

[Shri Vijoy Kumar Yadav]

House, but I feel that it has been brought in a hurry. Enough attention has not been paid to all its aspects. This is the reason that a demand is being made in the House for bringing a comprehensive bill.

Cinema is a very big industry. By including it in the category industries, the amenities and facilities being extended to industrial workers should be made available to cine workers, whatever may be the field of their work and whatever be the circumstances under which they are working. The law should be so made that it is not half done. The name given to it is not proper. 60 per cent workers have been left uncovered.

The number of workers working in production and screening sides is very large. I have no experience of film production in Madras or Calcutta, but I have the experience of Bombay. I had been to Bombay a number of films where films are produced. I had the opportunity to visit the studios and talk to people working there. They are badly exploited and mal-treated. The provisions of existing law are not observed. When the present law is not being observed, it is crystal clear that the law you are going to enact will not be followed and the facilities you are going to give to them will not be given.

[English]

MR. CHAIRMAN : The hon. Member may continue with his speech next time.

15.30 hrs.

COMMITTEE ON PRIVATE MEMBER'S BILLS AND RESOLUTIONS

[English]

Thirty first Report

SHRI R.P. SUMAN (Akbarpur) : I beg to move :

"That this House do agree with the Thirty-first Report of the Committee

on Private Members' Bills and Resolutions presented to the House on the 19th March, 1987."

MR. CHAIRMAN : The question is :

"That this House do agree with the Thirty-first Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 19th March, 1987."

The motion was adopted.

15.31 hrs.

RESOLUTION RE : ECONOMIC POLICIES—(Contd.)

[English]

MR. CHAIRMAN : Now the House will take up further discussion on the Resolution moved by Shri Bhattam Srirama Murty.

Shri Shanti Dhariwal,

[Translation]

SHRI SHANTI DHARIWAL (Kota) : Mr. Chairman, Sir, I would like to make a few submissions on the Resolution regarding the Economic Policies moved by Shri Bhattam Srirama Murty.

First of all, I take objection to the political motive with which this Resolution has been brought. It is a bad practice to criticise the sound economic policies of the Government with a political motive. Several countries, the World Bank, the I.M.F. and other organisations have lauded the economic progress made by India. The way India has strengthened its economic condition by increasing production, the way it has provided employment to unemployed persons and created infrastructure within a short period, it is very rare to see such progress in a democratic country.

15.32 hrs.

[SHRIMATI BASAVARAJESWARI
In the Chair]

We have laid stress on mixed economy right from the days of Pandit Jawaharlal

Nehru. We invested thousands of crores of rupees in the public sector so that we could make our economy balanced and strong and could ensure that the private sector did not sell the essential commodities at exorbitant prices.

It is heartening to note that under the leadership of our young Prime Minister, the public sector has made considerable progress during the last 2-3 years. The public sector industries, which had been continuously running at loss and were afflicted with numerous problems have shown a considerable improvement. A great deal of change has been brought about as a result of the new industrial policy formulated by the Government. The first of such changes is visible in the form of speed with which licences all being issued to the industrialists and especially, those in the small scale sector, have been allowed a variety of tax rebates, as a result of which the production has increased. This has been possible as a result of the new industrial policy. Similarly, those who criticise the public sector merely on the ground of their not making profits should see how much progress the country has achieved in this field.

I would like Shri Bhattam Srirama Murty to go into the background in which the public sector was created. What was the objective behind giving so much encouragement to the public sector? It is not for the earning profits alone that the public sector is created. There are certain other obligations which the public sector has to fulfil. These obligations vary from controlling the prices and providing employment to promoting industrialisation. The performance of a public sector industry cannot be judged merely from the angle of profit. We have to evaluate the public sector from many aspects. I would only say that our economy has been strengthened under the leadership of our young Prime Minister. The programmes meant for alleviation of poverty, whether it is I.R.D.P., R.L.E.G.P., N.R.E.P. or other programmes for bringing scheduled castes and scheduled tribes and other poor people above poverty line and improving

their standard of living, are unparallel and we are implementing them nicely. None of our neighbouring countries has such good programmes. In spite of all this, if the good points of our economic policies are undermined for political motives and an atmosphere of despair is created by saying that the economic policy is weak, the economy is sinking and that the country is facing economic crisis, I cannot but condemn it. It would through you, request Shri Bhattam Srirama Murty, the mover of the Resolution, to withdraw it. The public representatives should create an atmosphere in the country whereby the commonman could feel involved in the development programmes, whether they are five year plans or some other programmes which aim at improving the standard of living of the rural people and providing them maximum benefits. We must extend our full cooperation to the Government in its endeavour of unearthing black money and stringent action against the black-marketeers, under FERA and other relevant Acts.

*SHRI ANADI CHARAN DAS (Jaipur): Madam Chairman, the resolution moved by Shri Bhattam Shri Rammurthy regarding the economic policy is being discussed on in the House. I would like to speak a few words on his resolution. In his resolution Shri Rammurthy has said that due to the bad economic policy of the Government the gap in the condition of the poor and rich people is widening day by day. The condition of the common man in the country is getting worse. While saying so, Shri Rammurthy has given some suggestions to improve the condition of the people. He has referred to the industrial policy of 1980 and given some suggestions to rectify it so that the public sector undertakings run efficiently and the economy of the country is strengthened. At the same time he has said that the losses incurred by the public sector undertakings should be checked. While mentioning all these facts he has requested this House to adopt his resolution.

Many hon. Members have spoken on the present economic situation of the

[Shri Anadi Charan Das] country while taking part in the discussion. The economy of the country is linked with production. The country's economy is strengthened when production increases in all fields. But the produce is not with the producers today. For example, the land is no longer with the poor farmers today. Those who are able to cultivate the land are no longer the owner of the land. The ownership is enjoyed by the big land lords. Similarly the industry is no longer with the industrial workers. The industrialists are enjoying all profit from industry. They are getting richer whereas the industrial workers who help in increasing the industrial product are getting low wages and with that they are not able to pull on. Thus they are becoming poorer day by day. The industry is monopolised by capitalists today. The workers are poor and illiterate. They do not have capital or the knowledge to run the affairs of the industry. They should be educated and allowed to actively participate in the management of the industry. Then only there will be change in our society.

The harijans, adivasis and the landless agricultural workers are the most backward in the society. Unless we raise them above poverty line, we cannot establish socialistic pattern of society. We have to improve the economic condition of all classes of people. But the very socio-economic system existing in our country is defective. Unless we make some changes in the existing system, we cannot improve the lot of those people. So long as we are not able to put an end to the exploitation in our society, so long as we are not able to fulfil minimum needs of the poor people, so long as we are not able to bring discipline and order in the distribution system and so long as we are not able to bring in socialism, we cannot think of raising the status of the poor people. They will continue to live in misery. These people cannot improve themselves. It is we who on behalf of the country should provide all facilities to them so that their lot can be improved. In this context I would like to ask Shri Bhaftam Shri Ram-murthy to kindly tell us whether the Government set up in Andhra Pradesh is a

capitalist or socialist Government. If it is a socialist Government, what steps the Government of Andhra Pradesh has taken for upliftment of the poor people. You have fixed the price of rice at Rs. 2/- per KG. But more announcement is not enough. What steps have you taken to supply the rice to the people at that price? Have you made the distribution system effective? Are these poor people really getting rice at that price and whether the exploitation has come to an end in your State, if not, what steps have you taken to save the poor people from exploitation? Are there no landlords and money lenders in your State? Sir, the poor people are not free from the exploitation of the land lords and money lenders not only in Andhra Pradesh, but every where. Therefore, I would have appreciated if Shri Shrirammurthy had moved this resolution after doing something to save the poor people from the clutches of the landlords.

Sir, Mahatma Gandhi had said, first do then tell others to do. He was doing many things and then helping others to do those things. Your leader may be Shri N. T. Rama Rao or anybody. First you should have worked more and more for the welfare of the poor people then you should come forward with the resolution saying that socialism has been brought in Andhra Pradesh and no where else in the country. But you have many leaders who are not paying wealth tax and income tax. They are increasing their assets and constructing buildings at several places. Therefore by moving this resolution you cannot take any credit. I would like to suggest to Shri Ramamurthy to mend himself first. In order to improve the present economic situation in the country, we have to take all possible steps to put an end to exploitation. We have seen that big fish eats the small fish. The situation in the country is just like that. The rich people are exploiting the poor people. We have set up major industry in our country. But we are not paying much attention for the growth of small scale industry. There are some poor and backward States in the country. The developed and big States are getting more help from the Centre than the small States. Let us see the per capita income of different States in the country.

