

12.33 hrs.

ADJOURNMENT MOTION

Failure of the Government to check the unabated rise in prices of essential commodities

[*English*]

SHRI VASANT SATHE (Wardha): I beg to move:

"That the House do now adjourn."

[*Translation*]

I want to draw the attention of the House to a serious problem facing the country. Mr. Speaker, Sir, immediately after installation of this minority Government a tall claim was made that its first priority would be to check the rise in prices and its second priority would be to expose the names of the recipients of the commission in the Bofors deal in which a lot of corruption was suspected and was considered to be one of the factors of present price-rise.

These two things were mentioned also in the manifesto of the Janata Dal. Much emphasis was laid on the price-rise. First, it appeared to me also that there are such good persons like Shri Madhu Dandavate ji who by taking strong steps will control the rise in prices. We hoped that the Government would achieve success in checking the rise in prices with the help of its supporting parties which claimed to be powerful and in which there are strong persons also. At the time of presenting the budget and subsequently Shri Dandavate ji told that the prices of Petroleum products had been increased in order to check their increasing consumption and the measure would have salutary effect on bringing down prices also. We patiently waited the outcome of the assurances given by him. We hoped that the

measures taken by him would help in bringing down the prices and the people at large would be benefited from it. But, what happened in reality. I would like to cite some statistics before you. The day before yesterday Shri Dandavate ji said these things on the T.V. Everything is obvious before the country and there is the least scope of any discussion regarding the facts but there may be a discussion about its causes. But as far as facts are concerned, you know that in September 1989, three months before the Elections in the country, when our party was in power, the whole-sale price-index was 168. In December 1989, the whole sale price index came down to 166 due to our efforts and the step taken by Shri Bhajan Lal about the Petroleum Products and the Record Production and Procurement of grains.

12.38 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

You might have brought the prices under control even if you would have followed our policy. You sought the public support in the last general elections on assurance of bringing down the prices and voted to power. I want to say to the hon. Prime Minister and Shri Dandavate ji that we would have applauded them even if they would have maintained the whole-sale Price-Index of 166. But, what have you done? You only go on assuring that the prices will be brought under control within one month, two months and issuing warnings continuously. I would like to quote the statements and assurances given by Shri Dandavate ji which appeared in the news-papers and those given to other places.

[*English*]

Addressing the Press Conference in Ahmedabad on January, 22, Prof. Dandavate said:

"The Centre is working on a long-term

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result-oriented formula to bring down the prices. I am confident that the prices of essential commodities will crash in the next five months from today i.e. January, 22..."

These are the facts.

April 22—Talking to reporters in Bombay he said:

The various measures initiated by the Government for reducing budgetary deficit will start showing results soon and I am sure sugar, tea and edible oils among other commodities will come down by June, 1990.

"Within next two months, the National Front Government will take all necessary steps to bring down the prices, within two months"

assuring a delegation of women activists led by Mrs. Dandavate—April 21, 1990.

[*Translation*]

Madhu Dandavate ji said that it will be done in next two months, then how can the Prime Minister lag behind him? He said:

[*English*]

"The Government has taken a series of steps to bring down prices of some essential commodities like sugar, cement and tea within one month from now"—dated April 26.

[*Translation*]

They have been saying this thing right from January that we committed big mistakes, we raised the prices. It was due to us that the prices were rising. In order to bring them

down they made an appeal to the people to elect them. They will ensure that the prices are brought down. They have been saying this right from January. Now look...

[*English*]

In May, and I quote:

"We will take stringent action if the prices of sugar and cement which have risen steeply of late, do not come down by end of May 1990—Shri V.P. Singh, the Prime Minister speaking in Visakhapatnam.

[*Translation*]

Then Shri V.P. Singh thundered but thundering clouds seldom shower rain.

[*English*]

"I warn the sugar and cement industries against indulging in racketeering. The Government will firmly intervene if they do not take steps to bring down the prices of these commodities immediately."—addressing Janata Dal Workers in Bangalore.

[*Translation*]

The obvious needs no evidence. It is August now. You can go through the records upto July. I have got the figures for the period upto 26th July. These figures are supplied weekly. On the basis of these figures, I would like to place some facts about the price situation before you.

