

**MOTION RE. DR. APPLEBY'S REPORT ON RE-EXAMINATION OF INDIA'S ADMINISTRATIVE SYSTEM.**

**Shri Matthen** (Thiruvellah): I beg to move:

"That Dr. Paul H. Appleby's Report on the re-examination of India's Administrative System be taken into consideration."

I am very grateful to you, Sir, for having responded to my request to discuss Dr. Appleby's Report during this session. I know how difficult it was to find time. We are already cramped for time, but we appreciated the importance of this report, and you were good enough to allow two hours for discussion.

Before I proceed I would like to give the background of Dr. Appleby so that the House may understand his competency to express an opinion on an important subject as the administrative system of India. He was born in September, 1891 (*Interruption*). He is not a young man like my hon. friend, Shri Punnoose. He is an experienced man. He was Under Secretary of Agriculture, 1940-44; Assistant Director, U.S. Bureau of the Budget, 1944-47, Director of Division of Budget, New York State, Chief of the Food Mission to Great Britain, 1941-42; Chairman of the International Wheat Conference, 1942; Chairman of the International Wheat Council, 1942-43; Special Assistant to Secretary of State, 1943. Then he was U.S. delegate to the Hot Springs Food Conference, 1943; U.S. Member, Interim Commission on Food and Agriculture, 1943-44; Member, Board of the Institute of Public Affairs, 1947-50; Member of the Board, Franklin Roosevelt Foundation since 1953; . . .

**Shri Velayudhan** (Quilon cum Mavelikkara-Reserved-Sch. Castes): How many children has he?

**Shri Matthen**: He was Consultant, Ford Foundation and Government of India, 1952-56; Member, Board, Pub-

lic Administration Clearing House since 1947. . . . I think that would be enough.

4-11 P.M.

[MR. DEPUTY-SPEAKER in the Chair]

**Shri B. S. Murthy** (Eluru): He did not say anything about. . . .

**Shri Matthen**: I have only given the background in order to evaluate his observations.

Dr. Appleby's Second Report on India's Administrative System has created much more interest than the First Report issued about two years ago, which was also well appreciated by the people all over India. The Second Report, which we are discussing here this afternoon, has turned out to be much more controversial than his First Report. It has created very strong reactions for and against it, in important circles. Some important newspapers have commented on it. At least one has called it 'The cult of the Joint Secretary'. The Auditor General has described it as entirely a novel conception of a democratic form of government; he says it is a doctrinaire, unrealistic and uninformed report. At the same time, an important economic weekly has very appropriately complimented the Report and said that essentially the problem was to get the power of prompt decision into the public sector, so that the pace of implementation of the Second Plan could be quickened.

Dr. Appleby's Report mainly deals with the industrial and commercial enterprises of the public sector. I am confining my attention only to this aspect of the Report. As a background of this Report, permit me to remark that our First Five Year Plan was largely under-fulfilled in the public sector. The Prime Minister felt that the defect in the Central administrative system was to a large extent responsible for this non-fulfilment of the Plan and, naturally, invited a world authority on administration like Dr. Appleby to study our present system and suggest a method to overcome this defect in the Central

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administrative system. In other words, to show us a new power for making decisions in the day to day administration of the public sector. And Dr. Appleby's Report is an answer to this invitation.

Paragraph 1 on page 2 of the Report says:

"They are not criticisms which should be publicly made or publicly discussed. They constitute an intra-organisational discussion of essentially technical sort. For those not experienced in and responsibly associated with governmental administration, their effect may be largely contrary to their intent".

I honestly feel that much of the heat and controversy connected with Dr. Appleby's Report could have been avoided if some kind of intra-organisational discussion had been held between the Auditor General, the Speaker, the Home Ministry and the Finance Ministry and their reactions ascertained before the publication of the Report. In other words, it is not the contents of the Report that have irritated outstanding personalities like the Auditor General, but the indiscreet act of Dr. Appleby in not having discussed the Report with him.

The general thesis that there should be delegation is unexceptionable. In fact, this is no new demand, and it is well known that the Auditor General himself had suggested delegation of sanctioning authority now vested in the Ministries to lower levels. But a curious feature of the demand for delegation from all except Dr. Appleby has been that while each authority has demanded delegation of powers to itself from higher authorities, it has been unwilling to delegate powers to its subordinates. The Auditor General is no exception to this. He is not prepared to relax his control, whatever the circumstances. You will remember the controversy over the

audit of the nationalised Insurance Corporation. The Auditor General was perfectly within his right when he demanded that he must have the right of auditing that. At the same time, the ex-Finance Minister was perfectly right when he said that this being a commercial department, officials of the Government were not used to it and it was better that a commercial audit was done for some time until Government got experience. In other words, the commercial auditor will give more discretion to the executive authorities in the commercial sector than the Government which is not used to it.

What both Dr. Appleby and the Auditor General have independently suggested is not horizontal transfer of authority from the Home Ministry or the Finance Ministry to other Ministries, but delegation of authority from all Ministries to lower executive levels. The whole problem of delegation of powers, including the delegation of powers vested in Parliament, should be considered as a whole and not piecemeal, and the Government should work out such a scheme and present it to Parliament for approval. This is my main proposal.

Dr. Appleby's Report was, in fact, anticipated by the Estimates Committee in its 9th Report, 1953-54. In the section on financial procedure, it states that the rules of business of Government were made during the time of the British Government and were designed mainly to secure an effective check by the Ministry of Finance. After independence, these regulations have continued to govern the financial powers of the administrative Ministries. The then Government was justified in securing internal control over the adequate and proper spending of public moneys and so the Finance Ministry acquired a pre-eminent position within the executive sphere of Government. The previous Government was mostly interested in maintaining law and order and in keeping the government ser-

vants contended in their administrative machinery.

Today the Government are responsible to the elected representatives of the nation in the Lok Sabha. A huge programme for development of the country has been taken in hand. The administrative machinery has become more complex and activities have expanded considerably. It is, therefore, but natural that the system which worked well till recently is a source of annoyance for the quick execution of works and plans in the altered conditions. I am quoting these observations from the Committee's report. It adds that it is a further difficulty that our administrative personnel today is largely the same which was brought up in the old traditions. The old system is so deep-seated in their minds that the administrative Ministries look upon the Finance Ministry as the Ministry which should take decisions for them and, naturally, the Ministry of Finance feels it to be its duty that it should criticise and scrutinise each and every proposal, regardless of its importance or urgency. It has gone so deep that even where there is delegation of powers and that the administrative Ministry could normally take decisions itself, it has often resorted to consultations with the Ministry of Finance in order to escape any criticism later on. The result is that by the time the Ministry prepares to start a scheme or to go ahead with it, a good part of the year is already over and it is suddenly found at the end of the year that they must spend the money quickly for fear that the non-utilised funds may lapse.

So the Committee thinks that this procedure is irksome, waste of time and money and hampers initiative. I mention this only as a background to justify the observations of Dr. Appleby to avoid delays and lapses and to increase the pace of the Second Plan. I have already said that the general thesis of Dr. Appleby's Report—the desirability of more delegation—is unexceptionable. I have also said that the Auditor General's reaction would not have been so bitter if Dr.

Appleby had the imagination to discuss this thesis with him before it was released to the public. Then, I am sure, he would not have said that it is a doctrinaire, uninformed and unreal approach.

But, there is one more point which the Auditor-General does not seem to have appreciated. Dr. Appleby has not supported a permanent change in the administrative system for all time and for all places as a nice balanced authority so as not to permit of any error or mistake. According to me, he has not suggested any permanent change in that organisation at all. His report is meant for an emergency, I mean, the Second Five Year Plan. The Parliament has given top priority to this Plan and, probably, will give the same priority to the future Plans. This Parliament is more anxious to see that this Plan is implemented quickly and efficiently than to see by what system this implementation takes place. I am even prepared to concede that the proposal of Dr. Appleby is not fool-proof or rogue-proof. As a permanent change of procedure I may not be so enthusiastic in supporting it as I am doing now for this emergency,—Just as it was in the war period when the Administration relaxed several of their controls, so that they may get things done soon. If our present orthodox system, however cautious it may be, ends in delaying the Plan, I am sure none of us in Parliament will like it. So, as an emergency measure, I strongly support the main recommendations of Dr. Appleby.

I had a talk with the Auditor-General on this aspect of the Report and his contention was that Dr. Appleby has not recommended his proposals as an emergency measure for the duration of the Plan, but as a permanent change. If it is only as an emergency measure, he himself is prepared to revise his own reaction to the Report. When I read Dr. Appleby's Report in the light of the Auditor-General's observation, I found several passages indicating that this Report was meant for the duration of the Second Plan, and if

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necessary, for a Third Plan. I am reading from Dr. Appleby's Report:

"India is, in fact, in a state of emergency, quite comparable to the condition that would obtain if the nation was at war. Its success in this emergency depends upon rapid decision-making, rapid action. The present emergency is most acute on the front where new enterprises are in the building. As in war, the emergency dictates the establishment of procedures that have a maximum potential of acceleration consistent with the maintenance of democratic values."