In 1983-84 the per capita income of different States is as follows :

Punjab	—	Rs. 3560
Haryana	—	3059
Maharashtra	—	3032
Gujarat	—	2825
West Bengal	—	2231
Karnataka	—	1957
Kerala	—	1951
Andhra Pradesh	—	1955
Jammu & Kashmir	—	1880
Tamil Nadu	—	1743
Assam	—	1762
Madhya Pradesh	—	1721
U.P.	—	1685
Orissa	—	1625
Bihar	—	1174

So the per capita income of Punjab is much higher than the other States and the per capita income of Bihar is lowest of all. Orissa and Bihar are the most backward States. These States are being exploited by Andhra Pradesh and West Bengal. They are advanced in all respects. Our Prime Minister has laid stress on removing these regional imbalances. He has taken steps to take the country to the 21st century. He wants our country to be counted as one of the developed countries. Keeping that in mind, many long term programmes have been undertaken. But I would like to ask the Government about the backward States like Bihar and Orissa. What steps have been taken by the Government to improve the economy of these States. It is our duty to improve the lot of the poor people. This can be done if we take up developmental measures in the poor and backward States on priority basis. The hon. Planning Minister and the Agriculture Minister are present in the House. I would like to draw their attention

towards many projects in Orissa which are pending for clearance of the Central Govt. There are as many as 14 medium irrigation projects in Orissa pending for clearance of the Central Govt. Unless you execute those projects how can there be improvement in the field of agriculture in the State of Orissa. I request to the Agriculture Minister and the Planning Minister to implement those projects soon, so that additional irrigation potential is created and the poor farmers are benefited. Sir, that the Govt of Orissa have submitted a proposal before the Centre to set up some industries in that State. But it is regrettable that the letters of intents have not been issued to set up those industries so far. In this context, I would like to refer to the proposed second steel plant at Daitari in my constituency. Sir, this proposal has been pending since long. Daitari is ideally located for the establishment of a steel plant. All sorts of infrastructural facilities are readily available there. The preliminary work to set up the steel plant was completed soon after the proposal was mooted. The Minister had given an assurance in this House, but it is unfortunate that no further progress has been in that direction. The establishment of the steel plant will help in solving the unemployment problem of a backward area to a large extent. Therefore, I demand that necessary steps be taken to set up the second steel plant in Orissa without any further delay. At the same time I would like to request the Minister to provide adequate fund to the State of Orissa for the development of agriculture. The major irrigation projects under execution in my State should be provided sufficient funds.

Sir, Mahatma Gandhi had said that the country cannot be developed without the development of the villages. Therefore we have to develop our rural economy first. If we have to develop our villages we have to encourage the growth of small scale and cottage industries. Adequate incentives should be given to the rural artisans and small entrepreneurs to promote small units. In this context I would like to suggest to the Govt. to set up new industries in the rural areas because India is country of villages and villagers are now going towards the cities and towns to earn their livelihood. Once they get some job they do not like to go back to the villages. As

[Shri Anadi Charan Das]

people coming from the villages are settling down in the urban areas in large number the urban population is increasing day by day. The poor villagers do not have the avenues to earn their livelihood in the villages.

Therefore, they are coming to towns in search of jobs. The accommodation is a great problem in the cities. So these people live in slums which pollute the atmosphere in the cities. If we set up industries in the rural areas, the people will not go towards the cities. Thus the city population can be checked and at the same time rural economy will be strengthened. Of course the bureaucrats will not leave the urban areas and they will continue to exploit the people. The industries set up in the rural areas will generate additional employment for the rural people. So we have to decentralise the industries.

The increase in the number of industries in the urban area will help a handful of capitalists to increase their assets. The capitalists will continue to exploit the workers engaged in their establishments. The small units should be run by the individuals and the major units should be set up by the Government. Then only the economy of the country will be strengthened.

Then I would like to say about land reforms. Sir, there are many landlords in the country who possess surplus land in fake names. The so called owners of the land do not go to supervise the cultivation. We should not allow the big landlords to keep land above the ceiling limit. Mahatma Gandhi had said that the tillers should be made owners of the land. It is also the policy of the Congress Government. During election campaign also we say that the tillers should be the owners of the land. But actually it is not the practice. The big landlords are exploiting the small farmers as well as the agricultural workers. We must stop this practice. The surplus land should be taken from the big or the absentee landlords and it should be distributed among the landless persons. We should make an Act to achieve this objec-

tive, I think there are many land dispute cases in Punjab. If we settle the disputes and divide the surplus land among the genuine people, the terrorist activities will be reduced to some extent. If every body gets some land or job, they will not find time to indulge in such activities.

I would like to say something about tribal areas. There are some people who do not want to accept cultivation as their profession. Such people should not be allowed to buy land either from Adivasis or harijans. In the process we can help interested people to develop their agriculture and the people who wish to buy land and entrust the cultivation to some body else will not be able to do so. Because of their money power people should not be allowed to have dual benefits. This rule should be applicable in the non-*adivasi* area also.

A word about salaried people. There is wide difference in the payment of salary which varies from rank to rank. The employees getting higher pays are sympathetic to the low paid employees. Wherever they may work the salaried people have employment guarantee and security. But the poor people living in the villages do not have any such guarantee and security in their lives. Take the case of RLEGP. This is a centrally sponsored programme. Under this we should provide work to a poor man for 100 days in a year. But we are actually not able to provide 100 days work to the beneficiaries. I had put a question in this regard the hon. Agriculture Minister is present in the House will be able to mention the names of 5 people who have been given work under RLEGP in any part of India. We have not been able to provide 100 days work to any under this programme. So this programme has failed. We, the Members of Parliament, are going around the villages and it is a fact. So why the word "guarantee" be attached with this programme. This is a special project and 100% Central assistance is being given under this programme, if it is a special project why it should not be implemented properly. I have raised it outside the House also, but I have not been assured that this programme is properly implemented. This matter is not being discussed in the House. If all people irrespective of

their status do not get guarantee of work and security of life they cannot have peace of mind. They will not have comfort. If the people of this country cannot live in peace then it will have a very bad impact on the society and the situation will be very critical and the country will head towards destruction.

Sir, our aim is to establish a socialistic pattern of society. But now we are giving a lot of incentives to the capitalists. That means the country is heading towards capitalism. This matter is not being discussed in the House nor at the party level. By moving a Resolution we cannot change the economic situation of our country. The Government should think over the issue seriously and should come forward with a comprehensive legislation, so that it bears some fruit and the present economic situation makes improvement. With these words, I conclude my speech.

[English]

SHRI V. SOBHANADREESWARA RAO (Vijayawada): Madam Chairman, first of all I congratulate my colleague Mr. Bhattam Sriram Murty for bringing this Resolution to be discussed in this august House, which relates to very important aspects relating to our economy with which the lives, the future, the aspirations of millions of people are either directly or indirectly involved.

Madam, The Industrial Policy Resolution has undergone some changes periodically, but basically it has the main objectives with which our Constitution was framed. It has especially kept in view the Directive Principles of State Policy which wants to secure to all citizens an adequate means of livelihood, and to ensure that the ownership and control of the material resources of the community are so distributed as best to subserve the common good, and that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

It was the main pillar behind the Policy Resolution of 1956; and in respect of the 1980 Industrial Policy Statement also, the socio-economic objectives of the new policy were: optimum utilization of

the installed capacity, maximizing production and achieving higher productivity and higher employment generation, correction of regional imbalances through preferential treatment, and faster promotion of export-oriented and import-substitution industries, and promoting economic federalism with an equitable spread of investment and the disbursement of returns among widely spread over, small but growing units in rural as well as urban areas.

While the objectives were there, unfortunately after several years of implementation of our Industrial Policy, the fact remains that the assets of big Houses have increased enormously. The top 20 Houses' assets which were only Rs. 648 crores in 1951, have increased to Rs. 1362 crores in 1958. But by 1975-76 they have swelled to Rs. 5111 crores; and by 1980 they increased to Rs. 7481 crores. Then within another three years, the assets have increased to Rs. 13,380 crores, and by the end of 1984, they have increased to Rs. 15,842 crores.

It is obvious that our economic policy and industrial policy have helped these big business Houses to corner more wealth, to corner more financial assistance that was given from the financial institutions. At the same time, the economic disparities have widened. An estimate says that top 5% of the population are in possession of nearly 22% of the national income, which is slightly more than of a full half of the population. There is widespread variation in average incomes, not only in rural and urban areas, but in different regions also. Government itself is accepting the fact that nearly 40% of the population is below the poverty line. The latest international data says that in the matter of per capita income, India ranks 133rd among the 148 nations of the world.

16-00 hrs.

It is quite distressing to find the public debt around rupees one lakh crore which includes around Rs. 20,000 crores of external debt. The alarming feature is that the public debt has been increasing at a very steady and fast speed, because just in the matter of last five years it has increased by more than 300 per cent and

[Shri V. Sobhanadreeswara Rao]

the budget deficit has also reached an astronomical proportion this year. Merely Rs. 42,800 crores have gone into the public enterprises till March 1985. The return on these huge investments is far from satisfactory. Gradually, the trade deficit is increasing and in the year 1985-86 alone, the trade deficit is Rs. 8,600 crores, which means that we have to manage our public sector industry as well as enterprises more efficiently so that our products do compete in the international market so that we can capture more market and earn higher rate of foreign exchange. It is not a question how much we are going to spend in public sector or private sector, but how that money is going to be spent; the spending should be linked to performance.

