

[Shri Sezhiyan]

Hundred and Second Report (Fourth Lok Sabha) relating to Central Government Employees Consumer Cooperative Society Ltd., New Delhi (Ministry of Home Affairs)

- (2) Twenty-sixth Report regarding action taken by Government on the recommendations contained in their Hundred and Nineteenth Report (Fourth Lok Sabha) relating to Defence Services.

10.16 hrs.

STATEMENT *RE. MID-TERM APPRAISAL OF THE FOURTH FIVE-YEAR PLAN*

THE MINISTER OF PLANNING AND MINISTER OF DEPARTMENT OF SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM) I had indicated to the House earlier in this Session that the Government would share with Parliament a Mid-term Appraisal of the performance and prospects of the Fourth Plan. We had completed a detailed evaluation of the progress of the Plan when hostilities with Pakistan began earlier this month. As a result of the new situation, the uncertainties that had been introduced into our economic scene by the massive influx of refugees from Bangla Desh have become more complex and pervasive. Given this context, Honourable Members will appreciate that it will not be realistic at the present time to formulate a reasonably clear outline of the prospects for the remaining period of the Plan. Such an outline will have to take into account these new challenges on the one hand, and provide for a reorientation to the Plan to respond in a greater measure to the needs of our people on the other. Nevertheless, our detailed assessment of the first half of the Plan that is now behind us is helpful in bringing out our achievements as well as in locating the sectors, projects and programmes to which further attention needs to be paid urgently to rectify the shortfalls that are emerging. It is in order to enable such a constructive process of allround improvement that we have decided to place before Parliament an

analysis of Plan progress in the last 2½ years, although we are unable to complete the exercise, which might have been possible if times were normal, by supplying an outlook for the remainder of the Plan. Accordingly I have placed on the Table of the House copies of the document containing a Mid-term Appraisal of the Fourth Plan. [*Placed in Library. See No. L.T.—1353/71.*] I must apologise for the fact that this has become a lengthy document. The Hindi version is under preparation and will be got printed and circulated separately. We are also preparing a summary which will shortly be made available to Members of Parliament.

2. In the coming months sustained attention will have to be given by the Centre, the State Governments and the public sector institutions to the findings of this document. Our effort will be to use it as a working basis for undertaking the several measures required—whether they are policy changes, administrative improvements, financial measures or the initiation of new projects and programmes—in order to achieve and maintain better performance in the various sectors of development.

3. I shall not attempt to summarise once again the facts and conclusions contained in this document. Instead my purpose today is to highlight a few aspects of economic management and Plan performance to which urgent and purposive attention is necessary all the more because of the emergency we are passing through and what we may anticipate of its aftermath. It is clear that the increased requirements arising from the defence effort and for assisting Bangla Desh will make an additional demand on our financial, physical and manpower resources as well as on foreign exchange. It is, therefore, of paramount importance to stimulate and mobilise savings in the economy on the one hand and to use our resources with maximum economy and efficiency on the other. Increased savings are directly a function of increased production and incomes and of restraint on all non-essential consumption. We have to ensure that the savings of the community—whether it is in the household sector or in the corporate sector, public or private—are raised to a higher level in a sustained manner. It is equally necessary to capture

a larger proportion of the savings for the public sector in order to undertake priority investments as also to sustain public consumption on essential social outlays such as education, health, water supply, nutrition, etc. The necessary effort for resource mobilisation can be undertaken and sustained to an adequate extent only if the burden of sacrifice is equitable and the weaker sections of the people are protected. For both growth and social justice, price stability is an essential infra-structure. Government are conscious of the need to undertake urgent concrete steps for price stabilisation so that the inflationary pressures on the horizon are avoided and both incomes and investments are duly safeguarded. We have to particularly emphasise price stability because cost and price increases that have taken place since the Plan was formulated are themselves likely to result in shortfalls in the Plan in real terms as compared to original financial outlays.

4. We have to increase production as rapidly as possible and all around, whether it is in agriculture or industry or transport or irrigation or power. Results can be achieved in the short-term only if highest priority is given to better utilization of capacity for which there is great scope and potential in each of these areas. We are engaged in detailed exercises for identifying the measures necessary to increase output in public and private sector industries. On the basis of these enquiries necessary steps will need to be implemented in a time bound manner. At the same time we will have to improve our procedures and our capacity for creating new starts in investment wherever it is required. Our detailed examination of the Plan has pin-pointed areas in which creation of additional capacity is absolutely necessary. This will have to be followed up.

5. Recent events have once again endorsed the objective in the Plan which calls for greater self-reliance. Although currently our balance of payments position may be regarded as being satisfactory one can foresee that it will be under increasing pressure in the coming months. The emphasis we have placed on export promotion will not only have to be sustained but further energised. Import substitution has to proceed with greater urgency. Here an effective contribution can be made by our scientists and technologists. The National Committee on Science and Technology is

already engaged in preparing an emergency programme for this purpose.