If the critics of Dr. Appleby appreciate this temporary emergency nature of his proposals, I am sure they, including we, Members of Parliament, would not criticise it in terms of our academic principles as to what the appropriate places of the Joint Secretary, the Deputy Secretary, the Auditor-General or even of Parliament should be in the ultimate scheme of things. Dr. Appleby's Report is not concerned with ultimates. I honestly feel that the critics who feel they are blowing up Appleby's Report are not realising that they are hurting the Plan, the implementation of which in the public sector is in serious danger but for some radical change in the administrative system. Once we are bent on implementing the Plan as a No. 1 thing in India and the topmost priority for the Parliament and the Government of India, only those things that are helping the attainment of the Plan should interest us. Unless the acts of delegation proposed by Dr. Appleby take place and unless the dire fear of ultimate rebuke and punishment are reduced, the agents of the public sector will never be able to operate with confidence and courage that is needed very much. Dr. Appleby's recommendations are a condition precedent to the success of the Plan. I, therefore, strongly recommend the implementa-

tion of his recommendations consistent with our Constitution. In fact, I would suggest a high level committee of Secretaries to work under the auspices of the Cabinet Secretariat, presided over by a Cabinet Minister, preferably the Finance Minister to consider Appleby's Report, (Interruption) of course, as an emergency measure and make such recommendations....

**Mr. Deputy-Speaker:** It is only a suggestion. The hon. Members may or may not accept it. Why should there be so much of nervousness?

**Shri Matthen:**...such recommendations as they believe will help the implementation of the Plan quickly and efficiently. This is for the Plan period only. But as a permanent measure, it will be very desirable if a very high power Commission is set up to effect the necessary changes in the administrative pattern of India. Of course, the Parliament will be given an opportunity to consider this. But this suggestion for a high-power commission has nothing to do with my suggestion for immediate action of setting up a committee under the Cabinet Secretariat.

As the Auditor-General told us the other day, excessive concentration of authority was necessary for alien rule to consolidate its hold on the country, but today we are working a Welfare State and if our Plans and programmes are to succeed, there must be a nation-wide diffusion of initiative and responsibility; and people sitting down here in the Secretariat could not really secure the fulfilment of these Plans and programmes unless sufficient authority has been delegated to the people who are in actual charge of the various projects. It is unfair to Dr. Appleby that he is....

**Mr. Deputy-Speaker:** The hon. Member has been consulting his notes much too frequently.

**Shri Matthen:** Sir, I apologise. I am fully conscious of that. But this

being a subject that is very delicate, affecting the Auditor-General and even the Parliament, I think I should....

**Shri Gadgil (Poona Central):** Consider this to be an emergency.

**Shri Matthen:** So, I crave your indulgence.

**Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes):** Sir, he made a mistake; he is reading Sardar Saigal's speech (*Interruption*).

**Mr. Deputy-Speaker:** Order, order.

**Shri Matthen:** Sir, he is in favour of diffusing responsibility to the people in actual charge of the various projects. I entirely agree with the Auditor-General that the delay in giving sanction makes often an economic project uneconomic.

**Shri Jaipal Singh:** May I raise a point of order? The point of order is this. It is a hollowed convention in this House that we do not invoke the names or the utterances of people as he is doing in this particular case. He has been invoking the utterances of the Auditor-General which are completely out of place as far as this question is concerned because they are not by way of making his comments only. Therefore, I think, it is highly improper on the part of the hon. Member.

**Mr. Deputy-Speaker:** When we are taking up a Report, the opinions that he has expressed about it are perfectly relevant. I do not see there is anything objectionable in that. People have expressed their opinions on this Report and now the hon. Member is making out his point and supporting the recommendations. I think he is perfectly justified in quoting from the Report as well as from the Press.

**Shri Gadgil:** There is no harm. The Auditor-General is audited once in a way.

**Shri Jaipal Singh:** My point of order is not about what has been made available for public consumption. He is quoting something that was meant for the consumption of a Committee of the House.

**Mr. Deputy-Speaker:** I still hold that even that is permissible because he is arguing his case and compares his arguments with those advanced by others.

**Shri Matthen:** Further the Auditor-General has come out in the Press with his reactions.

**Mr. Deputy-Speaker:** The hon. Member should conclude now. He needs support from other Members also.

**Shri Matthen:** What the Auditor-General objects to is that whereas Dr. Appleby emphasises the importance of the Secretariat for the administration of the country's public sector projects and wants it to be further strengthened; he wants the diffusion of responsibility to all levels. That he considers is the basic difference between Dr. Appleby and himself. I am not an expert on the administrative system, but my reading of Dr. Appleby's Report has not given me this impression. Though he has not specifically stated that he is for the diffusion of responsibility and initiative to all levels, it is implied from his statements. That I think is the main theme of his Report.

I do concede that the Comptroller and Auditor-General works with the Public Accounts Committee of which I am also a Member now. Any reflection on the Comptroller and Auditor-General is also a reflection on the Public Accounts Committee in the sense that the conclusions which the Public Accounts Committee formulate are based on the Auditor-General's Report. In fact, there are several strong remarks about the Parliament directly by Dr. Appleby. What prejudices one during the first reading of his Report is the Americanism—I mean the language and the expression in his report. If we read the report carefully again, ignoring the effect of this Americanism, we may be able to appreciate the main points he is driving at. Dr. Appleby or anybody else cannot restrict the powers of Parliament. This House is

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supreme body and nobody can restrict its powers. What we have to understand is that delegation of power is not abdication of power. It creates a greater sense of responsibility; it is an enlargement of it. It is only by development of confidence below and exercise of skill in utilisation of subordinate bodies, that high responsibility may be upheld.

As an emergency measure not to condemn decisions or discretion exercised by the various officers in the public sector enterprises, so long as there are no *mala fides* I will rather request the Auditor-General and even the Secretaries and Joint Secretaries not to insist so much on obtaining formal sanction of an authority higher than the competent authority. When once delegation of power has been decided, they should pay more attention to constructive criticisms by encouraging people who have made right decisions and not so much condemn those who have made wrong decisions.

I fully concede that the Auditor-General is the watch-dog on behalf of Parliament and his responsibility is more than the responsibility of a commercial auditor. But, generally, it is well-known that the audit reports are often only of antiquarian interest and merely provide material for unhelpful criticisms and generalisations from exceptions. It should be noticed that a large percentage of these objections relate to sanction, namely, the necessity of obtaining formal sanction of some authority higher than the one which sanctioned the expenditure. In fact, it is this kind of objection that comes to the aid of officers unwilling to assume responsibility, who pass on responsibility from subordinates to superiors. If the general delegation—the need of which is admitted by all, including the Auditor-General—is put into practice, this kind of objection will disappear. I know the managing directors and managers of several concerns in the public sector complaining that

the constant unhelpful criticisms of the audit creates a sort of a psychological effect upon them and makes them less efficient and tempts them not to make any decision involving the slightest risk. If there are *mala fides* hang them; I am the first to suggest it. But, I think it is unfair to condemn a decision taken two or three years ago under certain circumstances and a background, different from what obtains today, three years after the event.

Therefore, my submission is this. Criticism should be diverted not to the negative side but to the positive side. If people, after the delegation of powers, take right decisions let the Parliament encourage them and say a kind word about them. That is the main point. The Parliament and the Auditor-General should turn their attention to complement people who have made the right decisions. This will give a great encouragement to them and make them more efficient. Otherwise, my fear is this. They would like to be free from all criticisms and pass on the responsibility for taking decisions. Why bother; let us keep quiet. That is how they will feel. Let us be very strict, they will say. By being very strict, the very usefulness of the institution which they are in charge of, will be defeated.

Take any instance. In banks people come for loans. They have to act immediately and grant loans and release the goods also. If they do not do these things quickly, the interest of the business will suffer. Why call it a risk? If you criticise these things, then they will feel the other way and pass on the responsibility to the Auditor-General. Therefore, let us turn our attention more to the positive and constructive side in the matter of audit and in the matter of control and encourage officers at lower levels to take decisions promptly and efficiently.

Mr. Deputy-Speaker: Motion moved:

"That Dr. Paul H. Appleby's Report on the re-examination of India's Administrative System be taken into consideration."

We have fixed two hours for this discussion. About 25 minutes have already been taken by the hon. Mover. We have one hour and 35 minutes still. May I know the approximate number of hon. Members?

**Shri Gadgil:** Sir, may I say something? This is a very important question and a very important report. It is not possible for the House to do full justice in a short period of two hours. I know that this can, very relevantly, be raised during the discussion on the Plan. If I may make a suggestion for the acceptance of the House, I suggest that the discussion may proceed for two hours but need not conclude but may be taken up again when we re-gather.

