC session at

Jaipur one leading member of the ruling party, either consciously or unconsciously, for a brief moment lifted the curtain from a corner of the truth when he said that there is a parallel government functioning in this country, a parallel government run by people who, according to him—I do not know from where he got his estimate—have in their hands about Rs. 3,000 crores of unaccounted money. And I know precisely whom he was referring to—the very people whom I have referred to as the foci of economic concentration of power. If a leading member, and a responsible member I believe, of the ruling party can make this statement that virtually a parallel government is being run, I see here a parallel Plan is being run by the same people. There is one plan which is the official plan of the Planning Commission, and there is yet another plan. There are two sets of planners also. There is another Planning Commission underground, whose theoretician is Shri Masani, and maybe its planning body is the Executive Committee of the Federation of Indian Chambers of Commerce and Industry, and some of their agents are perhaps inside the ruling party too. This is the basic source of corruption and sabotage of the Plan that is going on with the result that a vast amount of money has been cornered and accumulated by some people. I do not say all businessmen are party to it, but certainly some or most of them are, and here you find it, soon after Jaipur Session Shri K. K. Birla venting his spleen and saying that no such thing as economic concentration is taking place. He has told a long story to show that the poor people are going up in income and the rich people are getting poorer! Perhaps, his one complaint is that he cannot rise to the status of big monopolists in the United States. So, my conclusion is that these monopolists, who are running a parallel government according to Shri Patnaik, are also running a parallel Plan, and that plan is successful to a certain extent, in so far as sabotaging the growth and the development of the official Plan is

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concerned because they are able to get more and more concessions for themselves. Therefore, it is my view that a stop must be put to this kind of double game which is going on.

I am sure the Government is well aware that countries around us, under-developed countries, economically poor countries have had to take certain steps in their own interests. They are not socialist countries but it is not possible for them to develop their economy without taking certain steps to weaken these centres of economic concentration. I have been reading the report of the press conference recently held by President Nasser of the United Arab Republic, where he was asked a number of questions. It would be very instructive, I am sure, for the members of the Planning Commission to read that, and it is available now, and see the steps that they were forced to take. Surely, President Nasser is not a Communist. In fact, in his country the Communist Party is illegal. But, see the steps they were forced to take like nationalisation of the important sectors of the economy without which it is impossible to get either the resources or the points of vantage from where the economy can be taken forward in a country like ours. Therefore, these steps have to be taken.

I would conclude by saying that the Government is today facing a very serious challenge. It is an open challenge. That plan and that Government, the parallel ones I mean, may be operating behind the curtain, but the challenges are voiced openly. May I conclude, Sir, by quoting, with your permission, one or two recent opinions which have been expressed after this Appraisal Report came? People are saying this openly. In the *Indian Express* writes Shri Frank Moraes:

"dressing up old ideas in new garments deceives very few."

"If this is, however, Congress Democratic Socialism, nobody

need quarrel with it; every one has a place under this spacious umbrella—even Barry Goldwater of the U.S.!"

This is from the *Indian Express*. This is the way they take your Appraisal report. The *Statesman* has said:

"Further restatement of the Socialist objective at this juncture is unlikely to contain anything more dramatic than reduction of privileges... Anything specifically more radical may divide the party."

He is referring to the ruling party. Our Ambassador, Shri B. K. Nehru in the United States on the 10th of November in a speech somewhere has said:

"in terms of the definition, the US was perhaps the best Socialist country in the world."

This is the kind of advertisement given for ourselves. Therefore, it is time the Government seriously went in for some self-criticism and turned their eyes inwards. If the Plan is to be modified, re-modelled or re-fashioned in order to take the country forward, for which we are very anxious, we are prepared to give our full co-operation. But, then, that Plan must be a plan in the interests of the people of this country. Now my complaint against the present Plan is that it says many good things on paper but in practice serves the interests of Shri K. K. Birla and Shri Masani. I hope the Government will take a serious view of the grave crisis we are facing and muster courage with the support of the people to go forward along the lines I have indicated.

Shri Surendranath Dwivedy (Kendrapara): Mr. Speaker, the grand catalogue of failures contained in the mid-term Appraisal of the Third Plan is really an indictment of the Government and the Planning Commission. A Government which has so long claimed pre-occupation with developmental activities and failed to maintain our territorial integrity on account of

that pre-occupation has no right to exist after this admission of the grand failures. Further, it is not as if these failures were not known to the Government. The significant aspects of the failures of our economy and planning were pointed out very many times in this House. But what has been the reply? We have always been told "you are all cynics and critics; the foreigners praise us but you condemn us". Even during the elections the Congress party took the credit for the Plan by saying "vote for the Congress because you want the Plan to succeed" and only Congress can make the Plan succeed". Now that the real collapse of the economic development is so glaring that they could not conceal it, they come forward with some excuse and the main criticism starts from the Prime Minister. He says, "Oh! the Planning Commission? It has become a big bureaucratic machine." It is a great discovery made by the Chairman of the Planning Commission after presiding over the deliberations of the Planning Commission for about 12½ years. It is a great discovery, greater than the discovery of India. Was it not known? The Estimates Committee of this House had on several occasions pointed out that the Planning Commission had become really a burden and could not deliver the goods. But nobody paid any attention to that.