The number of job seekers on the live register of employment exchanges in the entire country at the end of 1986 was 301 lakhs whereas in that one year we are able to provide employment to only 3.5 lakh unemployed people. Now, if an analysis is made as to how much money is required to provide or create a new job, it is around Rs. 1.30 lakhs. While the situation is like that, a colossal amount will be necessary to provide employment to these unemployed people. Apart from these unemployed people, several millions of workers, who are working in the household industry that is where less than 5 per cent work as artisans and in handicraft industry, nearly 3.85 million workers were thrown to the streets from their jobs. In these circumstances, the only solution and a better solution will be to keep in our mind the valuable advice given by Mahatma Gandhi, who had clearly told that labour intensive industrial pattern is necessary that is cottage and small, medium industries would help to increase employment opportunities. The capital investment for providing employment per worker in cottage and village industry was very low compared to large scale industry. The average investment in cottage and village industry was Rs. 530 against Rs. 10,000 in textile industry; and in cement and steel industry, it will be Rs. 5 lakhs to Rs. 10 lakhs. According to the annual survey of industry for 1974-75, the amount of investment for raising employ-

ment for one person in large scale industry is Rs. 29,000: that is why Mahatma Gandhi always laid great stress on eradication of employment and under-employment of our people. In his opinion, handicraft or cottage industry alone could find employment to hundreds of millions of our people who are going unemployed or under employed. It was his realisation that large scale mechanised industry cannot solve the problem which made Gandhiji strong advocate of handicrafts or cottage industry.

The *Charka* was a symbol of all labour intensive enterprises. In *Young India* dated June 18, 1925, he said,

"The disease of the masses is not want of money so much as it is want of work. Labour is money. He who provides dignified labour for the millions in their cottages, provides food and clothing or which is the same thing as money. The *Charka* provides such labour. Till a better substitute is found it must therefore hold the field."

Again, in the *Harijan* dated June 22, 1935 he says:

"India has to live, that is her millions have to live. There is no other country in the world where so many millions of people have only partial employment and where in spite of the civilisation being predominantly rural, the holdings are barely two acres per head, to manufacture the whole of her cloth requirement through steam or electricity or any means other than the human power behind the wheel is still further to deepen the unemployment of the population."

Again, in the *Harijan* dated January 2, 1937 he said:

"With crores of human beings going idle,"

he emphasised,

"India cannot afford to have large machinery which will displace their labour. It would spell their unem-

ployment and misery. Our problem is how to find employment for all the crores of our people not how to save their labour. Continuous unemployment has already induced in them a kind of laziness or listlessness which is most depressing."

With the steep increase in our population lesser per capita availability of land, the unemployment problem has become more severe. Labour intensive enterprises not only comparatively produce more and employ more but also help in establishing an egalitarian society, a society where economic power is not concentrated in a few hands and the differences in income are not wide. The same is the case with small scale industry also. But a highly capital intensive industrial undertaking on the one hand results in keeping the majority of labour force unemployed and on the other hand tends to concentrate wealth in the hands of a few, the pockets of mill owners as profits and of the few workers that will be employed as high wages. Lured by the belief that cities offered better wages and superior living, people from villagers are flocking to the cities. This is becoming a very serious problem to the planners and urban development authorities. The social cost of rearing, housing, employing, and providing civil services to an individual is several times higher in the town than in the village and far higher in metropolitan centres than in small towns. If the worker is engaged in a rural area, the amount on construction of houses can be avoided as he may be already having a shelter to live in. Thus the Government will be relieved of the burden of having to construct millions of houses in a short period and this amount may be invested on more urgent developmental schemes. So, new industries should not be permitted to come up in the near vicinity of the existing cities, or urban centres. They must for all practical purposes be dispersed into rural areas.

Madam Chairman, you are well aware that this "No Industry District" concept has outlived its purpose. In fact, in the entire South, in Andhra Pradesh and Tamil Nadu, these two States, did not get even one district as a "No industry

district"; Karnataka could get only one namely Bidar and Kerala got only two districts, while Madhra Pradesh got 18, Uttar Pradesh got 11 districts.

A committee has gone into this question, to examine it and we have been repeatedly told on the floor of this House that the matter is being examined. But the "No industry block" is better in place of "No industry district". And till now a final decision has not been taken. I request the Government to come forward with a "No industry block" policy, and to really disperse the industries into rural areas, backward areas, and also to develop such industries in the rural areas.

Our country should adopt such technology which provides employment to a large number of people with lesser capital and which also helps in production of more goods and services to the people, as is done in China. Unless we wholeheartedly take up such a policy, our country is going to face much severe problems in future. This basic change of approach should be taken care and reflect in the Government policy in future in respect of industrial development.

[Translation]

*SHRI V. KRISHNA RAO (Chikkalapur): Madam, Chairman, I am privileged to take part in this important discussion. This Private Members resolution has been moved by Shri Bhattam Sri Rama Murthy and I would like to give some suggestions for the kind consideration of our Government.

At the time of our independence the then Prime Minister Pandit Jawaharlal Nehru said in a Conference at Madras that a Socialistic pattern of society should be established in the country. He said that poverty would be removed and equality in the society would be established. Then he gave the gift of Five Year Plans to the country. The result of those plans is the achievement of self sufficiency in the production of foodgrains. Once upon a time we were stretching our hands before other countries for foodgrains. Now, I am proud to say that we have not only

* The speech was originally delivered in Kannada.

[Shri V. Krishna Rao]

achieved self-sufficiency in foodgrains but are also exporting to foreign countries.

Cities are developing well. Unfortunately villages are neglected in our country. In America only 7% of the population are agriculturists. Even then they are exporting foodgrains. Here in our country about 70% people are agriculturists. We can imagine how much foodgrains we can produce if we compare the percentage of our agriculturists with that of America. If all the facilities are provided to agriculturists and irrigation is developed on top priority basis I am sure, we can supply foodgrains to the whole world. Many people are moving from villages to cities. Therefore it is very essential to provide all the facilities in villages to stop this kind of migration from villages to cities.

While preparing the plan it is very essential to include some expert farmers in the planning Commission. They will be having first hand experience. They know the difficulties and requirements of village people. Hence I request the hon. Minister to include expert farmers in the Planning Commission.

The condition of housing in the villages is really miserable. I congratulate our hon Prime Minister who has studied this problems and given utmost importance for housing especially in rural areas. There are several other programmes of our Government for the upliftment of the poor masses of rural areas. These programmes are really commendable. IRDP, RLEGP, Antyodaya and other programmes have really come to the rescue of the poor people. I urge upon the hon. Minister to look into the implementation aspect of these programmes. This is very important because many officials do not take keen interest in the implementation of these programmes.

Another very important aspect is the implementation of family planning programmes. Our Government has many commendable programmes. Hence it is the responsibility of all the citizens of our country to make the family planning programmes a great success.

Late Sir, M. Visweswaraiiah had said "Unless every body is engaged in cottage industry this country cannot progress." This is very essential because the farmers are engaged only for three months in a year. During the other nine months most of the farmers have to sit idle. This situation must be changed and cottage industry must be encouraged to keep the farmers busy throughout the year.

We have to protect our countries unity and integrity first. All the citizens must be honest and sincere to their jobs. Only then the five year plans and all other programmes will be a great success.

There is sufficient improvement and progress in the conditions of urban areas. Hence it is high time to concentrate on the development of villages. I have seen with my own eyes that in many villages the good old roads of the time of our great grand fathers are still in the same condition. This situation must change. For this both the Central and the States should work hard for improving the living conditions of the village people. If this is done I am sure that our country will usher in a new era of progress and prosperity.

Madam, I thank you for giving me this opportunity to speak and with these words I conclude my speech.

[English]

PROF. N.G. RANGA (Guntur): I wish to thank the Mover of the Resolution Shri Bhattam for having placed this opportunity before the House to express their views once again in regard to our industrial policy. The time has come now, I think, that we should try to achieve anew national consensus on the comprehensive policy of industrial development. Just as the Government has introduced new educational policy, so also it should take time by its forelock to try and reach out to all the State Governments and their leaders, the Opposition parties and others of all sides, have a national debate once again and then formulate the new industrial policy. We did it. We achieved it once before. We went on improving. I do not think we can agree completely with what my friend Shri Bhattam Srirama

Murty has said about the distortions that have been introduced. The only thing is the programme that we have agreed upon, the direction that we have given to the country—*i.e.* the mixed economy still holds good. This Government here, as well as the State Governments also, they all swear by it. But then what it is that in-between there was improvement made, not distortions, and that goes to the credit of Shrimati Indira Gandhi of introducing or placing before the people as to what we wish to achieve through our industrial development and developmental policy in the near future in a few decades, not some kind of millennium but certainly to abolish poverty, to move in the direction of abolishing of poverty. That was the lead she had given and even today they swear by that policy. Recently they have gone to the polls. Even now in two or three States there are elections and electioneering is going on. On what basis are they rivalling one with the other—who would be able to achieve this policy, implement this policy of minimising, if not abolishing poverty more quickly, more effectively, more satisfactorily? Who has done it better till now and who can be expected to do better in future? It is only on this basis this debate has been going on, but as is natural in an election in a controversial manner, not in a co-operative manner. I want this debate to be carried on for some time in a systematic manner from the leadership of the National Development Council, with the Prime Minister as its Head all over the country with the constructive view of achieving re-orientation of our own economic and industrial developmental policy in this country so that we can make better progress and more rapid progress than we have been able to do.