Apart from the personal aspect and the fact that it may interest a few people, some of us who look more to the consequences that flow from this report and a certain administrative set-up that is functioning today and also certain administrative improvements suggested here want to submit certain things for your consideration and also the consideration of the Leader of the House. So, let this discussion go on for two hours, now and time may be found after we re-gather again here.

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** It was not the intention of the Government to have this matter debated during this session. It is not because it does not consider it very important—it does—but, before the discussion, we wanted a full examination of the various aspects, by the various Ministries and other departments of the Government and the Cabinet, of the various suggestions made. Frankly, we are in the middle of the examination and if I am asked to state anything about it, I will be very brief and I will say that I have

come here to listen to hon. Members and learn from them rather than to say anything myself. I would be very glad if these questions are discussed, but, obviously, I cannot guarantee what will happen in the next session. But, I would like it.

Unfortunately, listening to the hon. Mover's speech on this motion, I was hardly conscious about Dr. Appleby's report; I was more conscious of the Auditor-General. I refer to that part of Dr. Appleby's report in which he deals with certain important things. It was an important part, no doubt, but one small part, which he dealt with. I wish he dealt with the other parts of the report, which, I think, are more important and vital, the parts which Parliament should be interested in, where he discusses Parliamentary control and he criticises Parliamentary interference. These are the points which Parliament, no doubt, should consider and discuss. The other matters are, relatively, of small importance. We can consider them certainly, but the main things are those and, if I may say so, any person introducing this subject should have, I submit, said something about the context of things in which this report was made. I would refer the hon. Members to the first page—I am too modest to quote it here, modest on the part of the Government, Administration—where he speaks in highly eulogistic terms of the Government's activities and the brilliant conception of the First and the Second Five Year Plans and so on and so forth. Then, he goes on to criticise.

If I may draw the attention of the hon. Members, I think in the second page, top, he mentions this. This was, this part, was not a document to be published at all. It was entirely a private document which he gave me and the then Finance Minister for our consideration. He told us that it was not for publication but he also told that if we wanted to publish it he had no objection but it had not been written from the point of view of publication. He has used the langu-

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age deliberately because it is a private document and the language used is strong to shake things up. I think we should welcome it from that point of view, and not whether we agree or disagree. We always require taking it up so that we may build our minds and thought about various matters. We look upon it from that point of view and I am examining it fully. I should welcome as much discussion in these various aspects as possible, in this session or the next session, but I cannot just guarantee, Sir, the time for it.

Mr. Deputy-Speaker: Let us proceed with the discussion. We will see afterwards if we need any time subsequently or not.

Shri H. N. Mukerjee (Calcutta North-East): Mr. Deputy-Speaker, Sir, it is perhaps....

Mr. Deputy-Speaker: There is one thing more. We shall have to place some restriction on the speeches. Shall we fix 10 minutes to 15 minutes for each hon. Member?

Shri Jaipal Singh: That is too little.

Mr. Deputy-Speaker: There is only an hour, perhaps, left for hon. Members. The Government spokesman also will have to be given time.

Shri Jaipal Singh: We go on, Sir.

Shri Gadgil: It would have helped us quite a lot, in the interest of the discussion itself, if the House had in its possession the views of the Government on the recommendations of the Report.

Mr. Deputy-Speaker: If the hon. Members desire, we can increase it to 20 minutes, but only three Members would be able to speak, that is all.

Shri Gadgil: That is the reason why I suggested that it should be carried over.

Shri H. N. Mukerjee: Sir, may I have 15 minutes?

Mr. Deputy-Speaker: Yes.

Shri H. N. Mukerjee: Sir, it is perhaps a somewhat pleasant irony that we interrupt discussion on how to achieve targets set out in the Plan to consider Dr. Appleby's Report, where Parliament has been stigmatized as "one of the important negative influences on achievement," and this is a firm formulation arrived at, the Doctor tell us, after three visits to our country. For myself, I am rather intrigued by his generally forthright and hard-hitting observations and I do not at all mind, but on the contrary laugh over his superior assumption that his "American idiom" might be difficult for us to understand, or that we have a predilection for "a hotch-potch of references largely foreign and not well understood." However, we are all interested to find out how best we can utilise this report which the country has purchased, no doubt, at a fat price.

Sir, there is no question that the present system of departmental administration is largely cumbersome, vexatious and time-consuming. Particularly in a period of planning, this requires change. We cannot afford what Dr. Appleby says in picturesque language is "a tempo in which the calendar is more relevant than the clock." The central problem, therefore, is: how can parliamentary control be reconciled with efficient management of enterprises which calls for initiative, speed and flexibility of operations, qualities that can hardly develop under the present system?

The pity, however, is that Dr. Appleby does not help to solve the problem but, on the contrary, proceeds to aggravate it. Shorn of its trappings, the remedy he suggests for our administrative ills is: "Trust the civil service; do not be afraid of Government by Joint Secretaries". It is not only "Government by Joint Secretaries" he recommends; he says, "what India needs, more than anything else, is more Government by Joint Secretaries, more Government by Deputy Secretaries, more Government by



Under Secretaries and more Government by Managing Directors and their subordinates." I do not know where we shall be if more and more Government is being conducted by all these worthy persons. He says then, with a pontifical solemnity: "If India confines bureaucracy to small scope, she will confine the nation to small achievements." "More and unfettered bureaucracy" is, therefore, the Doctor's prescription, and, however much his friends might wish to sugar-coat it, the country won't easily swallow the pill.

Sir, successful implementation of a real Plan to raise the living standards of an abysmally poor population like ours involves a kind of revolution. The fact, however, is that we have not had that revolution; perhaps, the objective conditions were such that we could not have had that revolution even if we had wished that sort of revolution to happen. But the fact remains—with all respect to the Prime Minister—that the glow of freedom, the exhibition of freedom, still remains unlit in people's hearts and the working out of the Plan suffers in consequence.

We have inherited from Britain a parliamentary set-up and it is in the context of this parliamentary set-up that we are at present engaged in working the Plan within its own characteristic limitations. The parliamentary system has certainly its merits and it has evolved certain salutary checks and balances in respect of the administration which we cannot and must not do away with without thought. After all, these checks and balances have been evolved by experience, by the history of the working of the parliamentary system, and within limits they produce very admirable results. Our job today, conditioned as we are, is to improve upon them as rapidly and as radically as we can and to heighten the area and quality of popular participation in the organs and agencies of administration. This is what we must

keep upper-most in our minds, and it is from this point of view that I find Dr. Appleby's report completely disappointing.

There are organisational safeguards against extravagance, corruption and inefficiency in a parliamentary democracy, which we can only remove at our peril. Dr. Appleby is right in saying that "the present administration operates tradily and in a spirit that is unbelievably petty and frustrated": those are his words. He is right also in stressing that in the Plan period we should conceive of ourselves as if we are on a war footing. But we know that if bureaucracy is strengthened and, even remotely democratic checks and safeguards are removed, then we shall experience again the horrors of war-time enormities in administration, and that is a price which we cannot afford to pay even for the execution of the Plan.

Dr. Appleby does not sufficiently realise, that since the character and ideology of an Indian Government is necessarily different from what it was in British times, what is needed is not just more strength to the elbow of Joint Secretaries and the like, but a major readjustment of the machinery of administration, a development of the feeling that all officers are equally responsible for the government of the country. The remedy for an excessive concentration of authority and functions at the Secretariat, surely, is not that there should be further addition of power to the Secretariat, or there should be some formulae of adjustment between the functions of different Central Ministries, but we should try to provide executive authorities at all levels with the authority which is commensurate with their responsibility and, what is more important, we should try to ensure that there should be real live contact of the administration at all levels with the people and their representatives.

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Sir, Dr. Appleby is positive that Parliament interferes too much in public administration; that its Question Hour and other activities inhibit the bureaucrat, whose proneness to benevolent efficiency is of course taken for granted. He says also that Parliament attaches too much importance to the Comptroller and Auditor-General's Reports and also to the work of its own Public Accounts Committee. He says Parliament should be well-advised to confine itself to generalised perorations on public policy and leave the administration safely in the hands of the administrators. This is a picture which is not only totally inaccurate but is particularly mischievous. As a matter of fact, I submit that Parliament does not, and does not even wish to, interfere in administration except only to make sure that the not very new despotism of the bureaucracy which, in our country, is nurtured on the ideals of Britain's Heaven-born I.C.S. traditions,—this not very new despotism—is not allowed to check-mate popular expectations and aspirations. That is what Parliament wishes to do.

Today, we do not even have the Standing Committees of Parliament which, revived in a proper setting, could be of real help. Appleby or no Appleby, it is the responsibility of Parliament to see that nothing can take away the right of Parliament to make sure of decisions which ought to be in conformity with the interests of the people and to see that the public sector is run on proper lines and in a manner conducive to the people's interests. Parliament does not want to hinder but to help, and that is what the country understands too.