Again, because somewhere the blame must be put, he says that there is nothing wrong with the policy of the Plan. He has actually said in a statement that there is need for change in the mode of the implementation of the Plan, that it has fallen into a rut and has become outdated. It is really a very strange statement. A bad workman always quarrels with his tools! I do not know if the Prime Minister of this country who is in charge of the Government apparatus for the last so many years—17 years perhaps—has not looked into these problems of implementation. What happens? Now he realises it after leading this country to historic catas-

trophe and, naturally, gives a handle to friends, like Shri Masani, to come forward to say that. Of course, Shri Masani's criticism is misplaced, I would say. He says that this is a Gostplan imported from Moscow and that these people are dogmatic. But if there was an iota of truth in what Shri Masani says, at least there would have been some achievement. Even in dictatorial countries where the plans have worked there have been significant achievements. I do not think it was proper for Shri Masani to give credit to persons who do not deserve it. There is no Communist or socialist planning as such which is going on in our country. There is no conflict throughout.

Even today I want to know as to what is the social objective of this Plan and what are we aiming at. The hon. Prime Minister says that they do not hide facts, but I want to say that they are hoodwinking the people. I want to know, when this Plan Appraisal was placed before us, why was the Mahalanobis Committee's Report also not placed before the House? The report is not yet published.

Shri B. R. Bhagat: Not finalised.

Shri Surendranath Dwivedy: They will never finalise it—I know that—because it is to your disadvantage. If they had submitted it to the Government, the Government would have been able to point out the reasons that they have stated and where this wealth has gone. When it is made public, I am sure, it will be made more than clear that the Government has really laid the foundation not of socialist planning but really of concentration of wealth. The concentration of wealth has been so great, the economic disparity has become so glaring, the backbone of the weaker section has really been broken to such an extent that ultimately out of all these efforts what would emerge will not be a socialist society but a society more a kin to the ideals and ideologies of Shri Masani. I am very clear about it.

[Shri Surendranath Dwivedy]

This is a crucial period in our history and we have to take the seriousness of the situation into consideration. It is no use crying or raising the slogan of scrapping the plan. That is worse than the disease. That is not the panacea for this. There is need for planned development in this country. That is the objective of the whole country. There is no doubt about it. What has actually failed is not planning but the Planning Commission. I may characterise the Planning Commission as nothing but a frustration squad because of the achievements that they have so far shown to us. It is not only failure in implementation but there is faulty and unrealistic planning also. I would not like to go into details and I do not think it is possible for me to place before the House a more graphic account than what has been stated in the Mid-Term Appraisal report. In every sector, in all aspects of planning it is a period of slow economic growth.

But I congratulate the Planning Commission too. Through great efforts all these years at least they have been able to achieve economic growth in this country at a rate which is just at par with the rate of growth of population. Is this not a great record. At least it has not deteriorated and gone below that. There is a downward trend. That is admitted. In the matter of employment, industrial or agricultural production, economic disparity, housing education, health, rise in prices, anything you take, everywhere the same story is repeated. And if you will go through the report, you will find that the more significant part of it is that this downward trend has specifically occurred in the year 1962-63 which was a significant year for this country. I think, it is remarkable because during that year there was no shortage of resources. Although the Government failed to secure a balance from the current revenue anticipated, in spite of that, the overall resources position is better than before. Against the estimated additional taxation of Rs. 1,100 crores in the five years of the Plan, measures

so far taken will yield as much as Rs. 1,900 crores. Market loans and public savings returns are quite satisfactory. Even foreign assistance position, I think, has exceeded the estimated requirements. Even if we look at the budgetary figures, we find that in a period that was fruitless in economic returns the total budgetary outlay of the States and of the Centre had increased from Rs. 2,616 crores in 1960-61 to Rs. 3,564 crores in 1962-63 and to Rs. 4,173 crores in 1963-64. From internal and external sources money at our disposal was quite adequate for the purpose, yet in performance, in reaching the physical targets they failed. It is really inexplicable.

Another factor was this emergency. Because of the Chinese aggression more powers were given to the Government. There was magnificent response from the people to the additional burden of taxation and to everything. It was with them; yet, they miserably failed. And these are the periods which in other countries have become the boom periods! There has been development and progress throughout in all other countries in such emergencies. Even then if these people have failed and even normal production has not gone up, God save this country from the hands of these planners.

It has been stated somewhere in this report that soon after the Chinese aggression, the National Development Council met in November and viewed the Plan as an integral part of national defence; immediate priorities were re-examined with a view to adapting to the urgent requirements of defence. We have a slogan 'Defence and development'. I would like to know what were the priorities fixed after the re-examination of the Plan; what were the plans that were cut out; whether the Planning Commission and the Government when they discussed these priorities with the National Development Council put before them the administrative capacity which could carry on the burden and the present requirements; or, they are planning in

the air which failed even within these months.