It is wrong for any one to say that poverty has not gone down, that prosperity has not gone up, that people have not become a little better off now than what they had been twenty or forty years ago. Let us be quite realists. What is the position today? Let anyone go from here to the Western countries also and let them look at the markets, sales markets, Sunday markets. Do you not think that in India you have got all the equipments of a prosperous country? The same sort of things that are being sold in the very rich

America, are being sold here also. Do you not find that middle-class has grown very rich and very prosperous and in size, in dimensions, their numbers have grown and they are growing, vast progress has been made, achieved by our middle-class? The dimension of the middle-class people, as population, as families, and as employed people also, has grown. In all these directions we have made very great progress. But most unfortunately for us, we are carrying this heavy load, terrible load of poor people. 40% does not make much sense by itself, but if you convert it into millions of poor people in our country, it is more than 200 millions. 200 million population are in dire poverty, in miserable conditions living in hovels and huts. Out of these 200 millions again 150 or 170 million, people are living in the villages. Even today they are having a very bad time when compared to all others, not that their position is just as it used to be 20 years ago, 40 years ago, but it is bad enough even now. Miserable they are, fortunately for us, they are more awakened now than what they were 40 years ago, because of all these elections we have had, because of political education, we have spread other education also, we have been able to develop our country thanks to the controversies and struggles and debates that we are carrying on between political parties. They are now awakened. Therefore, they are more conscious of their poverty; they are impatient about their poverty and, therefore, all the more reason why Government should make haste in order to help them, to raise them out of it, to escape from it. How can they do it? Can they do it by themselves, one party in power or coalition Governments in some of the States? No, I do not think it can be possible. Is it possible for the Central Government alone, for the State Governments alone? Our friends have been talking about it. We have all been quoting Mahatma Gandhi. Mahatma Gandhi is our national father. There can be no controversy about it. But in implementing Mahatma Gandhi's teachings, we are not so sincere, not just as keen as we should have been, all of us by degrees go on differing from each other.

Years ago, in 1908, he had the foresight of what we are now seized of, about the environmental pollution. Again and

[Prof. N.G. Ranga]

again at Question Hour so many Members go on saying please do not start your industries by the river side, do not start them near cultural centres because there will be pollution. He talked about it at that time. He did not want huge industries in the cities; he wanted industries to be taken to the villages. But in what form? In a decentralised manner. But that does not mean we do not need heavy industries. Without heavy industries, it would not be possible for us to have medium scale industries; it would not be possible to manufacture chisels and hammers and all these things. How many millions of people would be requiring these implements? How would they be able to get all these implements? These implements will not be made of wood or stone as in the ancient past. Our workers have got to be trained to use these instruments and armed with these people as the Japanese are, working with these instruments in their own homes. As the Japanese do with the help of electricity as in Japan, it would be possible for us to make rapid progress. In order to make these instruments, you need machine manufacturing concerns. In order to build them up you need the heavy industries. That is where Jawaharlal Nehru made his contribution. It is a question of priority, which aspect of it should be taken up at what time, and then also which particular Government—State Government or Central Government—should develop either industrial districts, autonagars and so on like that. It does need a debate, it does need constructive, cooperative thought, but it should not lead to destructive controversies, unnecessary disputes. A certain element of dispute is bound to be there and that is why I say it is high time now that Government should give some thought to it and then take this matter with the National Development Council with the cooperation of the Planning Commission and there hammer out once again for the next three years or five years or whatever it is, stage by stage how to develop it, and in developing it we should not forget the agriculturists and agricultural workers. We have been passing a lot of legislation in regard to various industrial workers—unorganised industrial workers there are, then there are cottage industries also. All

these are providing employment even today. Even to the extent that they provide employment, it is not fulltime employment, but nevertheless some employment is being provided by them to hundreds of millions. All this has to be fitted into our national plan in such a constructive manner that they would all help the country to move in the direction, if not of the elimination immediately, but progressive elimination of poverty and minimisation of the miseries and sufferings that come from poverty.

[Translation]

DR. G.S. RAJHANS (Jhanjarpur) : Madam Chairman, I was listening to the points made by Prof. Ranga very carefully. I too was thinking that there should be a national debate on the economic development that we have achieved since independence. I was a student when Avadi Session of the Congress was held in which the Party passed the resolution of Socialist Pattern of Society which later became the basis of the Industrial Policy Resolution of 1956. It was for the first time that the new concept of mixed economy public sector, private sector and Joint sector was conceived. It is matter of pride for our country that the Third World countries adopted this economic policy and the backward countries of Asia, Africa and Latin America felt that the policy of mixed economy was the most suited to a poor and developing country.

Just now, Prof. Ranga was describing the economic development since Independence. I want to take you to still earlier days. (Interruptions)

SHRI VIJOY KUMAR YADAV (Nalanda) : Do not take us that back.

DR. G.S. RAJHANS : At that time, your party had sided with the Britishers and was in favour of slavery. (Interruptions) It is a fact of history that before Independence, all the economic resolutions passed by the Congress in its different sessions were for socialism. When Pandit Jawaharlal Nehru returned from England after completing his studies, he was so impressed by the Soviet Socialism that he did mention it in his autobio-

graphy. There was a fire within him. I still remember his words which I had read :

[English]

"There is a fire within me which burns and consumes me and wants me to do something for the people which I must do before I am reduced to ashes."

[Translation]

This was what he said at the time of passing economic resolutions before Independence and that man saw to it that the fire within him to do something for the poor did realise after Independence. Socialist Resolution of Soviet Russia left a deep imprint on him, a fact he had himself admitted. In one of his letters written to Indira Ji from jail before Independence, he had written that he was greatly influenced by the Russian Revolution, the proletariats and the working class which guided his economic philosophy later. It was he who gave the concept of public sector to the country for the first time. Today, when we look back, we just think, what would have been the plight of the country had the public sector not been there. Before Independence, we used to import every thing right from a needle to an engine, but there is hardly any item which we import and do not export today. Is it not a tribute to that great leader who had the foresight to decide the economic policy this country would need in future ?

Shri Jawaharlal, during his life time, had implemented these economic policies to some extent, Indira Ji followed these economic policies and furthered them. The change effected in the industrial policy resolution in 1980 was a step forward in this direction and the nation forged ahead. I would like to say that the change made by Shri Rajiv Ji is a change in the right direction. If we fail to procure foreign technology we would be taking the nation in the backward direction. Those who have studied the history of Japan, know that there was a very closed society in Japan. They neither allowed foreigners to participate in their economic activities nor did they allow anybody from their country to go abroad. They did not recon-

cile with any thing foreign. But later a revolution took place and the question of modernisation came up. Though during world war, Japan received a great setback, yet by adopting the policy of modernisation, Japan has gained top place among the comity of industrialised nations.

Under the circumstances, I would like to say that we must learn something from other countries and I do not think there can be any thing better than the practical industrial policy adopted by Rajiv Ji. Today, the world is entering the computer age, it has conquered the moon. Do you want to take the country back to the age of bullock cart ? Those who say that the country has not prospered or that the condition of the people has not improved, they simply do not want to accept the truth. I myself have been repeatedly saying that the benefits commensurate with the funds spent in rural areas do not percolate down to the people. In spite of this, I would say that those who can recollect the position that was prevailing during last ten, twenty or thirty years, might know how much has been done. Previously, we used to walk miles and miles together and we hardly came across any bicycle. But today moter cycles and scooters are a very common sight in rural areas. There were hardly pucca roads but today several villages are connected with pucca roads. You tell me how many people die because of famine and how many are dying of starvation today ? How can you say that there has been no improvement in the condition of the people ?

Madam Chairperson, it has been said in the resolution that due to foreign borrowings we are losing our economic independence. You may kindly pay a little attention towards foreign countries also. We have refused I.M.F. loan and the I.M.F. has said that Indian economy is the soundest of all the third world countries. I would like to say one thing more. The Latine American countries are heavily burdened with foreign debts. They cannot raise their heads. We also take foreign loans and bring prosperity in this country, but we have not done so, because we are aware of that trap. On the contrary they say that we are burdened with foreign debt. Madam, we must call a spade a

[Dr. G.S. Rajhans]

spade. You may say that we are burdened with foreign debts, but nobody will believe it.