[*English*]

The wholesale price index based on 1981-82 has climbed up from the pre-Budget level of 169.5 to 177.7. Now it is 178.5. indicating a spurt of 4.84. Now it will be five, which on annual basis works out to as high as 16.4 per

cent. The consumer price index has also shot up to high levels. I hope you are listening, hon. Finance Minister. You can decide about your strategy later on.

The market for essential commodities has ruled distinctly buoyant ever since Madhu Dandavate presented his first budget imposing a heavy burden of taxation. In the Bombay whole sale market ground-nut oil which had advanced from Rs. 217.50 when the National Front Government took office has increased to Rs. 257.50—I am giving July figure; it has gone up further. Then comes the presentation of the Budget. They skyrocketed after the Budget to cross Rs. 300 mark before reaching to Rs. 297.50. Then, surprisingly.

[*Translation*]

This is about oil.

[*English*]

even foodgrain prices have again risen—kindly see—inspite of successive good monsoon.

[*Translation*]

Mr. Deputy Speaker, Sir, the country experienced the worst drought of the century in 1987. When Britishers ruled the country, we used to pass the buck for drought to them. Several lakhs of people died on the roads in the Bengal famine. After independence this was the worst famine of the century. It would have claimed several lives but the way the then Government of the country or far that matter the Government of the people faced this calamity, not a single death was reported from anywhere. The whole country should feel proud of the Government for their controlling such a seerer famine witnessed by the country. It could be understood and would have called for a discussion had there been any such crises and had the monsoon

failed. But on 6 August, the hon. Minister, Shri Verma stated that there had been a record production of 172.2 million tonnes of foodgrains, 115 million bales of cotton and 200 million tonnes of sugarcane this year. In other words, there was record production of foodgrains and the monsoon was good. The nature was gracious to them. He is forewarning the countrymen to remain prepared for a war likely to be waged by Pakistan with us. A Prime Minister who thunders so much does not do anything substantial. He only weeps. (*Interruptions*)

Had the Government shown its might in controlling the situation prevailing in Punjab and Kashmir or prepared for the war with Pakistan, Shri Madhu Dandavate could have found an excuse for this abnormal price-rise. The prices of oil have gone up in Kuwait only the day before yesterday and the Government cannot check them. What I mean to say is that Dandavate ji knows well that there is no place for any excuses. They are taking the excuse that it is the Congress Government which ruled the country for the last 40 years and did not do anything. They cannot delete this period of 40 years from the History of Congress rule with which their Prime Minister also remained associated for 25 years. He was associated with this party upto the last moment and held posts of Finance Minister and Defence Minister. How long they will go on making this pretext and will this pretext fill the stomach of people? Besides, they say that they were given empty coffers and what can they do? They have no money. They also charge that a debt burden of Rs. 80,000 crores was transferred to them and in the circumstances what can they do?

SHRI BHAJAN LAL (Faridabad): As a matter of fact the coffers become empty at the end of the year.

SHRI VASANT SATHE: Practically thinking, a person whose coffers are empty does not go in for squandering money. Soon

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after coming to power they waived the loans and allowed free distribution of Government money. They announced that they would waive loans upto Rs. 10,000. Is it the sign of their empty coffers? If their coffers are empty, what will they give?

PROF. RASA SINGH RAWAT (Ajmer): Are you opposing the loan waiver scheme?

SHRI DUA DAYAL JOSHI (Kota): You have looted the country and brought the country to a situation like this. That is why the coffers are empty. If you have guts, oppose the loan waiver scheme for the farmers.

SHRI VASANT SATHE: What treatment is being meted out to the farmers today? Have their loans been waived? In a T.V. interview with the hon. Minister of Finance a farmer brought to his notice that the farmers had been informed by the banks that they would not be advanced any further loans as long long as any direction to this effect was received by the banks. The harvesting season has already begun. How does he get seeds and fertilisers? How can he sow seeds without money if he is not advanced loans. When a farmer, whose economic condition is slightly better, approaches the bank for further loans, the bank people say that unless he declares himself insolvent, he cannot be granted further loan. It means they want to make those farmers who are a little well off insolvent. Then only they can advance further loans. Let me know, Mr. Joshi and my hon. Friends from the B.J.P, whether it is justifiable that the farmers should be declared insolvent. Do they want to give this gift to the very people who voted them to power. They have shown a deficit of Rs. 7,500 crores and their advisers say that the Government will waive the loans... (*Interruptions*)

MR. DEPUTY SPEAKER: Whatever

you want to say you can say in your speech.