I am told that as many as 117 expansion schemes were abandoned for the purpose of defence. I want to know where these additional resources have gone and where the additional capacity has gone. Has it gone for furthering defence production?

Take the achievements in defence production itself. It is said that there has been significant improvement in this sector. But it is not because of any extra capacity or additional capacity has been generated. It is because the workers responded to the appeal, the patriotic appeal. They were patriotic enough; they cooperated and the unused capacity of the defence factories was utilised to some extent and there was the improvement. Otherwise, if there was more production, it would have been reflected in the index figure. The planning is not done actually for requirements. Political considerations weigh even in regard to the defence production. I want to put it to the Government. Take, for example, the MIG factory which was going to be put up in Orissa. Now, for political considerations, they want to separate it although it was all decided and a place was selected, as I know, in Orissa at Koraput where the entire factory was to be established. As soon as the new Defence Minister came, it was all changed, the bodies to be manufactured somewhere, the machinery to be manufactured somewhere and the assembling to be done somewhere else. I do not know how many years it will take. The Russians have not supplied the necessary requirements in time. But on Government side only the lands are being just requisitioned for the purpose. If that is what is being done, I do not know how they are going to improve the present position.

I want to point out that this is not only faulty implementation, but it is faulty planning throughout. The Planning Commission has never been

realistic. Its Plan has no relation to demand and supply. I will give one concrete example here. We are told in the House often that the public sector undertakings could not fulfil the target of production because of want of coal, because of transport difficulties. Now, when the transport difficulties are removed, what we find is there is underproduction in high-grade coal and over-production in low-grade coal—there is a glut. What is this due to? It is because of faulty planning, nothing else. Even in regard to chemicals and pig iron, there is the same difficulty. It is because of faulty planning and proper anticipation was not made.

Then, no new units are being granted licences. It is because they say that they have to import 50 per cent of the raw materials which must be compensated by exports. If their goods can be exported, then only new licences will be given. I want to put it to the Government that it is a strange statement at this hour of the day. As far as I know, here was a committee called the Imports Substitution Committee presided over by Mr. G. L. Mehta. This Committee was dissolved two years back and the Government took the responsibility to take up those works. I want to know what has been the achievement in that matter.

13.33 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

I will now come to industrial production. Even in regard to industrial raw materials, excepting jute, you are lagging behind in all spheres. There is a failure both in the private and public sector because the present installed capacities were not fully utilised. The Government have the regulatory powers in their hands. They could have applied them even to the private sector to see that the full installed capacity was utilised. That has never been done. We do not know when the physical targets are

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to be fulfilled. We do not know where we are leading to. I think, it is a crime which has been committed by the Government for which they must pay the penalty. The country is no longer going to tolerate this sort of things. People have willingly supported you and even supported your idiosyncrasies. The present machinery is thoroughly incapable of bringing in any improvement. Wasteful methods are not being checked. The whole planning is defective. I would say, whatever planning has been there has been in size and width and not in depth. Probably, a research department of the University would have produced a much better report, would have given us much more guidance and their considerations would have been dispassionate and unprejudiced and with more clarity perhaps.

Now, I come to the question of agricultural production. Much has been said about it and Planning Minister Mr. Bhagat, in his opening remarks, has found a very simple solution to the whole question of agricultural production. He has summarised it in one sentence. What is that? It is:

"Adverse weather conditions and inadequate administrative coordination in the agricultural sector."

Very simple it is. The weather and the lack of coordination are made the scapegoats. If these are the conclusions of the Planning Commission which Mr. Bhagat has stated here, I do not know where we are leading to. You can take it for granted that there is not going to be any improvement so far as the agricultural sphere is concerned. It is a well-known fact that there have been vagaries of nature. You were planning. Were you completely blind to this aspect of the planning? If the planners cannot anticipate these difficulties, then they should better go and leave us to God.

Even if you go through the mid-term appraisal—I do not know whe-

ther I have enough time to go into the details—this is what is stated. I would just quote some sentences from the mid-term appraisal itself as to what is now being said. On page 2, it is stated:

"from the beginning, efforts have also been made to intensify the programmes of agricultural development and to improve its implementation."

It is from the very beginning. Further it is stated:

"Delays in enacting comprehensive legislation create a great deal of uncertainty which is inimical to efforts to increase agricultural production—"

About that there is no mention as to what they are going to do. Then, the real facts are stated like this. What are the facts? They are:

"both administrative and legislative action taken so far have fallen short of the recommendations in the plan in several States."

Here is the crux of the problem. If it has failed, how is it going to improve now? It has failed because the land reforms are defective and it is all in a mess. The peasants do not know where they stand. Even in regard to ownership, security of tenure, ceiling, fixation of rent, there is no certainty at all. It has all been admitted in the Plan itself. They have said:

"legislation for ceilings tends to be defeated because of inadequate measures for preventing transfer of lands."