I would like to say this much only that the Indian economy was never so sound as it is today. If our economic policy was bad, if our industrial policy was faulty, then, why the opposition parties who were in power for 3 years did not change the industrial policy? You have not been able to change our foreign policy because our foreign policy is good and you followed it.

AN HON. MEMBER : They translated it into Hindi.

DR. G.S. RAJHANS : I would like you to speak the truth because if you tell untruth or say wrong thing, people will get confused. There would have been nothing wrong if, instead of bringing this resolution, you had said a word of praise for our economic policies and told the truth. Then we could say that you cooperated with us in constructive matters in real sense. I would say that you may even now bring a realistic economic resolution in place of this resolution. Then only will the people of this country have a word of praise for you. A lot of unpleasant things are happening in your state. At least, please do not bring that culture to the Centre.

[English]

SHRI AJOY BISWAS (Tripura West) : I fully support the resolution moved by Shri Bhattam Sriram Murty. I think that the present economic situation in the country is very critical. Even the ruling party Members cannot deny that. We are now confronted with very tight economic position.

The industrial policy which was accepted in 1956 has been changed in 1980. In 1980 industrial policy, enough scope has been given to the multinationals and to the monopoly houses. Even previously if the monopoly houses want to expand their capacity, their industry, they have to take permission under MRTP or

FERA. But in the Industrial Policy of 1980, it has been stated that the monopoly houses do not require the permission under MRTP or FERA. Even the illegal expansion has been legalised and as a result, the assets now with the monopoly houses have been increased. I shall cite the example from 1980 when the new industrial policy came into being. In 1980, the total assets with the 20 monopoly Houses were to the tune of Rs. 7,611.20 crores. Now, it has jumped to Rs. 14,922.78 crores in the year 1984. Within the span of 4 years the assets of the monopoly houses were increased from roughly Rs. 7600 crores to Rs. 14900 crores. So, it proves that the industrial policy that has been introduced in 1980 helps the monopoly houses to expand their business and to expand their assets. How do you judge that a country is progressing? What is the criterion? The criterion is with regard to the living conditions of the people. That should be the criterion. We must judge on that basis only.

Our Prime Minister has said that he will take the country to the 21st century. What does it mean? The 21st century will await the people of India more hunger, more unemployment and more starvation deaths. We belong to the third-world.

(Interruptions)

There are three worlds. The first is the capitalist world; the second is the socialist world and the third is undeveloped countries. We belong to third world, as I mentioned earlier.

SHRI AJAY MUSHRAN (Jabalpur) : You belong to both.

SHRI AJOY BISWAS : What is the position of the third world? In the third world, 500 million people are now living below the poverty-line, in the true sense that they are living in hunger and the major portion of them are living in India. Out of the 500 million people, 40 million people—half of whom are children—die every year from hunger and malnutrition. If you decide to keep a minute silence for every person who died in 1982 owing to hunger and malnutrition, you will not be able to celebrate the advent of the 21st century because you will have to remain silent.

100 million children in the third world who are under the age of 5 years, suffer from malnutrition. The report has been given by FAO. The number of hungry people will increase from 500 million to 650 million in the Twenty-first Century. The Prime Minister says that he is going to take this country as a prosperous country into the Twenty-first Century. I do not believe that.

814 million people are illiterate in the third world countries, according to the UNESCO report, and 50 to 60 per cent of the illiterate people are living in this country. According to the UNESCO report, this figure will increase to 1,000 million in the Twenty-first Century.

The figure of the unemployed in the third world countries is 500 million, including the agricultural sector also and it will increase to 880 million in the Twenty-first Century. In the socialist countries, for example in Russia, in 1930 the Employment Exchanges were closed. In 1917 there was the great Revolution in Russia and within thirteen years they decided to close the Employment Exchanges because there was nobody unemployed.

SHRI AJAY MUSHRAN : He seems to know more about Russia than about India.

SHRI AJOY BISWAS : In Russia there is cent per cent literacy and there has been no inflation also. Twenty five years ago, meat was being sold at two Roubles per kilo and the same price is still continuing. The prices of the commodities which were fixed 20 or 30 years back are still continuing. Social security is there in China and Russia. What path will you take? If you take the capitalist path, then you will be facing the consequences which you are facing now. If you take the path of socialism, socialistic way of development, then you can remove poverty, unemployment and all other ills. But you are, unfortunately, following the capitalist path. That is the problem.

(Interruptions)

MR. CHAIRMAN : Let him conclude. Please try to conclude.

SHRI AJOY BISWAS : In 1971 for the third world countries the IMF and other capitalist countries gave a loan of 70 million dollars and it increased to 650 million dollars in 1982. The IMF have imposed restrictions, that certain measures are to be followed by the third world countries, including India. You cannot deny that. For that reason you have changed your industrial policy, for that reason you have changed your economic policy. What is your new economic policy? It was implemented in the third world five or six years back. That is not a new policy. That is at the dictation of IMF and the World Bank that you are doing.

You are telling us about new technology. According to the American Development Bank, 70 per cent of the technology which has been given by the capitalist country to the under-developed countries is obsolete. The third world countries paid for the technology 35 billion dollars. Several restrictions are there. You cannot import your product....

MR. CHAIRMAN : Please conclude.

SHRI AJOY BISWAS : Only five minutes Madam, I am concluding.

About agriculture, what is the position? The proportion of total work force engaged in agriculture in 1951 was 57.5%, in 1961 it was 69.5%, in 1971 it was 69.5% and in 1981 it was 66.5%. It proves that despite the 35 years of planning and industrial growth, the proportion of work force engaged in agriculture has not come down.

The per capita real net domestic product from agriculture remains virtually stagnant in absolute terms, throughout the decades of planning and development.

I would now come to NDP per capita at 1970-71 prices. In 1951-53 it was 405.66, in 1976-83 it was only 415.61. The rate of growth was only 2%. This was only higher by 2% and it was a zero rate of growth. Stagnation in per capita real NDP in agriculture implies that more than 2/3 of the Indian population has witnessed no increase in their real annual income,

[Shri Ajoy Biswas]

Your party members have said that the purchasing power of the rural people has not increased. That is correct because the real income has not increased. You are saying that there is 35 million tonnes of foodgrains now in the stock. It is because the people have no purchasing power that you are able to collect so much of food. If they had the purchasing power, you would not have collected that much of food. You have stocked 35 million tonnes of foodgrains for the reason that the people have no purchasing power.

My suggestion is that you have to change your policy. You have to give land to the tillers. Purchasing power of the people has to be increased. If the purchasing power of the people is increased, then only will they be able to purchase the industrial goods. We should have the market within the country itself. Now only a handful of people can purchase the colour TVs and other things and you are allowing imports for that industry. For the mass consumption industries, you are not doing anything because the purchasing power has to be increased. Without that, it is not possible to change the present economic situation. So, at the end I would say that the time has come to change the present economic policy and you have to take the path of socialism which will only save the country.

[Translation]

SHRI MANOJ PANDEY (Bettiah) : Madam, Chairman, this resolution has been brought by an hon. Member of the Opposition, Shri Bhattam Shrirama Murthy. Lots of things have been said in it. After going through it, it appears that, perhaps, Shri Bhattam Shrirama Murthy has not been able to read the writings on the wall.

17.00 hrs.

[SHRI N. VENKATA RATNAM
in the Chair]

The speakers who spoke before me have spoken in detail on the economic policy of the Central Government. All of us know and we also acknowledge in private that our country has achieved unprecedented

success in the agriculture sector, in industrial and in other sectors. There are no two opinions about it. There are no defects in our policies. Of course, the implementation can be faulty. We have said this many times and the treasury benches as well as Opposition have discussed this. The most important thing is that there are no faults in the economic policy that we are pursuing today and the perspective is right and the direction is right. But there is trouble with the implementation and because of this, sometimes, we also get deceived and confused. There are no two opinions about it.