Dr. Appleby is particularly caustic about audit and makes observations about the work of the Comptroller and Auditor-General which are, to say the least, unwarranted. The office of the Comptroller and Auditor-General is that of a very valued public servant and like his opposite

numbers in Britain and the United States, he is perhaps the most important officer under our Constitution. This is not to say that he cannot be hidebound; this is not to say that he cannot turn out to be an unsatisfactory choice. But I do not think we can say that about the present incumbent of that office. In the present state of things, we cannot just ask the Auditor-General to stop doing the job which he is doing, and that job ensures that parliamentary appropriations are properly spent; that job requires him to satisfy himself that "wisdom, faithfulness and economy" were qualities which were exercised in spending the money allocated by Parliament.

I have here certain extracts from a speech which the Comptroller and Auditor-General made in January, 1955, which was even reported in the papers—and that is why I quote it—in which he said:

"It must be recognised that the purpose of a plan or a project and the manner in which it is being implemented are far more important than mere technicalities."

He says it. "It is imperative," he adds, that "audit should be circumspect in the presentation of its conclusions more particularly those that implied moral turpitude". I quote these extracts to show how our Comptroller and Auditor-General says he looks upon his job. As far as we are concerned, we get his reports and certainly we can say that it is very necessary that Parliament is apprised of the manner in which appropriations are expended and that those parliamentary checks and balances and safeguards which we have got through the instrumentality of the office of the Comptroller and Auditor-General are valuable things which we are not going to get rid of because Dr. Appleby seems to recommend it.

Then, Dr. Appleby makes certain facetious statements against audit and auditors. He talks of "Government by and for auditors," but perhaps this

essay of wit should have been made elsewhere than in this report. In regard to public corporations, I would like to quote the authority of such a conservative body as the Indian Taxation Enquiry Commission which says that of course every Government undertaking should try to see that it is run on economical lines and efficiently, and at the same time, that "public purpose rather than profit should be the guiding factor in the operation of a public undertaking". The definition of a "public purpose" can only be made by Parliament and by bodies analogous to ours.

Dr. Appleby, as I said earlier, has presented a report which is sometimes refreshingly provocative and that has been very interesting. He may very well have appealed to the Prime Minister's sense of urgency in getting things done. He talked about dynamism. "Dynamic" is an adjective which we hear very often from the Prime Minister, but Dr. Appleby says that in the present state of things, "Dynamism is smothered by procedures dominated by small thinking". But I wish he does not get away with it so glibly by appealing to certain interests which operate in the mind of the Prime Minister. They operate in his mind very correctly, but I am sure he might be in a position to take advantage of the Prime Minister's predispositions. If Dr. Appleby wishes, as he himself says, to see that we establish procedures that have a maximum potential of acceleration consistent with the maintenance of democratic values, then, he should have given us a different report. His sympathies are quite patent. His eye is almost entirely on those who are on or near the top of the Secretariat ladder. He pities the plumage but not the dying bird. He is unhappy—I am quoting his report at page 27—that we pay to our top administrators Rs. 4,000 a month, and he is unhappy that this Rs. 4,000 a month has a buying power of only Rs. 726 in 1939 terms. I am glad he gives us this figure, but he has not a word to say about the

masses of State employees who get less than Rs. 100 today and which would be less than Rs. 20 according to the Dr. Appleby's respectable and reputable calculations in terms of 1930 prices. It is exactly to these people lower down in the ladder of the administration, it is exactly to these people and to voluntary and popular organisations in different localities and project areas that we must increasingly look, if we are going to have our administration producing the results that we all are keen about.

In regard to the mobilisation of the support of those who actually work in our projects, in regard to the question of the improvement of labour-management relations, I find that in Bangalore a few months ago, there was held a Seminar of the Industrial Management Research Unit for Planning, and I find in a report in the *Economic Weekly*, that interesting experiences were related of how workers in a Post and Telegraph factory were persuaded to increase production, agree to shift-working and introduce a number of economies merely by broaching things over with them. This kind of thing happened. The Minister of Labour surely should be interested. But we know, at the same time, that so far, Government has not been able to evolve ways and means of associating labour with the management. We have heard in this Seminar as well in the House, how sometimes Government says that good things on this issue have been done in countries like the Soviet Union and Yugoslavia, but, as a matter of fact, nothing very definite has been decided upon so far. But this is an important aspect—this question of labour-management relations—which impinges on the administration and the efficiency of our projects.

In the Seminar at Bangalore, it is also reported that the managing directors reacted very strongly when the suggestion of workers' participation was put to them. Instances were given as to how workers, if they were talked to properly, could actually collaborate in the heightening of the

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quality and quantity of production, but, at the same time, there is a report that managing directors and fellows high up the social tree were extremely annoyed when this kind of suggestion was bruited. Therefore, I feel that when we talk about administration, when we talk about the efficiency which we want to see our projects to be administered with, then, surely one of the most important aspects is the association of labour with the administration. One of the most important things is to make sure that there is a continuous association at every level not only of labour but of popular voluntary agencies with the agencies and organs of the administration.

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I do not have the time to go into other matters of detail. I do not say to this House, "let us consign the Appleby report to the waste paper basket". On the contrary, I say, it is in parts a suggestive report. It is, as I said before, refreshingly provocative and some of the recommendations, like the one against private persons being appointed to boards, are very sound. But, it shows no basic understanding of India's problems today; it shows no understanding, no effort at understanding, how in the present set-up India cannot possibly wish to change straightaway, how in the present set-up we must proceed to tackle our problems from the point of view of parliamentary administration and that, as I said before, short of a revolution, a parliamentary set-up is as democratic a mechanism as one can ask for. Therefore, the report, as it has come to us, becomes by and large unacceptable.

I would suggest, therefore that in order to examine the report and sift it properly with the help of further material, there should be a committee of Parliament. In spite of Dr. Appleby, there should be a committee of Parliament, to report, let us say, in two or three months' time. I am sure the experiment, which is the result of the Speaker's innovation that Members

of both Houses should be associated in discussing in detail items connected with the Plan, has proved to be a success, and it ought to be followed up. Therefore, I feel that if Members of Parliament are given a job of work to do, and if they are told that in two or three months' time they must prepare a really objective and helpful report on the basis of Dr. Appleby's recommendations surely we can produce between ourselves a piece of work of which we can be proud. I am sure that would be a helpful proceeding; I am sure that would be a constructive contribution to the improvement of our administration, just as I am sure that Dr. Appleby's very confident prognostication at the end of the report is going to fail. He prognosticates that unless his recommendations are accepted, we shall never—he underlines the word "never" it is not my underlining—attain our targets. It is a very confident prognostication and I am sure that it is an arrogant waste of words.

I do not say I dismiss this report altogether. I find it suggestive in certain parts and that is why I wish that Parliament considers this and Government is assisted by the collective wisdom that Parliament can bring to bear upon this job.

Shri Gadgil: Mr. Deputy-Speaker, I am not interested in whatever may be the personal aspect in the report itself. I do not agree with the criticism of Dr. Appleby that the Auditor-General wanted a Government by the Auditor-General, of the Auditor-General and for the Auditor-General, nor do I subscribe to the other extreme that the Government should be of and for Secretaries, Joint Secretaries and the rest of the tribe. Like a common man, I am interested in certain things. One is that I am promised by the Constitution and by the various pronouncements made by the Government here on the floor of the House and outside that India is for all purposes a Welfare State and aspires to be a socialist State.

Those two conceptions mean something to me. If those high objectives which are embodied in the Preamble of our Constitution as well as in the Directive Principles therein, are to be realised, the administration, being the agency of implementation of the policies of the Government, assumes a great significance. It is because of this that I am interested in seeing that that instrument functions efficiently and from the point of realisation of those objectives.

The very conception of our State has undergone a change after India became free. Before independence, it was more or less a law and order State, a Police State in a limited sense, although there was a sphere in which certain welfare work was being done. There was a claim that it was a social service State. After independence, it has become a positive State pledged to certain social services not merely to a class here or a class there. At any rate, in the declaration it is clear that the State stands for all the people. That being so, it follows that the Government cannot confine itself merely to the problem of law and order. More and more, therefore, Government is entering into fields of production, distribution and so on. That had led to the principle of planned economy and we have had the benefit of the first Five Year Plan; this is not the occasion to evaluate the results of the same. We have also before us the second Five Year Plan. In both the Plans, the aspect of our having a good administration has been properly emphasised.