Further, they have said:

"Failures in implementation take away some part of the benefits of the progressive land reform legislation which States have undertaken."

These factors have nothing to do with implementation. Is it such a great problem that the State legislatures could not pass adequate legislation. Some of the States have not even framed the legislation in conformity with the decisions of the Planning Commission. It is because—this fact has to be admitted—the State Governments and the ruling party today are largely dominated by landed interests. There is such a great pressure that even the accepted policies of the Planning Commission which according to us are not very progressive so far as the land question is concerned, are not being implemented. Even if you go to the Central planning level, you will find that these people have hardly any realisation as to how agricultural production can go up. The so-called cry for modern methods of cultivation has overtaken their thinking so much that they have even failed to take note of the very basic facts, the primary needs which are necessary for stepping up agricultural production and giving incentives to agriculturists of this country. The only panacea which after great deliberation they have come out with is the formation of agricultural Board presided over by the Food Minister—the Food Ministry which has been bungling the whole matter for all these years. I think this is a very ridiculous idea. This is a very ridiculous idea in the sense that we have experience of these boards.

I know that there is a Board functioning in the Ministry of International Trade to boost up exports. What have been its achievements? Have any significant steps been taken by this board to boost up exports? If there has been any increase in exports today, it is because of certain international conditions that are prevailing today. Soviet Russia wants to expand its trade relationship. The East European countries naturally want to relax their burdens so that they compensate their

exports with imports. That is how there has been a little increase in the export trade. It is not really because of any significant steps taken by the Board of Trade that there has been an increase. If this Agricultural Production Board is also going to be a board like that, then only some Ministers and chief Ministers will come and discuss and do nothing ultimately. That is how it will function. If that is going to be the case, then the formation of this board is meaningless, and it is just for deceiving the people at this stage.

According to me, after the experience that we have got all these years, the Planning Commission is not the proper body which will ever be able to give us any plan for agricultural production. I think that it is highly necessary that in this country, we should have an agricultural commission to go into these matters, and a definite time-limit should be fixed for them to suggest measures for immediate increase in agricultural production, and they should also suggest the remedial measures to be taken and also make long-term proposals. That is essential if we want really to step up agricultural production.

It is very tragic that in this document, to which hon. Minister has drawn the attention of, the entire world, because the entire democratic world today looks to our achievements in our experiment on planning, there are confessions in the documents; there is no doubt that they could not conceal them; but it is very tragic that the permanent features are always repeated and the real reasons are nowhere stated. It is nowhere stated that these are the reasons which are responsible for the shortfall and the deficiencies are going to be made up by taking such

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and such concrete steps. In the whole of this document, no such thing is to be found anywhere. Naturally, it has created frustration and despair all over the country. I would think that this appraisal has cast doubts on the cavalier way the Planning Commission functions and the plans are being formulated in this country.

I would repeat that I cannot understand how all estimates of physical targets have gone wrong, when the financial targets have not caused any difficulty. This is a thing which it is impossible to explain. So, it is not only the failure of the administration, but it is a failure of the Planning Commission as well, which probably the Prime Minister would not like to admit, since he is the head of the Planning Commission.

After all, the Planning Commission in this country is not functioning as an independent or autonomous body. It has no independent character. It is burdened with officials and others who cannot give any view which will displease the Prime Minister and his Government. They cannot dispassionately consider anything, because they form an integral part of the Government machinery. In these circumstances, how can we expect the Planning Commission to give us a reassessment and suggest measures which may be unpalatable to the Government themselves?

An Hon. Member: Now, Shri Ashoka Mehta is there.

Shri Surendranath Dwivedy: I know that you have taken Shri Ashoka Mehta. This is again just to cover up your mistake and brandish the excuse before us that Shri Ashoka Mehta is there.

An Hon. Member: And take you also.

Shri Surendranath Dwivedy: I know that. I left you long ago. You

did not join me. I joined the national movement but I left it for certain clear considerations, because you failed to declare democratic socialism as your objective after Independence. You have the Congress history, and you can see there how we left and why we left. So, it is not a question of any individuals here or there. It is for certain principles that we had left the Congress, and I do not think that today the position has come in this country when one can say that the Congress is a party today which organisationally and through its policies and through its government is going to bring democratic socialism in this country.

The hon. Prime Minister says that there is rut in the Planning Commission. I feel that the rut is there in all the three wings of the Government, the planners, the policymakers and the implementers. All of them must come out of the rut, if we really want the Plan to succeed.

In conclusion, I want to say that the people's patience has reached its limit. Frustration has been complete. Let not the people's cooperation be turned to hostility and opposition. I want to make it clear that it is not possible to extend our hand of cooperation for this planning. I want also to draw the attention of the House and the country to the political consequences that are going to flow out of this dismal failure.

The whole of the democratic world and undeveloped world has been looking forward to the success of our great experiment in planning. We thought and we still believe that in this country, we can achieve much more through the democratic process than what the totalitarian countries achieved through dictatorial methods. We adhere to that belief, and we wanted this Government to work towards that end. But it is now clear that this Government has not the capacity to make it a success.