Sir, agriculture is the backbone of our economy and we have always been saying this. It is a fact that ours is an agricultural country. We have achieved unprecedented success in the field of agriculture during the last 35, 40 years. In the connection I would certainly like to say that we have not been able to set up required number of agro-based industries. This aspect must be taken note of because both the farmers and labourers have a stake in this industry. They are that section of the society which is discussed in this House both by treasury benches and the Opposition. The farmer and labourer form the major part of our population. Today the population of farmers and labourers consists of 560 million people who live in remote rural areas and our policies have been framed for their benefit. The people living in rural areas have been given due consideration in our policies, in this year's budget and in all the previous budgets. Unfortunately, because of faulty implementation, the situation remains as it is despite spending a lot of money in rural areas. We admit there are some deficiency in our implementation. We do not get such people as our officers and employees as would understand this situation and contribute their lot in strengthening the country. No Government will be able to remove this deficiency. What I want to say is that the implementing agencies cannot be set right by mere wish of the Government. I do not admit this thing. There is lack of commitment towards the nation and due to this we find deficiencies in many fields. If we are able to arouse national commitment, implement our policies with this spirit and create a sense of national commitment at personal levels among the implementation

agencies, then it will be a great achievement for us. I do not say that there is no sense of national commitment in our officers, they do have the sense of national commitment but each and every body must have a personal feeling that this country is to be made a great country. It would not work if only a handful of public representatives sitting here understood this. It takes much time to arouse public conscience. Ours is a big country and lots of things in this country are done in accordance with traditions. When we compare our country with other countries, we gloss over those various practices and traditions obtaining in our country which do not exist in other countries. Our country is great. It is necessary that we implement our economic policies keeping in view our traditions. We have to go a long way and it will take some time. For example, I want to draw your attention towards population control. Unless we implement the population control programme properly, we cannot succeed no matter how many policies we frame. It is the root cause of all problems. The reason is that we have limited resources and over this, you say that we should not go in for aid. Under the conditions through which we are passing today, it is doubtful whether we would be able to achieve success if we are not able to control population. I agree that, in spite of all this, some good works have also been done in the country, but unless we make the population control programme a complete success, it is not going to produce any impact, whatever be the quantum of resources at our disposal and whatever be the number of such resolutions. The reason is that the policy which we are framing is for the human beings. The speed with which the population of our country is increasing, we shall have to take into account this fact while framing our policies. If the rate of growth of our population continues, we shall not be able to provide real help to the people whatsoever be the amount of money that we might raise. We shall not be able to achieve the objective for which we have formulated our plans and the people will not get the facilities guaranteed to them under the Constitution. Therefore, the foremost need is to implement successfully the population control programme. In this connection, our Prime Minister has mentioned on a number of occasions that the success to solving all problems lies on the success of this

programme. It is because of this that the allocation for this programme has been substantially increased over the last one or two decades. I am of the opinion that as compared to the past, the population control programme has gained in strength and a lot of good work is being done in this field. Our Government is totally involved in this programme and I appreciate it. But the important thing in it is that every person should ponder over the fact whether he is making the country strong. The sense of national commitment to which I have referred to just now is its main base. If we are not able to successfully implement the population control programmes, it will be a failure on our part. In that case, any number of policies we may implement, their real benefit will not reach those for whom it is intended.

The second important point which I want to raise through this House is about the public sector.

[English]

MR. CHAIRMAN ; The time allotted for this Resolution will be over at 5.50. Is it the pleasure of the House that we extend the time for this Resolution ?

AN HON. MEMBER : It is an important matter. We may extend it by one hour.

SHRI CHINTAMANI JENA (Balasore) : It is an important subject. We may extend the time by two hours.

MANY HON. MEMBERS : Yes, by two hours.

MR. CHAIRMAN : The time for this Resolution is extended by two hours.

[Translation]

SHRI MANOJ PANDEY : Sir, in today's context, the matter which requires top most priority, is to decide whom do we want to help. This is the issue which is given priority by any Government. Our Government too has demonstrated in this Budget as also in the earlier budgets as to what are its priorities. Hon. Members here have made a mention of them. The most important of them all is eradication of poverty. If today some hon. Members say

[Shri Manoj Pandey]

that our economic policy is defective and that we are not setting up industries in the rural areas, I would like to ask such critics whether infrastructure has been provided in the rural areas to set up industries. This is true that we have not been able to provide infrastructure for setting up industries in rural areas. Today, we can give a man from the rural area the money and all other facilities, but he cannot be a successful entrepreneurs because infrastructure is not available there. The type of infrastructure we have provided at other places will have to be provided in the rural areas also before we plead a case for rural industrialisation. Today rural areas form the crux of debates in the House. Although we have made efforts to provide infrastructure in the rural areas and have also faced financial constraints in this process, yet the type of infrastructure we need there, is yet to come about.

Sir, the 20 Point Economic Programme which was started as a part of Shrimati Indira Gandhi's policy is helping in providing basic infrastructure in the rural areas and a large amount of funds is being spent on it. It is indeed a good work. Shri Bhattam would, perhaps, agree with me that this Twenty Point Economic Programme is being implemented in the rural areas. At least that is what we hear from the villages in our area. He, too, might have been going to the rural areas of his constituency and seen the work done under N.R.E.P. and R.L.E.G.P. The fact is that despite rampant corruption, we do see roads and other infrastructure being created in the rural areas. This is a fact which cannot be denied. I myself have said that the most important thing in implementation is the national commitment and if we could accelerate the tempo of implementation of these programmes, it would be a big achievement. There is nothing wrong with our policy.

As a matter of fact, the main thrust of our economy should be industrialisation of rural areas, once we provide basic infrastructure there, because, agriculture has a big role in boosting the income of a country. But agriculture alone cannot make a country rich. Agriculture is followed by the process of industrialisation which in turn leads to prosperity in any country.

History stands testimony to the fact that agriculture cannot make any country rich on its own. Agriculture will have to be converted into industry.

Mr. Chairman, Sir, you have been with us in Hyderabad and we have mutually discussed this subject in depth. It is quite justified today to demand linking of agriculture with small scale industry. When we are creating infrastructure, arranging for agricultural marketing and are thinking in terms of exporting best quality agricultural produce, how can our economic policy be defective? Are the farmers not being benefited from this policy?

Discussion was held today morning on tobacco growers. I agree that they are not getting as much as they should, yet they are better off. I am saying so because I belong to a family which is still doing farming with the traditional method. There is no denying the fact that even among these traditional farmers, the level of consciousness has increased. They are using chemical fertilizers and are being benefited in the process and their income has increased.

This is true that the process of grouping agriculture with industry should be initiated. Although it has made a steady beginning, yet there is need to spend more in this field. The main thrust of our Budget is to give the small scale industries a rural look and in this agro-industries play an important role where products come before us as a consumer item. Consumer items have a big demand today and a huge amount is being spent on it. In fact, it would be misleading to call the minor shortcomings in the implementation as the defects of our policy.

A number of lacunae in the implementation are not of our own makings. Most of them are inherent in our traditions. There is need to give them a new outlook.

I am of the view that we have made tremendous progress during the last 40 years. Now we are going to ensure that the fruits of this progress also reach those who have so far been denied access to it. They all are the citizens of this country and the constitution bestows equal rights in the share of this fruit. The trouble hitherto has been that the poorest of poor is unable to

share this fruit. The fault lies in the distribution and implementation. The economic policy is not to be blamed for that. The most important thing of all is to ensure that the share of this fruit reaches those people. The efforts in this direction are continuing. The Government is doing its job and there is no scope for distrust. If you distrust it, it will be a distrust on political grounds. But distrust for the sake of distrust is very bad. How can you blame us when we are a step ahead than you in its implementation? First, you peep into your own self.

With these words, I thank you, Sir.

SHRI UMAKANT MISHRA (Mirzapur) : Mr. Chairman, Sir, I shall not take much time. By the way, today you are very generously giving time to all of us to speak.

As regards the resolution moved by Shri Bhattam on our economic policies, I would like to tell him that there is no better economic policy in the world than that of ours. The resolution is not worth supporting. It can, of course, be discussed. We can discuss how far our economic policies have been successful and what further improvements are needed.

The economic policies of this country were laid down and framed under the leadership of Pandit Jawaharlal Nehru and other great leaders of the country. They framed these policies after detailed examination and prolonged discussion. Therefore, this country adopted mixed economy and later socialistic policies were incorporated in it which is paying good dividends to us. The present state of our economy is the testimony to the tremendous progress that this country has made. We are producing three times more than what we were producing in 1952. Production of cloth has also increased three times. Similarly, many new industries which were non-existent have been set up in the country. We have achieved considerable progress in matter of production of iron, electricity, machinery defence material, etc. and have become more strong today. The policies framed by Pandit Jawahar Lal Nehru have given us results.

Recently, Mr. Gorbachev Visited India. He also visited the third world countries. After coming to India he said that India has made unprecedented progress in the agricultural field. During the period 1966-1968, we were short of food grains. But today, due to our agricultural policies, we have large buffer stocks, our godowns are full. We can export the foodgrains. Indira Ji had said that in the coming 10 years India would emerge as a viable industrial power in the world. One of our great political leader had said, that our economic policies are the best and they have been implemented also. This is the reason that we have achieved tremendous progress in industrial sector, agricultural sector, in the production of machines and in electronics industry. We have also started manufacturing many new items which were not produced indigenously.

One of our colleagues also said that among third world countries, India has achieved such unprecedented progress in the field of industry, agricultural and several other sectors as was not expected. All this could be achieved due to our economic policies. Therefore, there is no point in criticising the policies. The policies have been very good and they have been implemented also. The country has marched much ahead. But certain things will have to be looked into. We have achieved industrial development. The country has made progress as a whole. The national income has increased but the regional imbalances continues. There are several states and several regions which are very backward. The regional imbalance has increased. *Interruptions...* It is a fact that a number of States and several regions in many States, such as Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, have become economically backward. Assam, a large State in eastern region remained backward. It has been divided into separate States. They also have become backward. Attention is not being paid towards their development. Similarly, there are several backward regions in the States which are larger in size. Sometimes, this backwardness leads to dangerous trends. Failure to remove regional imbalances, sometimes, gives birth to secessionist tendencies.