SHRI VASANT SATHE: Including subsidy and other such expenses they have worked out a total of Rs. 3,800 crores on this account. Other hidden expenditure including expenditure to be incurred on making of payment of D.A. have been estimated to be Rs. 100 crores but the actual expenditure will be much more than that. If you take into account all this expenditure, the deficit in the budget will increase further. Let us agree that about Rs. 5000-6000 crores will be generated and it would be raised from the public sector. But it has been our past experience that this money does not come from the public sector? Although there is an administered price for petroleum products, they raise the prices of petroleum products and make a claim that they received money from that head. But what is its impact on the economy? The country is bearing its impact. Similarly, if the prices of other essential commodities like steel, coal and power will increase, they will have their impact on prices of various commodities all over the country. Everybody knows it. Even then they, for the sake of saying, make a claim that they have reduced the deficit in the budget. They said that they would bring down the prices and reduce the deficit. Of course, they made efforts in this direction but failed utterly. I think the amount of deficit which was there during the first six months of the year has since gone up. I would like to point out that though this Government says that the money supply should be 17 per cent, yet it has gone upto 19.4 per cent. You will agree with me that if the production is not increased and only money supply is increased, it is quite natural that the prices will go up. The people who are entitled to get D.A. linked with prices-index get some respite from payment of D.A. but this Government says that it would freeze it.

Mr. Deputy Speaker, Sir, I would like to know, particularly from Madhu ji as to what

will be the condition of middle class people especially the poor? It is a well known fact that various commodities in the market to-day in comparison to those prevailing a few days back, as she goes to market daily for making purchases. Mr. Deputy Speaker, Sir, I would like to apprise of the prices as given by her in writing..

[*English*]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Was she telling the truth?

SHRI VASANT SATHE: You can check it with your wife.

SHRIMATI GEETA MUKHERJEE (Panskura): At least on one question, you are all depended on wife! (*Interruptions*)

SHRI VASANT SATHE: Agreed.

[*Translation*]

The pulses which used to cost Rs. 8.50 a kilogram in December, 89 are now costing Rs. 12-13 a kilogram. Price of sugar has gone up from Rs. 8.00 to Rs. 10.00 a kilogram. The price of groundnut oil was Rs. 22 per kilogram and now it has gone upto Rs. 40 a kilogram. A cake of soap costed Rs. 3 earlier and now it is costing Rs. 5. The price of wheat has shot upto Rs. 5 a kilogram from its earlier price of Rs. 4. A packet of tea costing Rs. 52 earlier is now costing Rs. 65. Prices of petrol has gone up from Rs. 8 to Rs. 11 a litre. Potato is a common man's vegetable, the price of which has shot upto to Rs. 4 from Rs. 2. There has been a hundred per cent increase on this item. The prices of onion and gram have gone up from Rs. 2 to Rs. 5 and from Rs. 15 to Rs. 21 respectively. Mr. Deputy Speaker, Sir, though the rates of increase of various commodities varies from place to place, yet it is a fact that there has been an over all increase in prices all over the country. There is no doubt about it.

AN HON. MEMBER: It is wrong.

SHRI VASANT SATHE: If you are getting at cheaper rates, please let us know the place so that we could also do our marketing from there. Mr. Deputy Speaker, Sir, despite all their announcements, the prices are increasing and soaring all time high. Everybody says.

[*English*]

'Sky-rocketing prices'. This is the verdict of entire media and people.

[*Translation*]

They were charging us that the prices increased due to our policies. If they say, let them leave the bridle of administration to us. If they are so incompetent and are not able to control, let them leave it to us You could have said..

MR. DEPUTY SPEAKER: Please take your seat. I am telling you again and again.

SHRI VASANT SATHE: They are in minority i.e. their's is a minority Government.

13.00 hrs.