Dr. Appleby made two reports before this and this is the third report. We should not be carried away by his criticism of this, that or the other, nor by the long list of the qualifications enumerated by Mr. Matthen. I am a man who is prepared to accept any good thing from anybody:

“बालादपि सुभाषितम् ब्राह्म्यम्”

Therefore, I consider the recommendations contained in this report

from the point of view of their merits. By and large I am of the view that the diagnosis he has made of the present administration, is correct. How far the remedies suggested are likely to be effective, is a matter which can admit of difference of opinion. We should see what are the objectives we have and in the light of those objectives, the administrative machine must be geared up. The state has entered, as I said, into the fields of production and distribution and other trade activities also. That being so, we have to see that things which are promised are fulfilled within the time or nearly thereabout; and, if the administrative machinery proves to be a hindrance in that matter, it is the bounden duty of the Government and everybody interested in the welfare of this country to see that these impediments are removed. The administration is not a mere arrangement of things and territories. It has, as I once said here, to deal with the promotion of human relations between man and man and group and group. It is because of this that it is necessary that those who constitute the administration have really that broad outlook which is now absolutely relevant in the context of the principle of a socialist State we have adopted. If Dr. Appleby says that a small mind cannot work a big project, we must understand it and must not run him down for that. The point really is whether the administrative set-up that we have had for the last so many years is adequate to-day in point of personnel, in point of outlook and whether we have got that system of administrative morale which is highly necessary for the purpose of efficiently doing the job they are charged with.

I am not a man who believes in the definition of efficiency only in the context of economy; not that economy has nothing to do with efficiency. One of the tests of efficiency is economy, no doubt. But the main test of efficiency is whether the objective for which a particular unit or a parti-

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cular Ministry or a Department has been set up, has been achieved or not. If it is not achieved and if it said it has been done with such a small amount, that is no answer. The true test of efficiency is whether the objective has been realised.

From that point of view, having too many reviews and everybody consulting everybody in everything before anything can be done by anybody anywhere, surely is no argument to tell me that it has been done so economically therefore it has been done well. The point really is that if a thing has been promised within a certain time limit and if it is not done within that time limit, although it may have been done with less, I would pronounce that to be a failure. When I say this, I speak with a load of experience with me.

The point really is, as has been pointed out by Dr. Appleby in his report, that before the event or fact everybody tries to share the responsibility and nobody worries after the fact. The successful administration is one in which the responsibility is squarely put on a definable individual or a definable group of individuals and if you cannot do that, then responsibility is disintegrated and the sense of urgency is also sabotaged. Therefore, some of the remedies suggested by Dr. Appleby are worth considering.

I am not concerned with the controversial aspect between Dr. Appleby and the Auditor-General. The main thing in which we, as Members of Parliament, are interested is that whatever money we allot is properly spent. Whether it is open to the Auditor-General to pronounce on certain other matters is a matter of dispute. The Auditor-General cannot surely be the judge either of policy or administrative judgment or public interest. That is surely the sphere, and I should say the exclusive sphere, of this House. If the Auditor-General says that Parliament was wrong in

accepting this policy or laying down that principle—I do not know whether he has gone to that length; but in one of his speeches delivered at Jaipur I noticed an inclination towards this conception—if that is correct, it is just like a T.T. (not my hon. friend here, but a travelling ticket collector) criticising the freight structure and the price schedule of the Railway Ministry when his business is to see whether the traveller has a ticket; if he has not a ticket, he can surcharge him, penalise him, this that and the other.

Therefore, we must, in the interest of efficiency of administration, define the sphere and, if necessary, precisely the functions of the Auditor-General. What is happening today is, as I said, the Government is becoming more and more a social service State, aspiring to become a socialist State. The field of Government is therefore becoming wider and wider. It is no longer good wisdom to say that that government is best which governs least. It is the other way about. That government is best which governs most, which controls—my hon. friend is still afraid of it—the primary necessities of life—food, clothing, housing etc. their production and distribution. These are the primary necessities and if in a Welfare State, aspiring to be a socialist State, you are not able to assure us this, well, all I can say is that this is very much a mixed government and not a socialist government. At any rate so far as policy is concerned, it has not come up to the fulfilment of the promise or promises made in the Constitution.

The point, therefore, is this. As we are voting more and more, in what way or through what agency that is expended—that is a question by itself, about which Parliament should be more vigilant. Whether in the public sector the organisation should be one joint stock company or whether it should be an autono-

mous corporation is a different matter. The point is that whatever money is collected from the tax payer, when that is expended, this supreme tribunal of the people, has a right to know how it is spent. The real difficulty is that now there are so many public undertakings already in the field and there are so many promised, that Parliament cannot do adequate justice to them.

If I understand socialism, it means the ownership and control of most of the key industries, not only the industries that give long term returns but those industries which give quick returns, which have not yet been nationalised and the Government, it seems, is not inclined to nationalise them. But it is bound to come. People will not wait long enough for Government to be forced to take that step. The point is that this field of Government's activity is bound to become more and more expansive. Therefore, there must be some mechanism evolved which will secure, on the one hand, speedy, efficient implementation of the work and, on the other hand, will also secure a proper and reasonable control of Parliament so far as money voted are concerned.

During the discussion on the Bill nationalising insurance, this aspect, that is whether there should be audit by private chartered accountants or whether it should be by the Auditor-General, many aspects of this question have been discussed and it was then suggested by the then Finance Minister that he was thinking of having some mechanism whereby the two objectives which I just laid down could be secured. I suggest for the consideration of the Government and this House that just as in some Continental countries they have got Audit Commission or a Court of Audit, we can have here some machinery which will scrutinise all the reports of all the public undertakings and then submit that report for the consideration of this hon. House. That will be a good mechanism, according to me,

which will secure full parliamentary control.

I am not in the least inclined to give up the control unless I am assured that by giving up a little of that, the result is greater efficiency, quicker work and better implementation of the Plan that has been accepted by the country. Therefore, we are more interested in the administration organisationally and from the point of view of personnel. So far as the recruitment is concerned, that type which was recruited years ago is not adequate either from the point of view of mental equipment or outlook in a general way and some of the criticism about the recruitment, made in this Report, is worth considering. I know many requisitions are sent to the Public Service Commission. Then they say, there is no man answerable to these requirements. Therefore, what Dr. Appleby has suggested is, instead of asking for individuals, let them have cadres, certificate lists from which you can take as and when occasion arises.

The motive which actuated the old Indian civil servant is not adequate today. That motive has to be substituted by some other, more spiritual, more moral motive than mere incentive in terms of rupees, annas pies. Whether he gets Rs. 4000 or Rs. 3000 or Rs. 2000, that is not an unimportant matter. By and large, I can put down a dictum like this. Whatever a government servant receives by way of emoluments must have a fair relatively with the standard of life that is available in the community at large, so that there may not be any wide disparity. But, over and above whatever monetary incentive you may provide, the other incentive that one engaged in a job, in an endeavour which has an attraction of its own, that one is going to build up a new India in which certain ideals will be found concretely working is what we want. I am of this view that there are thousands of young men now under going training in the Universities and if properly tapped, they would certainly come and meet the situation

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adequately. I am therefore suggesting at this moment only this much. Since the Government has not formulated its views, I would say that the time has now come for a change in the policy of recruitment of personnel to man not only what undertakings they have in the public sector, but even in what Dr. Appleby calls the historical Ministries.

Then, a sense of responsibility must be developed in every individual. That can only happen if there is delegation of powers on a large scale and individuals are invested with a larger measure of discretion. There are people who feel that if they delegate, they lose power. On the contrary, I agree particularly with the thesis of Dr. Appleby that if power is delegated, responsibility enlarges. At the same time, you have a chain of people who will be well equipped and ready. Unless you know how to swim, you do not jump. Unless you jump, you do not know to swim. That is the contradiction. Under the British system, there was what was known as the officiating chance. If a Collector goes on leave, the Deputy Collector works for three or four months. If he works on three or four occasions, he is fairly familiar with the responsibilities of the job and when the time comes, he is found generally adequate. All that is suggested here is, that, under a managing director, there must be two or three deputy directors who will be members of the board, who will get familiar with the working of the job so that in time they will be found adequate to wield the responsibility. What I suggest is that some of these remedies suggested by Dr. Paul should be considered, irrespective of the strong language that he may have used about the Auditor General or even about Parliament. He says that by too often criticising in too detailed a way, in regard to too trivial matters, we are making, so to say, the civil servants less prone to take responsibility. That is true to some extent. I can give an example from my own

experience. There was a question of purchasing certain things. Suddenly the market went up. The officers returned and they said it was impossible. Somehow it was done. But, the fact is to some extent, correct that officers today are not prepared to take responsibility, unless it is underwritten by consultation with everybody, nothing can be done. That psychology has got to be changed and that can be changed in two ways by making them work and by giving more power. In the Parliament now, there will be more legislation. Since the field of Government is extending, we are bound to have legislation so far as general principles are concerned, and more delegation of powers to the departments or Ministries is inevitable; resulting in bodies of rules. That is inevitable. We should concern ourselves with the broad general policy. So far as control is concerned, there may be some such mechanism as I said, an Audit Commission or some such thing which will scrutinise all the reports coming from all the public undertakings and present to Parliament their consolidated report so that we will be in a position to know whether the moneys that we have voted have been properly spent or not. I have nothing more to say except to request that the Government should formulate its views as early as possible because what is grammar to language, administration is to the State. If the sentence is good and also grammatically correct, one feels a little joy.