[Shri Umakant Mishra]

You have seen impact of backwardness in Bengal. The entire Bengal has progressed, but the North Bengal has remained backward. No attention was paid towards the development of Gorkha community. Therefore, a demand for Gorkha Land has been raised. Why is this demand for Gorkhaland is being made? They are not the enemies of the nation. But this is the result of backwardness in that region. *Interruptions*... In Bihar, a demand for Jharkhand is being made, in Uttar Pradesh a separate Uttarakhand is being demanded, in Eastern Uttar Pradesh a Bundelkhand State is being demanded. Why is this demand coming up? Because Uttarakhand is backward, Bundelkhand is backward, several tribal areas such as Bastar district in Madhya Pradesh are backward. So it is necessary to develop the backward areas. No doubt, the country as a whole, has developed, but if some pockets, some areas remain backward, it brings frustration among the people of those areas and consequently a tendency of secession and separation develops. Therefore, I take this opportunity to demand that steps must be initiated for economic development of backward States and backward areas in the country.

Similarly, there are backward people also. The backwardness is of two kinds. One is regional imbalance and the other is the backwardness of a particular community. Some States have developed, the entire country has developed, but in those States the section belonging to girijans, scheduled castes and scheduled tribes has remained backward. Indira Ji had launched development programmes. Indira Ji launched such programmes purely for poor people, for the people belonging to scheduled castes and scheduled tribes, girijans. She launched I.R.D.P. and other programmes. Indira Ji had realised that if the fruits of development do not reach the backward people, the bigger section of our society, it would create disappointment and resentment among them and a time might come when this class of people would raise their head. Therefore, she paid immediate attention towards them and launched these anti-poverty programmes.

All these programmes were launched under the 20-Point Programme meant for girijans, scheduled castes and scheduled tribes.....(*Interruptions*)..... scheduled castes and scheduled tribes and girijans. 'Mahajano yon gatah sa pantha' The path followed by great people is the right path. So, all these programmes were launched by Indira Ji and these were implemented. But as I had said when the hon. Prime Minister was also present, the implementation of these programmes is not satisfactory. I want to submit that a large section of our society has not got the benefit of development although the country has developed and has become very strong economically. Therefore, Indira Ji thought of the 20 Point Programme, for the development of weaker sections. But there are some lacunae, some drawbacks in the implementation of these programmes. The other day I had pointed out that a number of agencies have been engaged in the poverty eradication programme in the rural areas and they are manipulating things and misusing funds. Therefore, I would like to submit that you will have to bring some improvement in the implementation machinery. Shri Rajiv Ji has provided in the budget thousands of crores of rupees for the development of rural areas, for the development of poor people and for eradication of poverty. The funds are released from here, but they do not reach those people for whom they are meant. The situation is like the one which was faced by the King Bhagirath who brought the Ganga to the earth. The Ganga while lowering from Gangotri got entangled in the 'jatas' of lord Shiv Ji. The purpose of the King was defeated. He had to penance again and only then the Ganga entered the earth. Similarly, money is released from Delhi for poor people but it gets involved in the 'jatas' of Lord Shankar on the way and does not reach poor people. The bureaucracy which we have is charged with the responsibility of implementation. We have no other machinery. In the work of implementation of these programmes, some officers and employees do good job. But there are some bad people also especially at the lower level among them who create obstacles in this work. Sir, through you, I would request the Government to ensure that the money being allocated by the Prime Minister for rural areas is utilised properly. It must be monitored, As my friend

has said the rural population is more than the urban population. There is more backwardness, more poverty in the rural areas. Therefore, special attention should be paid towards them and whatever development programmes are being taken up they should be implemented properly.

A mention of Public sector has also been made here, Shri Bhattam complained against the public sector as well, but we feel that the public sector is the key for development of this country. It is the public sector where iron is produced, electricity is generated, different kinds of machines are manufactured and electronic goods are made. As Shri Manoj Pandey had put it, what is the infrastructure especially for the development of rural areas in this country? The infrastructure is iron, electricity, water, machines coal, etc. How have we been able to produce more iron? How more electricity was generated and big machines were manufactured? All these things were produced by our public sector. In this way public sector is the basic infrastructure for the development of our country. The undertakings under the Government of India are doing well, but the condition of corporations and public undertakings under the State Government are in bad shape. It is very necessary to improve their working.

Besides, I would like to submit that we shall have to do three things for revitalising the economy of this country. Our Prime Minister presented a deficit budget. The developing countries always have deficit budgets and not surplus budgets. Therefore, the deficit budget does not make much difference. But the Government must see that it does not result in increased inflation and does not create complications for country's economy. The Government must be careful in this regard. As I have already said, three things are very essential for our country's economy. First, the wasteful expenditure must be controlled. In this regard, I would like to give an example. Suppose a dam is to be constructed the cost of which comes to Rs. 1 crore; but the estimate for the same is prepared for Rs. 1.75 crore. In this way the expenditure of Rs. 75 lakhs goes waste. It must be checked. Besides, the Government must bring down the non-plan expenditure. In this connection I would like to make three

suggestions. As a matter of fact the economic policy of this country is very good and the country has also progressed much and there is no doubt that we will progress in future also. Our Prime Minister wants that India must progress to be counted among most developing countries of the world. He is a very dynamic young man. He will do this. There is no doubt about it. The good wishes of the people are with him, the people are with him. As I have said I would like to make three important suggestions for improving the economy of this country. The first, the wasteful expenditure must be brought down harshly. Secondly, public sector of this country will have to earn profit. We have adopted mixed economy and we support the public sector. Pandit Jawahar Lal Nehru had formulated this policy. I want control over this country's economy, the control of the people. It has to earn profit. Streamline the management, adopt strict postures, appoint good people, and do whatever you may like to do but public undertakings must earn profit. Thirdly, thousands of crores of rupees are outstanding as tax arrears against big capitalists. You will have to recover the same by taking strongest measures. You may consult any economist of the world in this regard, whether it is the President of the FICCI, whether it is Non-Palkiwala, whether it is an expert of socialistic economy, there is no fourth method than these three methods for strengthening economy of this country and for bringing down the deficit. Thousands of crores of rupees are outstanding as tax arrears against the capitalists, you may please recover these arrears. Reduce the expenditure and ensure that public sector does not incur loss, but earns profit. As a matter of fact optimum production is necessary for revamping the country's economy. The raids against economic offenders should also continue. If you stop raids, big sharks will pervade the country. Therefore, it is necessary to have control over black money in order to strengthen the country's economy. Due to the policy pursued by our Prime Minister, the influence of black money on our economy has been reduced to some extent. There is no doubt about it. But we shall have to make much more efforts in this regard. Unless we are able to control black money our economy cannot be free from pollution. I can speak on this subject, the whole day,

[Shri Umakant Mishra]

upto 6 o'clock in the evening but there are many more Members who have to speak on this subject. Therefore, while thanking you, I conclude my speech and oppose the resolution. Still, I thank the mover of the resolution for he has provided an opportunity for discussing the country's economy. This is the supreme institution of the country, the place of worship of democracy. When discussions are matters, concerning our country take place in this August House results do come out. He has provided us an opportunity for self-introspection. Therefore, once again, I express my thanks to him and to you also, Sir.

***SHRI A.C. SHANMUGAM (Vellore):** Hon. Chairman, Sir, thank you in the first instance for giving me an opportunity to express my views on the Resolution brought before the House by Shri Bhattam Srirama Murty.

Porarignar (the great scholar) C. N. Annanduri, in his unique literary expression, outlined that the right economic policy should be to "tap the rich and pat the poor". Taxing the rich and ameliorating the burden of the poor has long been the economic policy of many egalitarian societies of the world. At this juncture, we may kindly recall the services of our late Prime Minister Smt. Indira Gandhi to the nation in giving an appropriate direction to the economy. Her 20 point economic programme is still pursued.

In the same way, I hope that the budget presented by our hon. Prime Minister Shri Rajiv Gandhi will usher us in a new era.

Education is the foundation on which a country's economy is built. We have to allocate more funds for education. At least 80% of our population must become literate. Then only can we progress on the economic front.

Unemployment is a serious problem ailing us. Nearly 50% of the population is below the poverty line, we must chalk out

new programmes and schemes for rapid upliftment of the poor and downtrodden.

Real economic development lies in the self-sufficiency of our villages. Therefore, I request the Government to concentrate on rural development programmes. Industrial and agricultural revolution must take place in villages. The Government must play a vital role in this matter.

I also request the Govt. to curb the non-Plan expenditure in the Seventh Five Year Plan. We must also fight unemployment. All possible assistance must be provided to unemployed graduates to give employment or to start their own ventures. An unemployed graduate has to undergo all sorts of ordeals before he could start his self-employment. He has to run from post to pillar. He has to wait for two years to get a loan from a bank. He has to mortgage the paltry assets as guarantee for the loan. By the time, he gets the facility, he is exhausted and that's how the self employment scheme becomes a self-defeating scheme. Government must pay special attention to this.