Even today, the Congress Party is the largest single party in the Lok Sabha. The present Government despite support from two of its crutches is not in a position to run the country. It is not even limping despite support from the B.J.P. and the leftist parties. The situation has gone out of control of the Government. Why do they not admit that they are not capable to control the situation. Mr. Deputy Speaker, Sir, as regard their allegation that the coffer was empty, I would like to refer to the scheme of the loan waiver of the people. It is a well known fact all over the world that industries are set up and run with the help of loans taken from the banks as no one can set up and run industry only

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with his own money. Not more than 10 to 20 percent of the amount required is setting up industries is raised by the owner and the rest of the amount is mobilised through Bank loans. But here it is not a question of taking loan but it is a question of credibility to repay the loan. I admit that an amount of Rs. 80,000 crores was outstanding against us as loan when our party was in power. But what is the condition of India today... (*Interruptions*) At that time, our credibility was very high all over the world. The countries of the world knew the paying capacity of India. They were confident that India would repay the amount of loan outstanding against it and we were able to repay the loan taken by us. The whole world knew our credibility. We were in a position to say to the International Monetary Fund that we did not want loan from them as we could manage our economy without taking loan from them. This was the economic strength of the country when our party was in power. But what is the condition of the present Government. The other day hon. Finance Minister said that he might take recourse of loans from the International Monetary Fund. Earlier, he was saying that he would not take recourse of external loans. You are inviting multi-nationals in the country and yielding to pressure. Should we not adopt an industrial policy which promotes our exports and increase our production? Don't you like to increase export? After all, in which area, these multi-national will enter. Are they going to enter in the fields of non-essential commodities? In that case only they will be benefited. Is the Government thinking on this line? If you want to invite multi-national in the fields of luxurious items...

MR. DEPUTY SPEAKER: Mr. Vasant Sathe, how much more time will you take?

SHRI VASANT SATHE: I will take the whole lunch hour.

MR. DEPUTY SPEAKER: If you are going to conclude within 5-7 minutes, it is all right, otherwise we may adjourn for lunch break.

SHRI VASANT SATHE: I will take some more time. I will not conclude in 5-7 minutes.

[*English*]

I will continue after lunch.

MR. DEPUTY SPEAKER: Now, the House stands adjourned for lunch to meet at 2 p.m.

13.02 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at Five minutes Past Fourteen of the Clock

[DR. THAMBI DURAI *in the Chair*]

ADJOURNMENT MOTION—*CONTD.*

Failure of the Government to check the unabated rise in prices of essential commodities—*Contd.*

[*English*]

MR. CHAIRMAN: Yes, Mr. Sathe, you may please continue.

SHRI RAM NAIK (Bombay North): Sir, I am on a point of order.

[*Translation*]

Generally, when an Adjournment Motion is taken for discussion, the time of voting is announced in advance. But today, no such announcement has been made. If you announce the time of voting in advance, it will be convenient for the members also.

[English]

MR. CHAIRMAN: That depends on the cooperation of the Members. Generally, we cannot fix the time. The normal time allotted for an Adjournment Motion two-and-a-half hours but if more Members want to speak, we can extend the time. I am ready to give you five minutes but then you have to finish your speech within that time.

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Sir, I support what Mr. Ram Naik has said. Normally, the time allotted for an Adjournment Motion is two-and-a-half hours but it is flexible and we do not always stick to this timing. Tentatively we can decide how much time will it take because it is a form of Censure motion and all the Members have to be present in the Chamber. Therefore, tentatively you can decide how much time will it take.

MR CHAIRMAN: The tentative time is two-and-a-half hours.

SHRI VASANT SATHE: I think you can fix it in the Business Advisory Committee meeting.

[Translation]

Mr. Chairman, Sir, I was talking about rise in prices. The entire country is concerned over it and the people want that prices of at least essential commodities be brought down and they should be brought down. It appears that due to some wrong policies adopted by the Government, it is becoming very difficult to control the prices of essential commodities, although our Minister of Finance has stated it again and again and even other day also on Television that he wanted to take stringent measures to control the prices. In reply to a question put to him by an individual, he said that he might not be a popular Minister of Finance but he would certainly be a successful Minister of

Finance. It is imperative to take stringent measures to become a successful Minister of Finance and we were expecting that he would take some stringent measures. What is happening now? I do not doubt about his intention, I consider him a noble man. Recently, I received a letter from one of my friends living in Calcutta where most of the people use mustard oil for cooking. The people in West Bengal, Bihar, Orissa and some parts of Uttar Pradesh also use it. He has written in the letter that even during the draught period in 1987 mustard oil was available at a price of Rs. 25 a kg. in retail. Now it is available at a price of Rs. 35 a kg. The price has been raised by creating artificial scarcity. This letter is of 27th July. I think that by now the price of mustard oil might have gone higher than that. Perhaps the people of Bengal might be knowing it. I admit that during this year production of edible oil is short by 10 lakhs tonnes as compared to production during the previous year. It has also been stated on the letter that he failed to understand as to how prices soared so high.