If the very foundation of the whole system and the democratic apparatus fails, the people develop a frame of mind where they think that it is not possible through the present machinery to hope for a better future and a better society, then you can well imagine what the reaction will be in the minds of others who are not inside the machinery itself. That is a matter of great concern for this country.

We are not only fighting China on the border, but we are racing against the communist system on the one side, and on the other the democratic system which would bring about social and economic equality and an equalitarian order of society. If that is our aim, it is highly necessary that there should be some re-thinking in Government and in the ruling party. The present indications are that this failure has given them such a jolt that there is in some sections a thinking to re-mould and re-frame the entire Plan. If that is so, then the first and primary requirement would be that the objectives must be clearly defined, and once the objectives are defined, then every other thing, such as the Plan-frame, the implementation machinery and even a radical change of the entire Government machinery should be considered keeping in view that objective. But Government have completely failed to do so. Therefore, I repeat that at the present stage, it is not possible to extend the hand of co-operation to planning as it is going on in this country.

Shrimati Renuka Ray (Malda): The Mid-term appraisal of the Plan has frankly shown up certain factors which indicate that we are in a crisis and that unless we overcome them disaster might follow. It is a pity that under these circumstances the leader of the PSP should feel like going in for political manoeuvres..

Shri Surendranath Dwivedy: There is nothing political about it. These are hard facts of economics.

Shrimati Renuka Ray: . . . instead of suggesting means by which democratic planning which he adheres to, can be carried on and we can go forward towards the achievement of our objectives. The national income has increased only by 2½ per cent annually instead of 5 per cent in the last 2½ years. We have to see the other side of the picture, the rise in population, from 2·2 per cent to 2·4 per cent per year. If that is the position, we have to think hard as to what to do in the future.

I just want to make a point regarding what Shri Indrajit Gupta said a little while ago. He said that the mid-term appraisal had not given a frank picture in that they had not mentioned that there had been no growth in the national income. In actual fact—I am reading from *Indian Economy, 1961-63*—"there were special stresses and strains which brought down the national income from an annual growth rate of 7·1 per cent in 1960-61 to 2·2 per cent in real terms during the financial year 1961-62. This came out in May 1963. So it does not go much into 1963. This is the same thing that the mid-term appraisal is saying. They are not keeping back any facts.

The other point we have to remember is that we have invested Rs 10,400 crores through taxes, loans and various other means in this national plan, and whatever happens during the next two years will prove whether we are able to succeed in utilising the investment in a proper manner or have failed to do so. Therefore, certainly we have to take note of what has happened and there can be no question of any kind of complacency. But whatever we have to say must be something that is concrete which will help us to overcome the present position crisis.

[Shrimati Renuka Ray]

I was sorry, however, to find one thing said in the mid-term appraisal that a good deal of this difficulty, the stresses and strains of today, occurred in the background of a serious threat to the national security, and a continuing emergency has brought new burdens and responsibilities. Therefore, it almost appears as if there has been some curtailment, readjustment, of the finances included in the Plan, the money impact of the Plan, because of the emergency. But that is not so. It is due to taxes and the loans from outside that we have been able to bring about the additional equipment required for defence. Therefore, it would not be a proper picture to show, that the additional stresses and strains, have led to a curtailment in the Plan expenditure and therefore in planning in the development sector.

I think it is a crying shame that at one period of the emergency, the first cut was on the nation-building services and at the central level too. I am glad that has been restored. But I have to mention for it is a question of attitude, a frame of mind, which has to be changed.

In the Plan appraisal, I find it mentioned that both in the private and public sectors we have not been able to go ahead mainly because there has not been proper utilisation of installed capacity because of the inadequate supply of components and raw materials. I do not know why this sort of position should have arisen. But I hope now that the mere mention of this in the appraisal is not all that is going to be done, but that something drastic will be done in the coming 2½ years to bring about a better position.

In regard to power shortage and transport facilities, I do feel it is like Rip Van Winkle, suddenly waking up to find that these difficulties have arisen, difficulties over power and transport, specially lack of coal, and now high grade coal. All these things are factors which should have been taken into account properly.

Then comes the question of cost estimates of projects. Surely we find in this Plan appraisal a mention about the necessity for proper technical and economic studies and systematic programming so that correct estimates of projects are drawn up. I do not understand why we have to think of this aspect at this time. I mention this because in future even while we are trying to readjust planning, we should not have to wake up suddenly to this kind of thing.