Rs. 5687 crores is the deficit this year. Poor must not be taxed to make up this deficit. Govt. must make this deficit in some other way. Of course, there cannot be a budget without shortcomings. It is we, as parliamentarians discuss the shortcomings and arrive at a solution.

There are 24 States in India. When there is a separate State Administration, why should powers be concentrated in Centre. Concentration of power in the Centre increases the burden on the Central Govt. and therefore is a bottleneck for rapid development. The trend should be towards greater deconcentration of power. Education, Forestry, Fisheries and other areas of State's concern have been brought to Concurrent List. This will have a deleterious effect on the economic development of the country. Centre must function efficiently with the existing powers. It should not usurp more and more powers from State or Concurrent lists.

*The speech was originally delivered in Tamil.

I must make a mention about the plight of our agriculturists. Farmers do not get remunerative prices and they do not get the benefits of their hardwork. Farmers are agitating all over the country. We must take steps to avert this pathetic condition. The concessions and subsidies provided by the Government do not percolate to the poor and needy farmers but swallowed by the intermediaries. Hon'ble Minister must look into this.

Nearly 90,000 sick mills are in this country. Nearly Rs. 6,000 crores of bank loans are blocked in these mills. This hampers our industrial development. Some special plan must be formulated to rehabilitate these mills.

Many big industrial units are shut for long. Millions of people are out of employment. Government must take suitable remedial measures.

About public sector companies the Govt. must pay serious attention to their performance. Nearly 70% to 80% of the Government companies are accumulating losses. Government may even appoint a commission to go into the losses of the public sector companies since the Govt. has invested crores of public money in these companies. Many companies in Coal, steel and iron ore sectors continue to incur losses for the past 30 to 40 years.

Nearly 10% of the coal mined in India is nothing but stones. Even today, a central team is visiting Madras in this connection. The ash content in coal is also too much. Further, Sir, coal worth many crores is burnt in the mines itself. Govt. must prevent this Rs. 200 to Rs. 300 crores loss every year. Even coal mined and stored in the yards is burnt because of delay in lifting. Govt. must prevent this loss.

Posts of Chairman in many public sector companies are plying vacant. Govt. must fill these vacancies immediately. An expert committee must be appointed to look into the managerial shortcomings in these companies. Further, technocrats should be appointed to man these companies and the practice of appointing IAS officers should gradually be done away with.

Of course, certain companies like BHEL are earning profits. However, their dealings are only in monopolistic areas like manufacture of boilers etc. But this is not a reason for being complacent.

We must increase our exports. We must reduce our imports. I must, in this connection, cite a paradoxical position relating to export and import of iron in this country. We export nearly 90% of our iron ore to foreign countries at Rs. 100 to Rs. 200 per tonne. At the same time, we are importing finished products of iron at Rs. 8000 per tonne. We must take steps to reduce the export of iron ore and to produce finished products in India itself. We must export only finished products. We must curb export of raw materials. One would gasp at the loss we incur when we export unfinished and semi-finished leather to foreign countries. We would earn a lot of foreign exchange, if we export finished leather products.

Steel authority of India, Limited, is a white elephant. It is swallowing crores and crores of public money and is accumulating losses. Govt. must pay special attention to this and try to increase productivity and thereby profits.

We must provide all infra-structural facilities like water, electricity etc., without delay to those who start new industries. Delay will motivate the entrepreneurs to shift their investment and will act as a great disincentive to productivity.

I welcome the Govt.'s efforts towards decontrol. Delicensing have been done in 25 major industries and in 82 pharmaceutical items. These industries, however, have to obtain industrial approval which does not take too much of time. By this, we have encouraged production and exports and consequently going to earn good amount of foreign exchange. Controls and bureaucratic delays must go.

In many foreign countries, vital industries like telecommunication are in the private sector. We have 90% of our industries in public sector but in vain. We earn losses. So our policy should be more and more privatisation.

[Shri A.C. Shanmugam]

Recently the Govt. have decided to increase the capital limit for categorising a Company as a MRTP company from Rs. 20 crores to Rs. 100 crores. This is a welcome decision. I, at this juncture, point out that the more the decontrol, the more will be our production.

The Govt. must change its concept about zero-industry districts. A district is a bigger unit measuring 80 sq. miles to 200 sq. miles. There cannot be a district without at least one industry because the area is so large. The concept should, therefore, be zero-industry taluk and the scheme should be changed accordingly.

20% of the tax revenue is evaded. I, therefore, welcome the tax raids. At the same time, innocent persons should not be harassed.

We have to pay special attention to our scientists and engineers. They must be encouraged and regarded. Dr. Chandra Sekhar Subramaniam, a nobel laurette, was born in India but researched and reached fame in USA. We must curtail to help the industrial development of our country.

We must also curb import of defence equipment. Indigenous production must be encouraged in all spheres of defence machinery.

Electricity is a basic amenity to all industrial development. We must use hydel power available at Okkanekal and other hydel projects. We must also tap electricity from tidal waves and solar rays.

To tackle the drought situation all over the country, we must nationalise all rivers. We cannot be complacent over present food production. Population is increasing in geometrical ratio and we must take all preparatory steps on the food front.

Family Planning programmes are not being implemented properly by many States. The Govt. should issue proper

guidelines for vigorous implementation of these programmes in all States so that our progeny does not suffer. Failure to implement the Family Planning programmes sincerely will result in population explosion which would derail us from the path of progress.

With these words, I conclude.

[English]

SHRI CHINTAMANI JENA (Balasore): I am very very grateful to you that at the fag end of the day you have asked me to speak.

I may kindly be permitted to speak in my own language for which I have already intimated. I will speak in Oriya.

[Translation]

*Mr. Chairman, Sir, thank you for allowing me to speak on this resolution. But time available in the House is only about 4 to 5 minutes. So I may kindly be allowed to continue my speech next time.

Hon. Mr. Chairman Sir, I would like to speak in my mother tongue Oriya. The resolution has been moved by Shri Bhatam Shriram Murthy in this House. I would like to say that he has not moved this resolution at the appropriate time. When the country is on the path of progress in the field of Agriculture and Industry and in fact when the country is making all round progress at that point of time it is not proper to say that the economy of the country is in a critical position. I think he has moved this resolution only to criticise the Government. Perhaps he wants to oppose the Government for the sake of opposition. If that is his intention then I have nothing to say. But I would like to request him to review the efforts made by the Government to make progress in all sectors. He should think how the present Government under the leadership of Shri Rajiv Gandhi is giving emphasis on strengthening the economy of our country. Shri Rajiv Gandhi has been making all possible efforts to take the country into the 21st century. In my speech I shall justify this fact. Therefore, Shri Ramamurthy

*The speech was originally delivered in Oriya.

should realise all these facts. Sir, while moving his resolution Shri Ramamurthy has criticised the 20 big industrial houses for the present economy situation of the country and at the same time he has blamed the Government also. But the fact is our present Prime Minister Shri Rajiv Gandhi and also our former Prime Minister Smt. Indira Gandhi have taken a number of steps for the improvement of the country by utilising the funds of big houses. Our Govt has taken action against the hoarders, the profiteers and particularly the industrialists and big business men who have accumulated black money and not paid the income tax arrears and wealth tax. Houses of such people are being raided from time to time. Steps are being taken to utilise the funds collected from these sources for the development of the country. Our Govt has taken several steps to curb black money. Shri Sriram Murthy is aware of all these facts.

Sir, Shri Sriram Murthy has expressed his concern for the huge losses being incurred by the public sector undertakings. For this also he has blamed the Government. Shri Rajiv Gandhi came to power two years ago. When he assumed the office of the Prime Minister he had made some announcements on several important issues including two very essential issues on two issues. First is about the need to change the education policy and second to efficiency running of public sector undertakings which have been incurring losses. The hon. mover of the resolution must not have forgotten these announcements. In order to implement his announcement sincerely, Shri

Gandhi has created a separate department named as the department of Public Enterprise and a Mouthful Minister Shri K. K. Tiwari has been put in independent charge of that Ministry. From this you can well imagine the sincerity of our Prime Minister. The Prime Minister has recently said that the public sector undertakings would be made accountable. Due to the sincere efforts made by our Government, many public sector undertakings have earned good profits in the last two years. Production has increased in those units. Steps have been taken for the modernisation and expansion of many public sector undertaking. Additional fund has been provided to implement the modernisation and expansion programmes. Therefore modernisation programme of public sector undertakings are in progress. You must thank the Government for increasing the capacity of the public sector units. I congratulate our Prime Minister Shri Rajiv Gandhi for taking effective steps to see that the public sector undertakings do not incur losses and function efficiently so that they earn profits.

HON. CHAIRMAN : Mr Jena you can continue next time.

SHRI CHINTAMANI JENA : Thank you Sir.

18.00 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Monday, March 23, 1987/Chaitra 2, 1909 (Saka)