A news item has appeared in a newspaper named 'Vyapar Kesari'. It has been alleged that a relative of a Minister, whose name has not been mentioned, has purchased mustard seeds of crores of rupees in collusion with the traders and created an artificial crisis by hoarding it. The N.D.D.B. sold the mustard oil in wholesale market at a higher rate of Rs. 25 per kg. instead of reducing the prices of oil

[English]

"The N.D.D.B. is making a maximum profit margin of Rs. 4,000 to Rs. 5,000 per tonne in Calcutta."

[Translation]

It has been mentioned in the letter of my friend referred to above... (Interruptions)
.....

[Sh. Vasant Sathe]

A newspaper named "Sun marg" published from Calcutta, has quoted something in its issue of 20th July. The Minister's name has also been mentioned in it. It has been quoted from a statement of Shri Nathu Ram Mirdha who said that question of fall in prices of the edible oil did not arise... (*Interruptions*) He too might be having good intention. He is saying that its effect is..

[*English*]

"But unfortunately this type of speech by Central Food Minister encourage the dishonest businessmen, blackmarketeers and illegal hoarders and now they have conformed that the Government itself is trying to increase the rate of edible oil. But it is a matter of great distress that Mr. Mirdha never uttered any single word to bring responsible elements in picture who are making this artificial crisis by hoarding."

[*Translation*]

It does not look good that different people say different things. It may be possible that your intention is good. I would like to cite yet another example of good intention. Our Minister of Finance enhanced the rates of petrol and diesel. Yesterday itself he was saying that as per his calculation and arithmetic, it would not affect the prices by more than half per cent or one per cent. I know that he is a famous mathematician. But his mathematics is not practical. It will have a cascading and snow balling effect. All the Transporters, Shopkeepers and Retailers have increased the prices of commodities saying that the prices of petrol and diesel have been increased and transportation cost has also increased. Therefore the prices have been increased.

AN HON'BLE MEMBER: You may suggest some way out.

SHRI VASANT SATHE: You step down from your office, we will find a solution. You people are not capable to run the country.

Make room for others otherwise your crutches will put more pressure on you. I would like to submit to the hon. Minister of Finance that he have committed a grave mistake by increasing the prices of petrol and diesel to raise resources. It is causing a lot of hardship to the people of the country. The hoarders and the retailers have increased and prices while there is no co-ordination among the different departments. The hon. Finance Minister has himself admitted that he was helpless as the Department of Railways did not cooperate. The prices of salt increased because of Railways which put a condition that they would not transport salt unless a full rack load is provided to them. Then the matter was sorted out with the help of a mediator under which salt will be carried in wagons. Even the prices of salt has increased during the period of the Janata Government. What is your coordination? The Minister of Petroleum has stated that strict action would be taken. In the name of strict measures, he took the decision that petrol would be sold for 12 hours only in a day and on Sundays Petrol Pumps would remain closed. When pressure was put on him he relaxed it that petrol would be sold upto 12.00 noon on Sundays. I would like to ask a question and you should reply it honestly after verifying the position from the Minister of Petroleum. Has the above management made any effect on the consumption of petrol and diesel? How much money has been saved by our country in terms of foreign exchange and rupee with the system? The people are saying that information has been received from the sources of Indian Oil Companies that there is no shortage of petrol rather the demand of petrol has been increased due to hoarding of petrol by the hoarders. The people have hoarded petrol with the hope that in future the rates will increase. But it had an adverse effect. The Auto rickshaw and Taxi drivers suffered a lot. The Government could not save petrol. So these so called options have been creating hardships for the people. The Government have stated earlier that they have adopted a concept of deficit to control and deficit. I would like to read it out what has been appeared in the Business Express dated 26th July, published from Bombay. I

am quoting it. It is very important, you will also get benefit from it. Perhaps you might have read it.

[English]

It says:

"Budget deficit in 1st quarter exceeds estimates for 1990-91.