The most important thing that we have failed to take advantage of during the emergency is the people's enthusiasm. Many years ago, in 1958, a UN team on agricultural production pointed out how necessary it was that this unutilised labour force should be harnessed to agricultural production. They could be harnessed for any work such as contour bunding for minor irrigation and a variety of other things needed in the agricultural sector. When the emergency came, I had some hope that a change of heart was taking place. We heard about the village volunteer force, and labour bank. People were enthusiastic. They came forward offering themselves. I represent a rural area. I say the people came forward in full measure and they would have helped. But what kind of organisation was there? What was the picture all over India of the organisation to utilise this labour force when people came willingly to help in any way during the emergency? Their enthusiasm waned because of the fact that we have not been able to utilise their services. This is a great indictment of the implementation of any kind of policy we have. It is time we did something about it. Unless we did so, it is no use talking about improving agricultural production. We are still dependent entirely on the vagaries of nature. It is quite true that by now we should have been able to have some kind of scientific methods brought in to remove this kind of dependence even

to some extent. But even that is not done.

From the appraisal, we find that the shortage anticipated is 3.5 million tons in output. There is one point I would like to make here. Even if we are dependent on the vagaries of nature, there is what is called cycles. Why is it that they were not able to determine that such and such thing was going to happen last year, this year and so on? Why is it that we did not anticipate this in our planning, when we could have done so, knowing as we do the phenomenon of cycles? We could have anticipated that a particular year would be a bad one and so on. I do not understand why this was not done.

Then again, I come to a very important subject, which I referred to at the beginning, and that is education. I do feel that mere increase in statistical numbers is not going to bring about better conditions. We must have some minimum quality in the schools. Now there is a race going on between States, encouraged by the Centre, to merely increase the number of children in school so that by the end of the Third Plan, we would have covered the age group 6-11. But what kind of schools are they? Does the child turn to be a wastage later on. This is a matter we should take into consideration. I have little time to dwell on any single subject at length here as I want to cover a few more. Therefore, I leave it at this and hope that this matter will receive due attention.

Family planning is of equal importance as agricultural production. At one time there was prejudice against fertilisers. We created a demand, and we cannot meet the demand today. Similarly, in the rural areas, the prejudices against family planning are breaking down, and very soon we shall reach the stage when we shall not be able to supply the equipment to the people in the health centres. In some places we have already reached that position. Years ago I suggested that

we should produce sufficient equipment for family planning purposes in India. I do not know how far it has been done, but I think very soon we shall be telling the people that due to import restrictions, lack of foreign exchange etc., we cannot supply the equipment necessary. That is the kind of thing that is continually happening.

14 hrs.

We have had a long debate into the food situation and prices, but I think the question of production patterns has not been touched. Everyone agrees that when we are building up the country, prices are likely to rise, but we must see that the prices of food and cloth remain such that the poorer sections can buy them. Why is it that we do not lay sufficient stress on consumer goods such as coarse cloth instead of on fine cloth, on certain types of fertilisers rather than on air conditioners? The emphasis may be in the Plan, but in its actual operation, these essential things do not get the priority necessary. So, cement and fertilisers are in short supply. They are in the private sector, and it is a warning that we should be very strict with the private sector in this respect in future, if we still utilise them.

One word regarding the Planning Commission itself. Many years ago, the Estimates Committee, in which I was a Member, reported that it was not necessary for so many Cabinet Ministers to be in the Planning Commission. If it was purely advisory, of course it will not be able to deliver the goods. So, the Prime Minister and the Finance Minister are there. I also concede that a Minister may be there for the purpose of acting as liaison with this House. But why so many Ministers? There are five.

The Planning Commission has been accused of being a super cabinet, and I do feel that in many respects it is true. The Planning Commission intervenes on many occasions to settle many things between State and State, and between State and Centre, which is certainly not its concern.

[Shrimati Renuka Ray]

Shri Mahatab yesterday gave an example. Neither the Planning Commission nor the Central or State Governments seem to have taken into consideration the fact that while minor irrigation works are being expanded, those that were executed many years ago just do not exist, or they exist only on paper. They are in disuse. The Planning Commission has to see objectively how the Plans are carried out in general, and it should have been the body to have called attention to this, but it was too much involved in what the States are doing on a day to day level. There is trouble enough between State and State, and between State and Centre, and why should a third party come into it. Therefore, I do feel that it is time that the Planning Commission remembers what its purpose is and keeps to it.

Some one was deriding the fact that Pandit Nehru was laying too much stress on the targets of the implementation machinery. For years in this House I have been raising this point again and again, that until we can transform the administrative machinery to conform to the needs of a socialist State, it is just no use talking of various things.

Dr. M. S. Aney (Nagpur): What are the lines on which it should be done?

Shrimati Renuka Ray: It is all right for the Government to say that the Organisation and Methods Division is doing good work. I do not deny that certain procedural changes have been made. But what is required is change in over-all approach, in intention. Only those who believe in the objectives of the Plan should be there to execute them. I talk not only of the officials, but of everyone from the top to the bottom. It is not merely a question of procedure, though it counts to an extent. Red-tape and bureaucracy which Britain has discarded after leaving India, is left with us, we stick to it. We think much of it, because at the lower levels, particularly in the Fin-