Shri T. N. Singh: (Banaras District-East): Mr. Deputy-Speaker, I feel that it should be a matter of gratefulness that Dr. Appleby, if he had been a Member, probably, he would have used much stronger language than any Member of Parliament in any discussion as they are used here. I do not grudge if he has used strong language. After all, that is criticism that he has made of Parliament itself. That only justifies that probably Parliament is right at times in making criticism. After all, when we feel con-



vinced of a particular thing, it should certainly be the duty of every representative of the people in this House to express himself strongly and with as much force as possible. Unless you create a sense of responsibility in any person in India whose duty it is to take responsibility, I say there is little hope for the future. After all, democracy means criticism. Parliamentary institutions mean criticism. Criticism will be made. Even then, responsibility has to be taken by those whose job it is to take responsibility.

I will read out a particular sentence from the report of Dr. Appleby in which he says:

"Social wisdom can be approximated and converted into particular decisions only by the interaction of hierarchically organised institutions of functionally differentiated character, all generally responsive to the general judgment of society, within the institution varied interests, varied functions, varied ideas interacting under a discipline of control and potential control provided by a pyramidal hierarchy produce decisions of specific sort that are relevant, practical and representative in their own fashion, provided that the hierarchy is under the general direction of a body itself subject to popular control."

This is all very philosophical. As a matter of fact, it reminds one of what Bertrand Russell writes. In this maze, I personally, am unable to understand what he is actually aiming at. If the idea is that there should be a hierarchy and that hierarchy should work at different levels, I think that is happening. What we, who are here as the representatives of the people feel is that this hierarchy needs some reform, that it needs a difference in approach from it what it has been in the past. I remember very well during the last elections, there were two sets of ideas mooted out. One was that we, who represent the people, should not interfere too much with the officials and if they were left to

themselves, it would be all right. That was one propaganda and those who fought the elections may remember that. Another set was that what we need, I will not use strong language, today is an honest, efficient bureaucracy responsive to public opinion. That was one of the demands made, and we had to make our choice, and the electorate made its choice as to what should be the real objective to be aimed at. Now, when we all came here, as one who has been associated with the Public Accounts Committee and also with what the Auditor-General has been doing in his reports and other things as well as several other activities here in Parliament and outside I can say that we faithfully, honestly tried to carry out the mandate of the electorate in this matter. That is the spirit in which we work. That is the spirit in which we wanted all our officials in the administrative machinery, whether audit or even other officials, to work and therefore if anything has been said or done in that spirit I think we stand vindicated by what our people want, and that is what we have done.

After all, what has been said in this report that is new? Delegation of powers. Who says there should be no delegation of powers? But delegation of powers also means that the man who delegates power knows he can delegate that power to the people below him. He is not there to shirk responsibility in that regard. He delegates the power with full confidence that it will not be abused, that it will be fully and properly utilised.

That is the spirit in which all delegations are made and I believe that that is the objective of this suggestion in Mr. Appleby's report. It is on that basis I think that administration should be functioning and should have functioned, but what has actually happened is that, as he says very rightly, when a decision is taken, it must have the agreement from the top to the bottom. Every official through whom that file may have passed should have agreed, then only that file is considered to be complete.

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I want to know whether even in the limited system of delegation of power that is there today, this idea of getting the agreement from top to bottom is put into practice, every clerk saying "Yes, O.K.". If the Under-Secretary does not agree, it should go back. That is not delegation of powers. As a matter of fact, if anywhere this theory of delegation of powers is to be implemented, it is at that stage, it is in this context that things have to be done, not by saying that Parliament or its committees do this or do that. That is not the way to delegate powers in the real, right sense.

Coming generally to what Shri Gadgil just now related—he is a very old and respected Member — I think he has not probably followed the work or the reports of the Public Accounts Committee or the audit or the reports of the Estimates Committee. Nowhere have these committees gone out of their way or done anything which can be considered to be interfering in details. What have they done? They have only made certain suggestions in regard to the question of a particular administrative machinery. That is the Estimates Committee's job. The Public Accounts Committee has dealt with certain types of cases which should be dealt with any way. It is done anywhere in this world, wherever there is a democratic system. There are all kinds of things, irregularities, infructuous expenditure etc. There are known categories of things to be dealt with. They are all routine matters which come up in the routine way and are dealt with in a routine way. wherever there have been doubts or people felt that some more investigation was required, generally our committee has said: "We feel that there is something which requires further investigation. Government should undertake that investigation." Where has this kind of decision taken by the Public Accounts Committee or the Estimates Committee interfered in matters of detail?

**Shri Matthen:** Excuse me. It is not at the Public Accounts Committee

level. The staff of the Auditor-General goes and interferes in every small thing and questions the discretion.

**Shri T. N. Singh:** I am not concerned if there is anything wrong with the subordinates. It is all right, but what has been done under the Constitution, what is our system of administration and running our country, what is wrong with that? Let us examine that. Individual failings, we are not concerned with here. It is a matter of detail I do not want to go into that. We should never go into such things. It should be left to the other persons to be dealt with. There are proper persons to deal with these things.

I want to know one thing very specifically. Here are questions of details concerning the way this Parliament functions. Has any one of us been consulted by Mr. Appleby before he made this general, sweeping allegation against any of our committees or Parliament itself? It was but fair, I think, to have a proper understanding of our action, to have consulted some of us. The Chairmen of these committees were there, at least they could have been consulted, but I know for certain they were never consulted. Not even ordinary, informal discussion was there. To come to a conclusion without hearing the other side of the case, I think, is very unfair, whatever may be our views in regard to this. We may condemn ourselves. I think we have also erred on several occasions. This Parliament is also liable to commit mistakes. I will be the last person to say that whatever we have done we have always done right. After all, we are all human beings. We are likely to err. That is another matter altogether. It is on the basis of a common factor of errors and right things that any organisation or any human being does, that democracy is constituted. It is on that basis that a democracy functions. So, assuming all that, I feel that it would have been fair to understand how we have been functioning.

As a matter of fact, I can say it is quite wrong for Shri Gadgil to assume that the Auditor-General had entered into matters of policy. Certainly not. Take any of the reports that have been published. Never has any question or matter of policy been discussed. Yes, in the Public Accounts Committee we have discussed certain matters of policy.

**Shri Raghavachari (Penukonda):** He referred to a public speech.

**Shri T. N. Singh:** He is hazy in his recollections.

In the Public Accounts Committee or in the Estimates Committee, we have discussed matters of policy, but we are a committee of this Parliament. If Parliament is entitled to discuss matters of policy, surely its committees should be. That may be a debatable point, but all the same these committees represent Parliament and they have functioned as Parliament should function. That was the basis. But if this House thinks, or the general opinion is that they should not function in that way, that is another matter. But so far what has been done has been done in the right manner, according to the spirit of the Constitution itself.

Coming to the question of the public enterprises that we are going to have. I think I can claim to be as zealous about the development and progress of our nationalised undertakings as anybody here in this House. I want them to develop. As a matter of fact, I am one of those who want more and more undertakings to come under our control or the nation's control. That is what I want because I feel the public sector will have to be expanded as time goes on and I think that is the concept of the Second Five Year Plan also. With that as the basis, I do feel that any restrictive apparatus will be a bad thing, but even where we want these things to be done, we want a certain amount of minimum democratic, parliamentary control. There must be a difference between a public  
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undertaking and a private undertaking. If the railways were yesterday or today to be a private undertaking, the House would not be able to ventilate its grievances, and they would not be able to improve as they should or they would if there had been no parliamentary control. So, on such things which are of public interest, Parliament has certainly a right to speak, and I am sure in the general debate we have spoken the least. Curiously enough in regard to a national undertaking which is a kind of business enterprise, we have gone from the water tap on a platform to several other things and nobody has had anything to say about it. I can understand if somebody had said certain things about that, but that is taken as a normal course. I am sure even the Cabinet would consider these matters, that we ask from the poor Railway Minister or the poor Communications Minister about this and that, a bolt or a nut in a particular aeroplane or a particular railway engine not being this way or that way. Nobody bothers about that. That becomes all right. But I say there are certain matters of detail also into which Parliament will have to go. That will be there.

Now, about the Question Hour he has said something. It may be we are rather persons of a lower calibre in this House, but all the same I think the Question Hour is one of the most usefully spent hours of this House, both for this House as well as for the administration. It may be that there may be detailed questions. Things will arise, we will learn by experience, but all the same I think it is no use trying to criticise the Question Hour as something very infructuous or fruitless in this Parliament.