In the first quarter (April-June) of 1990-91 the budgetary deficit is reported to have reached the level of Rs. 7,400 crores, and thus exceeded the budget estimate of Rs. 7,206 crores for the whole year 1990-91. In the corresponding quarter last year the deficit financing was the order of Rs. 9,701 crores.....

" and for the year 1989-90 as a whole, it reached Rs. 11,750 crores. The Union Finance Minister, Prof. Madhu Dandavate has explained that it was because of the recent disbursement of the State's share in the Central pool. It will now remain at a plateau for some time and then decline. At the end of the year, it will be around the level budgeted for. The Finance Minister's confidence was based on the fact that monetary expansion this quarter was 3.8 per cent lower than that of 4.5 per cent in the corresponding quarter last year."

Actually, this is not correct.

PROF. MADHU DANDAVATE: As against 4.0 per cent, it is 5.8 per cent.

SHRI VASANT SATHE: It further reads as follows:

"In this context, it is interesting to quote what the policy paper, prepared by the Government, has to say on fiscal deficit of the Union Government. Says the paper: "We should not assume that the deficit can be easily contained at the BE Level. There are already several identifiable additional demands on the budget arising from defence (Rs.

500 crores), other internal security requirements (Rs. 500 crores) underfunding of certain central plan projects (Rs. 500 crores), additional requirements for the loan write-off scheme (about Rs. 1,200 crores), ..."

The above paper was prepared by the Government itself. It now goes upto Rs. 3000 crores.

PROF. N.G. RANGA (Guntur): This is only an interest on loans.

SHRI VASANT SATHE: It further reads as follows.

"...funds needed for the crop insurance scheme (Rs. 250 crores) and additional requirements for the food subsidy (Rs. 200 crores). There will also be heavy demands from the States either for natural calamities, (for which only a limited amount has been provided), or to meet their approved plan expenditures, which have been based on highly optimistic assumptions about their own resources. Assuring additional requirements of Rs. 1,000 crores for the States, the presently foreseeable additional demands upon the budget already add up to about Rs. 3,500 crores, which actually will now go to Rs. 5000.

Then there are proposals for waiver upto Rs. 10,000 for loans to handloom weavers and upto Rs. 2000 for loans to members of the Scheduled Castes and Scheduled Tribes. All these would impose heavy additional burden on the exchequer." Today in the morning I said that money supply was increasing and deficit in the budget known and hidden is also increasing. I also said in the morning that as you are hoping of surplus generation from the Public Sector, we were also hoping on the same line but our expectations were never fulfilled. If this Government can fulfil this target, I shall applaud you. But the manner in which the Public Sector undertakings are functioning, it is useless to hope that it will make any contribution to your kitty. The hon. Tauji is going to create more problems for you on the

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9th of this month and the farmers of the entire country will make demands... (*Interruptions*) What steps will be taken by the Government to fulfil their demands? On one hand you are saying that there are hard options, on the other you are step by step succumbing to pressure..... (*Interruptions*) I said that there are many cunning people in the country and they should not interfere in the affairs of the country only then the country can make progress. (*Interruptions*) I am saying that the Government has adopted so called hard options but nothing has been achieved by it. The Government has done only astentations work. I would like to ask the Government about the proposed 10 per cent reduction which had to done that how far the Government gets success to reduce non-essentials. (*Interruptions*) I demand that the farm labourers who constitute bulk of the population of the country, should be provided all facilities so that farmers can be able to increase their production. I would like to say that a farmer friend of mine came from Maharashtra today and told me that the were not getting fertilisers. He added that prices of fertilisers pesticides and other agriculture inputs were rising steeply, due to which farmers were facing hardships.

That is why I am saying that the farmers should be provided all facilities and remunerative prices so that they can be able to increase their production. Money and resources have to be generated for them by increasing production. So do not enact drama in matter of generating resources as it is not desirable.

In the end I would again like to reiterate the demand which I made day before yesterday that evil of 'black money' should be curbed because a parallel economy is running in the country due to it. Prof. Dandavate himself stated out of Rs. 80000 crore of black money, Rs. 40,000 crores is unaccounted money and Rs. 40,000 crores is smuggling money.