ance Ministry the same persons are carrying on with the same outlook. They do not believe that money should be spent too easily even for a good purpose. How much money they can save in a financial year is of more concern to them than the physical targets achieved. And it has become the purpose of the Ministries and the State Governments to see how much money they can show as spent, not the physical targets achieved. Therefore we get failure. It is an absolute fact that of all things, the most important today is the implementation machinery. The Plan may be defective in some respects, but it is a national plan, and in spite of what Shri Masani says, the Swatantra Party leader, who was Chief Minister and a Minister at the Centre, was associated with it when it was first shaped. It is a Plan which is accepted by all in the country, and today why do we face this position? It is mainly because of the implementation machinery. The Central Government must take the responsibility for this, and not try to shove it on to the States on all occasions. It is an unseemly sight that one finds in this House the Central Government Ministers continually blaming the State Governments, and in the State legislatures the reverse taking place. This is a matter to which the Planning Commission can certainly apply its mind, rather than going into the details of the Plan of each State or the problem of State versus State, or the number of projects allotted to each State. They should concentrate on this evaluation, not on minor things. Finally I want to say this. Democratic planning is very difficult; nobody can deny it. A take-off period is required. Many things may go wrong. But we have had ten years of a take-off period. If in the Third Plan we come up again across these difficulties and defects, there is something drastically wrong. There are two overall aspects and if we set them right, we shall rectify our mistakes, in spite of what certain Opposition Members would say who wish for the failure of our Plans. We must understand what is meant by the trans-

formation of the administrative machinery. I mean not merely paid administrators but the policy makers. If we have the right approach to the success of the Plan and have also the will to do it, we can do away with small things such as the procedures which come in our way.

Before I conclude the other point I would stress a matter of fundamental importance—public co-operation by centrally sponsored organisations which have a dead reputation in the country. Is that public co-operation? Large sums of money are given to central organisations which never have had roots in the country. Is that the way to get public co-operation? There have been reputed and long-standing organisations in the country who have undertaken rural reconstruction work without the help of the Government of the old days but only with the help of the Gandhiji's magnetic planning; they have achieved some results. Crores of money are given for public co-operation to organisations which have no roots.

I may say that we have not failed in respect of public co-operation everywhere. In Madras in the rural areas so far as school construction schemes are concerned, public co-operation has come spontaneously. So, wherever there has been right manner of approach, it has been successful. So, we should give up this fantasy in thinking that sponsored organisations without roots would bring about public co-operation in this country.

Shri D. C. Sharma (Gurdaspur):
 Mr. Deputy-Speaker....

Shri U. M. Trivedi (Mandsaur): If Mr. Sharma allows, I will speak. I will not be here on the 9th.

Shri D. C. Sharma: Mr. Deputy-Speaker, since you called me, I must obey you because I want to be a good boy. I congratulate the Planning Commission for this very honest, candid and comprehensive mid-term appraisal that they have given. Demo-

cracy can never go down in this country if democrats are honest with themselves and honest with the people. This document is an eloquent proof of the honesty that we practice not only about our achievements but also about our failures. Therefore, this document will be appreciated by every one who is interested in democratic values of our country.

I feel that this is the swan's song of the Planning Commission. A swan before its death sings very sweetly and also very piteously. This appraisal is both encouraging in some parts and frustrating in many parts. The only thing that can be done to give people some kind of confidence in the planning machinery is this: the Planning Commission should be scrapped. If it could not be scrapped—I think it will be difficult to scrap it now for anybody; it is the pet child of our Government—it should be given a new look and face lift. That can be done only if it becomes manageable in size, definite in its objectives and becomes more an agency to watch the implementation of the policies rather than an agency to theorise in an academic fashion about planning in this country. I would suggest very humbly that the Planning Commission should cease to be so much academic-minded if it is to live and it should become practical-minded if it is to survive. But my only fear is this that it has got into a kind of groove from which it may not be able to extricate itself. Who are the members of the Planning Commission? I have respect for every one of them: I think they are all honourable people. But I feel honestly that there should be no place for retired ICS men on the Planning Commission. We want fresh people who can bring a fresh outlook to bear on the problems. They bring their out-dated, out-moded and fossilised outlook to bear on the problems. The country does not want it. Again people who have failed in public life are asked to become Members of the Planning Commission, (An Hon. Member: For example?) No examples

[Shri D. C. Sharma].
are necessary. If people do not have any faith in those persons, how can the country have faith in them when they become its members? Thirdly, some good public men are wasted in the Planning Commission. They were doing good public service and they have been taken away from the field for which they were fit and are put in a place where they could not do as much good. Therefore, I say that it should consist of persons who can have a new approach to problems, who can have a socialist approach, a democratic approach to the problems and not of those persons who have been pillars of bureaucracy or officialdom or of something else. I would suggest to the hon. Minister who has taken charge of this portfolio that the whole position of the Planning Commission should be overhauled so that some good can be expected of it. The fact of the matter is that the Planning Commission in view of the fact that it has so many retired officials has become more metropolitan in its outlook than anything else. When I look at the map of my country, I find there are some metropolitan cities, four or five in number. There are many sizable cities. There are some towns. There are millions of villages. I believe our planning fails only because we think in terms of metropolitan grandeur; it suffers from a grandeur complex. We think in terms of metropolitan glory; we think in terms of big cities, and we do not think in terms of small villages. Has the villager become conscious of planning? Has any inhabitant of a small town become aware of the Planning process? Has even a person of a sizable town come to know planning? No, Sir. If he has, I think our bureaucracy has seen to it that all effects are destroyed and all his efforts are destroyed in the good things that we are doing. Therefore, it is very unfortunate that this Planning Commission has started with the same theories that Lord Macaulay had about education in our country. Lord Macaulay said, "Give education to a few top persons and the blessings of education will

infiltrate down and down till they reach the smallest man in this country".