Finally — I would not take much more time; I have tried to cover as much ground and as quickly as possible about the various aspects — I want to say a few words in regard to what concerns our own dignity and our own stature. We do not want to pat ourselves on the back, but on the whole, I think that this Parliament,

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this august House, has set up very noble traditions, has done an excellent job in a very difficult time, one of the most difficult periods of this nation's critical history, and we should be proud of it. I do not mind what somebody from outside says about us. After all, it is democracy. There is freedom of speech. We give freedom of speech to our own nationals. Let us extend that as a matter of courtesy to somebody who has come from outside, though he is not our national. Let him have the privilege, and probably the right, to criticise the most august body of this land. I felt it, no doubt, as a citizen of this country who is proud of the position in which our country today is, the way we have established for ourselves a national and international position, and all the great things that we are doing today. I do not want to take praise; it is no good to praise our own people.

But at times one feels — when so much criticism is made against us — that it is good to have a change and to say something about our own selves. All the same, I am sorry I raised this hornet's nest when we were discussing the excess grants. I did say then that it was rather very bad on the part of somebody who came from outside to have made certain remarks against this august House. I felt it certainly because we were not heard. Our side of the case was not heard; what we felt about it was not heard. Why the Parliament or Members of Parliament were behaving in a particular manner, nobody knew about. An *ex-parte* judgment was given. Not only that. As the Prime Minister rightly said, it was prepared for private circulation, but it so happened that it was circulated to everybody and it became a public document. And there it is.

That was why I felt it. I am glad that this discussion has taken place. Probably, we cannot do justice in the short time that we have got. I wish you will give more time. I want to have the Report considered objectively, dispassionately and without

importing any unnecessary subjective matter.

**Shri Jawaharlal Nehru:** Mr. Deputy-Speaker, Sir, as I indicated at the beginning of this discussion, it is not my intention to go into this matter of the recommendations, suggestions and criticisms made in the Appleby Report at this stage, chiefly because we want to consider them very carefully in Government and then come up to Parliament for information or for guidance.

May I say right at the beginning that we should welcome very much discussions among MPs on this subject? Shri Matthen suggested some kind of Committee of Secretaries and the like. I do not quite know what he meant. The Secretaries are, of course, considering it. They are always considering these things that are referred to them, and they will, no doubt, send up their recommendations. But what seems to be a better procedure is that, if there is time, we might have those informal meetings with a number of Members of Parliament which we had for the Planning Commission. We may have that type of meeting, subject to one thing, if I may submit,—not having the necessity of every word being placed or recorded for future use. That, I think, is a little waste of time and energy. But to meet and discuss these various matters informally would be undoubtedly helpful from the point of view of the Government. I cannot guarantee this—I do not quite know what work we may have in the next session — but we hope to do that.

Now, I find that the way this Report has been looked at is as if it was an attack on this or that privilege of ours or rule of ours, and we are on the defensive. The House will notice that Government in various departments of Government, the Ministry of Finance and others, are criticised in very strong language, though we do

not object, my colleague does not object. We want as stout a criticism is possible. Not that we agree with it. if we agree, well and good; if we do not agree, we do not agree. But we welcome criticism, and we have, therefore, welcomed this criticism, this time and the last occasion that Dr. Appleby came here.

Dr. Appleby, there can be no doubt, is a person of very considerable experience in administrative procedures, structures etc. not only in the United States, but certainly in nearly all the countries of Europe and many elsewhere. He has been for long considered one of the major experts in administrative matters. That does not mean what he says about India must be right or good—it is neither here nor there. But he is a person who is entitled to express his opinion, and his opinion has to be considered carefully.

It so happened that he came here about three or four years ago on the first occasion, and the report he issued then was placed before the House much later, and sent to State Governments. And as a matter of fact, we profited greatly by that report, and some improvements were made in our internal procedures here in the Finance Ministry and in other Ministries because of the consideration that we gave to that report. I think that the O. and M. Division — the Organisation and Methods Division — was, more or less, started because of those discussions on the Appleby report, and that is doing really good work. As a matter of fact, changes have been introduced from time to time, because it is not a question of one major 'yes' or 'no' about it. This whole thing runs through the whole gamut of administration, and these changes have been introduced, and are being introduced from day to day, and I believe, to our advantage.

Then he came for a second time about two years back, and he made certain comments — I forget if he presented a major report or not; I have no recollection.

On this occasion he came again, for the third time, although he is a fairly busy man; he has been for some time what might be called the Finance Minister of the New York State. We do not call him Finance Minister there, but that is his function in the New York State. He deals with the finances, which are pretty big, of the New York State. All that does not qualify him to be a final judge in regard to our matters. But it does show a degree of competence and experience. He is a person on the eve of retirement; he has finished, more or less, his life's work, and he gave a good deal about administrative procedure, financial procedure and other procedures, and we have welcomed his visit here and profited greatly by it.

The whole trend of his criticism has been how we can meet the needs of today in India; that is, a new State dealing with not only social and other matters, but trying to deal with them at a rapid pace, a State which is industrialising itself, which is trying to grow, and in all sectors of our economy. How to do it? He has pointed out throughout that we cannot do this satisfactorily in the framework of the then existing administration, the one which we inherited from the British. He has paid tribute to the persons and the House will remember that he said that the level of administration in India, the quality of the administration was as high as he found almost in any country in the world. Even from the administrative point of view and the point of view of the purity of administration—in spite of the fact that there was corruption here and there—even so, he said that India came in the top dozen or so of the countries of the world. Having said that he said that the system that we have—it was a good enough system for the previous type of State—is not fast moving; it is slow and there are too many checks and counter-checks with the result that delays occur. That was his first criticism.

When he came a second time he expressed his surprise and satisfaction

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that things had moved must faster than he thought they could have moved under the system partly because of certain minor changes that had been made and partly, according to him, because people had worked very hard, that is, the administrative apparatus. On this occasion again, the House will see that he began by saying that while they have proceeded as well because they have overworked themselves—and one cannot expect them always to be overworking themselves—in order to have a stable and fast progressive system you must change it in this way and that way. Anyhow, the whole criticism of Dr. Appleby is that this machine should move faster. It is obvious that he has a background. Although he has a world background, it is chiefly an American background and now he is partial to the American background. I remember I showed Dr. Appleby's Report to a very eminent Englishman, an English Professor, who obviously had an English background. He came, perhaps, from Shri Hiren Mukerjee's University, the Oxford University and he did not like Dr. Appleby's American background at all.

Well it does not matter, as a matter of fact, what Dr. Appleby says of what the other man from Oxford said. They are both very interesting and very helpful because they are looking at the question from various points of view. What are we interested in? We are not interested in retaining a particular framework, administrative framework or throwing it away; but we are interested in getting the job done as quickly and rapidly and as well as possible. We are interested in getting our Five Year Plans go ahead and accomplish them both efficiently and speedily with purity in our administration. These we are interested in. Therefore, we welcome all suggestions, from any quarter they might come, and examine them with our own experience, the experience of Parliament and others and try to improve on that system.

Nobody can say that our administrative apparatus is just as perfect. Nothing is perfect. At the same time, it is admitted, and I think it should be admitted that our administrative apparatus, framed as it was originally for different purposes, has adapted itself to the change in India much more than might be expected. I might say everybody has adapted himself satisfactorily and the machinery has adapted itself—a good part of it has adapted itself—very well today. But, it is not merely a question of adaptation but something much more.

This House sometimes criticises and maybe rightly criticises the growth in all government offices, of people employed by Government or of Ministers or Deputy Ministers or Parliamentary Secretaries and the like. But the fact is that the work we have to deal with has grown in geometric proportion—not in arithmetic. It is astonishing how work has grown. We may deal with it adequately or not; it is not for me to judge. But there is no doubt about the growth of work. It has to be recognised and it is not a sort of doubling or trebling. The only way to judge of it is 50 times or 100 times than it was previously. It goes into that region. Now, this puts a tremendous burden on everybody. Work grows; people are lacking; trained people are lacking. Obviously, the type of work we have to do more and more requires trained personnel. We want trained technicians; trained scientists, trained engineers, trained administrative officers and so on and so forth. We are constantly facing this difficulty.

One of our big problems today is this question of man-power. How to train our man-power adequately and utilise it immediately, not in the present haphazard way people go through colleges and universities and then knock about having no work to do because they do not fit in with the kind of work required. We have to train for a great deal of work and

nobody should knock about—no trained person. There is no doubt that we shall be training these men in much larger quantities than now. Not only that; we have to compete with others.

I am told that in the Soviet Union they are producing 75,000 engineers a year. We may not produce 75,000, but we may be able to 5,000 or 10,000. I do not know. We should have to. I think the figure will go up. In the Soviet Union, to give another figure, I was just reading today that there are 250,000 science teachers there; just science teachers—250,000. That shows the importance of science and technology and other things. The whole trend of administration is changing; the whole trend of modern life is changing and our administrative system will have to adapt itself to it. It cannot go on much as it has done in the past.