SHRI SHOPAT SINGH MAKKASAR

(Bikaner): How do you know? (*Interruptions*)

SHRI VASANT SATHE: If you know more than it, please peak out. I am forgetting your name, Makkar, no, no, Mr. Makkasar, if the amount is more than Rs. 80,000 crores, please tell. (*Interruptions*)

SHRI SHOPAT SINGH MAKKASAR: Have you did not visualise black money during the last 40 years. (*Interruptions*)

SHRI VASANT SATHE: I would like to submit only one thing to these hon. Members that they my go through the book, written by me in 1983, in which I have mentioned all these things.

PROF. MAHADEO SHIWANKAR (Chimur): I am on a point of order. Shri Sathe has used word 'Makkar for the hon. Member which is an unparliamentary word. He should not have used this word. (*Interruptions*)

[*English*]

MR. CHAIRMAN: He mentioned only his name. There is no point of order. Please sit down.

SHRI VASANT SATHE. Anyway, I withdraw my words.

[*Translation*]

SHRI SHOPAT SINGH MAKKASAR I know but I did not feel hurt as he can address me as he likes because at present he is not in his senses.

PROF. MADHU DANDAVATE: Mr. Chairman, sir, I do not think that Shri Sathe has deliberately used this word but during the courses of his speech he mentioned the name of the hon. Member. Shri Sathe has quoted the figures of smuggling furnished by me and when the hon. member tried to interrupt him he has said that the person who is indulging in such acts have more knowledge. I feel that no reference even indirectly should be made which gives an impression that any member of this House is a smuggler

or he has property of smuggling.

SHRI VASANT SATHE: I did not say like this.

PROF. MADHU DANDAVATE: But means like this. (*Interruptions*)

SHRI SHOPAT SINGH MAKKASAR: I did not feel ill of your words because I know that you are mad for power and you cannot think beyond it. I have never been in power but I have been struggling against your Government for the last 40 years. I know that you are not in your senses because of your greed for power. (*Interruptions*)

[*English*]

PROF. MADHU DANDAVATE: Mr. Chairman, Sir, you might not have followed what I have said in Hindi. I do not think that he meant that. (*Interruptions*)

SHRI VASANT SATHE: I did not say that he has done any such thing.

PROF. MADHU DANDAVATE: If you go through the proceedings, by implication, it may mean that the hon. member has been described as a smuggler or a person having smuggled. I know the hon. Member. (*Interruptions*)

[*Translation*]

SHRI SHOPAT SINGH MAKKASAR: I know what you meant to say but I am not raising any objection. I will not say anything if a sober person like you, who claims himself to be a parliamentarian, loses his balance.

[*English*]

PROF. MADHU DANDAVATE: Sir, I must tell you that as far as this hon. Member is concerned, he is not only an hon. Member but he comes from people's movement. We know him for year together and I think, anybody who is his comrade will feel hurt. Therefore, you yourself go through the proceedings. I do not think the Mr. Vasant Sathe

meant that. If there is anything objectionable that should be removed from the records.

MR. CHAIRMAN: Mr. Sathe himself has denied that. He never meant that. I will go through the records and if at all there is anything objectionable, I will expunge it.

[*Translation*]

SHRI KAPIL DEVE SHASTRI (Sonepat): The name of the hon. Member is Makkasar and it does not appear good if a senior Parliamentarian pronounce his name as 'Makkar' instead of 'Makkasar'.

[*English*]

MR. CHAIRMAN: I have already explained to the House about this. Mr. Sathe has denied it. I have said that if there is anything unparliamentary, it would not go on record.

SHRI VASANT SATHE: I must make it clear that what I said was that if the figure which I am quoting based on Shri Dandavate's statement is incorrect and if the hon. Member knows something better—I did not say that he was indulging in that act. You can see the record.—and if you think that there is any word which can be interpreted as hurting him, I withdraw it first myself and you can remove it from the records.. (*Interruptions*)

MR. CHAIRMAN: I have already explained about this. There is no need for me to open it once again.