6. In regard to the Plans of the State Governments for the coming year we have formulated certain new guidelines in regard to their levels of outlay and the assistance from the Centre needed to support these levels. It is imperative that State Governments should ensure greater financial discipline by completely avoiding over-drafts hereafter and make an increased effort for mobilising additional resources. Discussions with Chief Ministers on their individual State Plans are proceeding according to schedule on this basis. My discussions with the Chief Ministers indicate that the emphasis on a greater resource effort and a stricter financial discipline along with economy and efficiency in plan implementation will be fully endorsed by the States.

7. It is especially important when we are facing a period of uncertainty and unforeseen problems not to lose sight of our long-term goals. We have therefore to take up as soon as possible the preliminary work on the formulation of the Fifth Five Year Plan. We have initiated certain steps designed to make our planning process more responsive to the needs of our people and to improve its technical content. These will have to be proceeded with so that the Fifth Plan results in a well conceived and concrete set of tasks which can keep the country on its path of self-sustained growth with social justice.

8. In conclusion, I would request Honourable Members to go through in a constructive spirit the document that has now been made available. We would welcome comments and suggestions which Honourable Members might wish to make on any aspect of plan performance. I trust that the House will fully share with the Government the emphasis of the Prime Minister that at this juncture all sections of our people, whether they are farmers or factory workers or government employees or scientists, should give their best to ensure that our long-term goals for a better life are not jeopardised by sharp but short-term threats or disruptions.

SHRI H. N. MUKERJEE (Calcutta—North-East): May I ask a question about the statement.

MR. SPEAKER: No question about the statement.

19 *Re. Mid-term Appraisal of DECEMBER 22, 1971 Diplomatic Relations (Vienna 20 the Fourth Five-Year Plan (St.) Conven.) Bill—Appt. of Addl. Members to S.C.*

SHRI H. N. MUKERJEE : Are we merely to take note of this thing and not even know the methodology of discussion in regard to whatever statement the Minister might make ? Shall we merely digest whatever they give us ?

MR. SPEAKER : Prof. Mukerjee is an old Member. Question are not allowed immediately after the statement. He has welcomed suggestions ; if time could be made available you can discuss it.

SHRI H. N. MUKERJEE : Normally, as you know, this kind of thing is discussed in the House but because this is the flag end of the session we get no opportunity. In regard to the Plan this has happened over and over again. Earlier there was the process of getting Members of Parliament to sit in a committee and discuss the plan, the formulation of it, the provisional ideas in regard to it. We can do that sort of thing and give suggestions. Now, he invites suggestions. We are supposed to send them by post

Shri C. SUBRAMANIAM : I have given notice for discussion in this House. Unfortunately because of other priorities, we could not get a chance. But certainly no discussion can take place unless Members go through the documents and digest them. No purpose will be served by discussing it without going through that document.

SHRI SAMAR GUHA (Contai) : Two new factors have developed for which the whole country is very anxious. Firstly, there is suspension of foreign aid...

MR. SPEAKER : Take some other time.

SHRI SAMAR GUHA : Then there is the Bangla Desh.. (*Interruptions*). We are to meet again in the next budget session. In between there is a big gap ; many changes are there. Tomorrow is the last day ; as least some discussion should be held.

MR. SPEAKER : I thought that after Bangla Desh you would remain cooled down for sometime.

I do expect that for some time to come you will keep cool. He has already explained it.

SHRI S. M. BANERJEE (Kanpur) : We are not asking anything which the Minister cannot answer. Are we not entitled to know about the position of Mujibur Rahman ? The newspapers say so many things. They can find out from the Bangla Desh Government. There are only two points, whether the Government would make any statement as to whether they are going to seek the release of Mujibur Rehman.

MR. SPEAKER : Do you think they are not seeking it ?

SHRI S. M. BANERJEE : They are, but we are supposed to know certain things. Secondly, about the atrocities committed by the Pakistani army before they laid down arms, we want to know whether they want an international tribunal.

10 21 hrs.

STATEMENT RE SUPPLY OF KEROSENE OIL

THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P. C. SETHI) : I am glad to inform the Hon. Members that instructions have been issued to the Oil Companies to restore normal supplies of kerosene to all parts of the country. Enough stocks are available to meet the normal requirements. Enough stocks are also in transit to the various consuming centres. The State Governments are being advised to withdraw rationing and other restrictions. They have, however, to exercise utmost vigilance to see that there is no hoarding or over-charging of misuse of the product.

10.22 hrs.

DIPLOMATIC RELATIONS (VIENNA CONVENTION) BILL

APPOINTMENT OF ADDITIONAL MEMBERS TO SELECT COMMITTEE

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI SURENDRA PAL SINGH) : Sir, with your permission, I beg to move :

"That this House do increase the