श्री रामेश्वरानन्द (कराना) : शर्मा जी,
बोल तो उसी में रहे हो ।

Shri D. C. Sharma: It has become a habit with Swamiji Maharaj to interrupt other Members.

स्वामी जी, मैं आपकी इज्जत करता हूँ और आपके पांव छूता हूँ । मैं हर सन्यासी की इज्जत करता हूँ, लेकिन जब आप ऐसी बातें करते हैं तो मेरे दिल को दुःख होता है ।

So, I submit respectfully that that kind of theory which Lord Macaulay propounded in our educational system has never worked; we had copied it, but we have to overhaul it now. That was the pet theory, the accepted notion, a time-honoured postulate which the Planning Commission has followed. They suffer from giantism, from a glory complex, from the complex of bigness, and therefore, they cannot think of the small man, the small village, the small tiller of the soil, the small person who is running a small industry and the small person who is running a small shop. They cannot think of these persons. Therefore, I think that if our Planning Commission, in spite of its good intentions has not been able to deliver the goods, it is because of the fact that it is overriden by the fallacy of giantism and has not taken into account the needs, the aspirations, the hopes and the fears of the small man, the small villager and the small city and the small town. That is the main difficulty which this Planning Commission suffer from. If we are to frame any programme in time, if we can overhaul this programme even now, if it is possible, then we should go from the bottom upwards, and not go from top downwards. Otherwise, this Planning is going to be criticised by everybody in this House. There are some persons who will say that it has tilted on this side or that side and it will not give satisfaction to anybody. Now how can you improve things?

The first thing that I would like this Planning Commission to do is to realise the needs of the small peasant proprietors. What are the peasant's difficulties? What are his aims? Does he get fertilisers in time? Does he get insecticides in time? Is he well-provided with agricultural implements? Is he getting some credit? Is he able to market his goods at favourable prices? Is he able to reduce his indebtedness? If you cannot do that, I think that this grandiose Plan of ours is going to come to nothing. Therefore, I say you must think of the small man and the small peasant in the village, the small tiller, the small occupancy tenant. Think of those persons and tell us what you are doing for them and what you can do for them.

I know that something is done in the field of small-scale industries. We have got some industrial estates. I went to my constituency, and in one of my small villages in my constituency, I saw a rural industrial estate. I saw a sign-board there. I felt happy, but it was only a sign-board. It was a sign-board without any meat and blood and flesh in it. So, I was reminded of Goldsmith. Somebody went to him and said: "I have many books ready." Goldsmith asked him "How many?" He said, "I have the title pages ready and only the books have to be written to suit the title pages." Look at the industrial estates, I know some of these industrial estates which are in my constituency. Most of the shops there are not used by the people. Our industrial estates which we started to promote the small-scale industries are coming to nothing. Does the Planning Commission know it? No. The Planning Commission believes in allocations, and all these Chief Ministers come here and some of them bully the Commission. I know of a Chief Minister and a Finance Minister who came and said, "If you do not give me this much money, I walk out." The Planning Commission said: "No, no.

Please sit down. We shall come to it." These Chief Ministers and Finance Ministers come up and bully them and get the allocations. I ask the Commission: "Do you have any control on the spending of these amounts?" They say: "This is not our job. This is the job of the State Governments." If it is the job of the State Governments, what is the Planning Commission meant for? Therefore, I think you have a Ministry of Planning like any other Ministry, and you have a Minister of Planning just as there are Ministers of Planning in the States and they have their departments. You entrust to them the implementation of the Plan and you get from them what they have done. The difficulty is the Planning Commission has become a milch-cow for the States and for the Centre and for everybody. It doles out money, but the difficulty is that it cannot exercise proper scrutiny over the expenditure. The Planning Commission must have a full-fledged body which should see to the proper expenditure of the money that is given. If that is not done, I think the Planning Commission is not doing its duty.

The third point I want to say is this. I was in this House, the first Lok Sabha, when the Plan was presented before the House. The Minister of Planning at that time said "I present this Plan to the people. It is a people's Plan." I want to ask you, wherein do the people come. What are you doing to enlist their co-operation?

Mr. Deputy-Speaker: Shri D. C. Sharma will continue on Monday.

14.30 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

TWENTY-NINTH REPORT

Shri Hem Raj (Kangra): I beg to move:

"That this House agrees with the Twenty-ninth Report of the Committee on Private Members' Bills