Two countries which are hardly alike but in some way are very much opposed to each other, the United States of America and the Soviet Union have one thing or many things in common. And, among them is this thing that they have a certain vitality and a certain adaptability, a certain knowledge of the changing world today and they are adapting themselves, they are trying to adapt themselves, scientifically, industrially and technologically and the rest. All other countries are behind them, if I may say so. Therefore, You will find that the average man from America and the average man from the Soviet Union offers the same criticisms on India. It is interesting to remember that the American comes and dislikes all these checks and balances. He wants to go ahead. He says, 'what is this'. We should have checks and balances. Every Government must. But what he says is, 'You have too many'. The average man in the Soviet Union—we do not have the average man from the Soviet Union, we usually have the special man from the Soviet Union,—but he offers exactly the same criticism to us 'We cannot get work done. Your checks and balances and references and this

and that, why don't you give them to a General Manager to go ahead, as we have done in the Soviet Union'. It is no good working in theory. Theoretically, Parliament is supreme. Of course, Parliament must remain supreme. We must have the democratic structure. We must follow the fundamental basis of our Constitution. Nobody challenges that. We must have our checks; we must have the Auditor-General; we must fix this and that. All right. But we have to deal with the practical problem and not the theoretical problem of dealing with the Constitution, so that it may lead to results. In that way we welcome criticisms. We have received many criticisms.

My friend here is dealing with the building of the Steel plants and he is constantly being pushed by the Soviet people that this thing should be done quickly; delegate responsibility, this and that; we have to go ahead, we cannot wait for others. It is odd that the same type of criticism comes from the Soviet Union and from the United States, although they have entirely different structures.

6 P.M.

May I, in this connection, say and also draw the particular attention of my friend and colleague, Shri Mukerjee to a certain thing? He has been constantly talking about bureaucrate—that this sort of bureaucratic machinery crushes the spirit of man and all that. Well, I do not know what he would call the men governing the Soviet Union at the present moment. I say it is the essence of bureaucracy. And, I say the more socialists we get in this country, the more will bureaucracy grow. That is the inevitable result of socialism. It is obvious. Maybe, it should be a better type of bureaucracy; that is a different matter. It is bureaucracy and you must have bureaucracy in this complicated state of affairs whether it is India or America or the Soviet Union.

In America, they have a little less than they used to have—they used to

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have a good deal of—what is called “The Spoils System”. That is, when a new administration comes, they push out almost up to the post-master in a local village. I do not know whether they do so still, but they used to. Everybody changes and in comes the new party man. In the Soviet system, I do not know the exact details of it, but sometimes, lots of people change suddenly.

But, the point is that you cannot escape bureaucracy. Improve it, if you like and we must. But, it is bureaucracy and in the old days we thought of bureaucracy in terms of the Indian Civil Service and some other Service. That idea has of course changed. The Indian Civil Service, as it was, is gradually fading out; a few people are left. Other people are coming and the Indian Administrative Service is bred up and conditioned in a somewhat new atmosphere. But, apart from that, naturally, a new invasion is taking place in this so-called bureaucracy and that is the invasion of the technical man—engineer, technologist, etc. He is coming in large numbers and he will come in ever-growing numbers in our whole apparatus. You have to rely on these people; you have to train them more and more. The time may come when you will be using them, not in thousands but in—if I may use the word—millions, not even in hundreds of thousands. And your Government will be progressively more and more bureaucratic in that sense. Then of course there will be hundred ways and many more ways of controls and others.

Now, again, our work becomes so complicated and so various. The work of Parliament becomes very very difficult and it becomes difficult for the Parliament to keep pace with it. If it cannot keep pace with it and yet has to control it, it has to pick and choose the strategic points; it has to see: what are the important points which you must hold and check and not waste our time in relatively

smaller and more trivial matters. Otherwise, important matters slip away and attention is drawn to the trivial matters.

If the hon. Members recollect the history of the growth of parliamentary system in England, they will see that the Parliament of the 19th century in the UK was something completely different from what it is today. Apart from the fact that it was not a very democratic Parliament—I mean to say that franchise was very limited and all that, but apart from that—that Parliament had leisure...The private member had plenty of time. It was a private Member's Parliament. Government hardly brought in anything, any important social measure. Sometimes it did of course, but they were a few and far between. And the Private Member had full charge.

Gradually, the work of Parliament and of the Government in Parliament has grown so much that the poor private Member in the British Parliament, as in other Parliaments, gets pushed out, simply through lack of time. And the most vital and important things are decided by Parliament by a real decision on the principle and then it refers it to some other body. Take an instance: It was divided absolutely. There were two main parties in the 19th century and the early 20th century Parliaments. There were two parties, for and against, free trade. The old Liberal and the Conservative Parties were divided on vital matters. Yet later, when protection came in, somewhat upsetting the hundred year old policy of the British, it is astonishing: the principle being accepted and the Board of Trade being told to draw up lists, duties, etc. Parliament hardly found time to consider; they had no time. They just decided: we have protection. Having decided that, the Board of Trade officials did the rest.

So, by the compulsion of events, Parliament cannot deal with these matters because there is so much. When you have not two corporations



but hundred State corporations in India, it is competent for Parliament but it will never have the time to look into each one of them, even if it wanted to. It has the power and if it chooses, at any time, to do anything, it will do it. But, you have to evolve other methods, therefore, whereby there should be adequate checks and at the same time, full initiative given for progress to go ahead.

These are really problems, not created by the Appleby Report. These are problems which are created by the facts of today, by the facts of life and we have to face them; we have to consider them carefully and discuss them and, step by step, change our administrative system or whatever it is, financial system, as we gain experience and as we see changes are necessary.

Shri Gadgil said that he wanted Government proposals. Certainly, I hope, in the next session, to put forward Government's ideas on the subject. But, all these are not one consolidated proposals. They are so many things and they are continuously, gradually changing; change after change comes.

For instance, during the last year or two, we have been progressively delegating authority; we have accepted that broad principle. We are going perhaps a little more slowly than we ought to. The Finance Ministry, which has been complained against greatly, not only by Dr. Appleby, but very often by the other Ministries of the Government of India too, is delegating its authority and introducing, what is called, internal financial advisers. That is, instead of referring every matter to the Finance Ministry, one of its advisers sits with the Ministry in question and we pass on things; it avoids delay. Only in very important matters, need it go to the Ministry. We are going along these lines. Maybe, we are not going fast enough.

In regard to the delegation of authority to our autonomous corporations and others also, we feel it should be done, always keeping checks and

controls as far as possible. So that it is not a question of yes or no to anything; it is a question of examining it and making gradually such changes which appear to us desirable and which do not involve any risk, any grave financial risks and the rest. That is how we are proceeding in this matter and we shall proceed. I shall, from time to time, place before the House the steps that we are taking. In fact, in answer to many questions, we have been telling them about these various matters and, as I said, in the course of the next session. I hope that we shall be able to arrange an informal discussion among as many Members of Parliament as they wish. It is not a question of selecting them. As many as are interested and wish shall discuss this matter. We shall discuss the various points that the Appleby Report raises and, in fact, other points too, in regard to the administrative system and the other like points.

But, if I may again mention it, one should not feel irritated because of the strong language that Dr. Appleby has used. If I were quite sure that we were going to put it before Parliament, he would have used different language. But, we wanted our Government people—senior officials—to be shaken up. He told me that. In fact, he even offered to change his language, if it is going to be published, but I said: leave it as it is. That is good enough. So it is not that. But let us think rather of the great problem that we and every country has to face. It is a problem which, I have no doubt,—I know it is a fact—the United Kingdom has to face today; not the same type of problem as we have, but not so different either. After all, in a sense our civil services were somewhat modelled after the United Kingdom pattern. They had the same difficulties as we have had. It may be that they have greater experience and their country is small whatever it is, but they have their problems. I know it is a fact that the Soviet Union is constantly struggling with this problem of how much authority to delegate and how much not to delegate. I know they impressed upon me, when I was in the Soviet

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Union—they also impressed upon us when they came here—that we made a great mistake in not delegating authority, and they are delegating much more authority now simply because they found that the rapidly moving machine of their's was checked and stopped repeatedly because they did not delegate. Of course, they have a close supervision. Every Government has. But you cannot help the complicated and big administration not to delegate authority. And I would remind this House, when it talks about the Government by Joint Secretaries, Deputy Secretaries and Assistant Secretaries, that that is exactly the type of Government that both the United States and the Soviet Union have got today.

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RELEASE OF A MEMBER

Mr. Deputy-Speaker: I have to inform the House that I have received intimation from the District Superintendent of Police, Ahmedabad City today that Shri A. K. Gopalan, Member, Lok Sabha, was acquitted on the 6th September, 1956 of the charges under section 143, 145 and 188 I.P.C. by the Judicial Magistrate, First Class, II Court, Ahmedabad.

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6.13 p.m.

*The Lok Sabha adjourned till Half past Ten of the Clock on Tuesday, the 11th September, 1956.*