[*Translation*]

SHRI VASANT SATHE: Mr. Chairman, Sir, I was saying that black money is increasing and a parallel economy is running in the country. The figures furnished by the hon. Minister of Finance, which have been based on the report of the Public Finance Institute, are not up to date and pertain to the period 3-4 years back. Today if we calculate it on the present price-index, it will be more than Rs. 1,00,000 crores including smuggling prop-

[Sh. Vasant Sathe]

erty and black money and only a few thousand people are controlling it and are indulged in such activities. I would like to submit that on the one hand the plan portion, annual budget and plan allocation of the Government are about Rs. 35-36,000 crore or Rs. 39,000 crore and on the other side the black money, parallel economy and un-accounted money are about R. 80-90,000 crores. I would like to know in view of this huge black money and how the Government will check price-rise and corruption rampant? This is not a matter concerning any particular party. I have been raising this issue for the last 10-15 years and even while holding the post of the Minister. I had raised it and written about it in my book also. I would like to urge my hon. friends that we cannot be able to make improvements in economy of our country unless this issue is solved. I would like to request the Government to take some concrete steps which we had not taken even having majority. We are supporting you. I would like to know what steps have been taken by the Government in this regard. Rather the Government announced some concession for them. I would like to strike a word of caution. We have introduced the schemes like purchasing of bonds and Indira Vikas Patra to mobilise black money. Going one step further, the Government introduced yet another scheme for then to invest black money in constructing houses for slum dwellers.

I would like to ask the hon. Members of this House whether they will invest their money in a non-profitable venture like constructing houses for slum dwellers. Why will they invest money in it? It was alleged by you that the people doubled their amount by investing in bonds and converted their black money into white money. Thus they befooled the Government. They will again befool the Government in the name of investing money for construction of houses in slums. I will not be solved by half-hearted measures. I have an idea to solve it if you like it, you may try. Germany and other countries successfully tried this measure to solve this problem.

But I am not speaking on behalf of my party, as it is my personal opinion which was not acceptable to my party even. So I am doubtful whether you accept it or not so I am giving this suggestion as a Member of Parliament. I would like to suggest at there is only one measure to solve this problem. You should introduce expenditure tax and abolish income tax as nobody can identify as to whether a hundred rupee note is black or white money or accounted or un-accounted money. How this ocean of resources can be used for benefit of the country? I would like to submit that today the country is more important than party. The Government should take people into confidence and consider this issue. Please take firm steps that this ocean of resources can be used for benefit of the country. Then Government can give encouragement to them to invest this money for production work like setting up factories, power project, cements factories, constructing railways bridges and roads. Special concession should be provided for investing in backward areas. The economy of the country will grow stronger with investment of the money for production purposes. This money should be used in the field of horticulture and agriculture too. But the Government is afraid of taking such bold step as it may invite some criticism as to how income tax has been abolished and it Bureaucracy is also not in favour of it. The Government will not get money through popular, weak and half-hearted measures and the ocean of black money will go on increasing. This money is causing corruption in the country. This money is not lying in coffers but it in circulation everywhere. The person, who has little authority, does not do work without taking unaccounted money. The nation's economy, its social structure and its very character have been destroyed. We advised them to take up certain fundamental issues for which we lend our support to them. For examples, some concrete steps need to be take to check the price-rise and to mobilise resources for national development. We must no look at it from the point of view of recrimination. Whatever you may be, we cannot raise or lower your status or increase or decrease your supporters. All political par-

ties in the country must give serious thought to this matter. If the country goes off the rails, situation will become difficult to control even for the next Government whosoever forms it. Today a large procession was taken out in protest against the rise in prices. Any woman will say how much hardship in being faced by the public on account of price-rise. Though the apples were rotting, the people who were opposed to the transportation of apples were shat. This could lead to political destabilisation in the country. And it is the criminals who take maximum advantage of turmoil in the country. All hon. Members want it to be looked at from this point of view. I thank you for giving me an opportunity to speak.

[English]

SHRI BHABANI SHANKAR HOTA (Sambalpur): Mr. Chairman, Sir, while the Leader of the Opposition has moved the Adjournment Motion, I was myself wondering what might be the reason behind it. One reason could be the price rise in certain items which nobody can deny. Really there has been a price rise though on some items it has been controlled. Just to tell the people that this National Front Government supported by two Parties—Leftist and Bharatiya Janata Party—they are incapable of controlling the situation for which they have been fighting for years and that they are a total failure is not correct. But, after hearing the hon. Speaker from the Opposition, Shri Vasant Satheji though he tried to condemn the Government he also in a broad prospective made certain proposals which I personally feel may not be acceptable, but there is no harm if there is a debate on them. My view regarding the price rise is that we cannot discuss price rise just in an isolated manner. When there was change in the Government and the National Front Government came into power, we had to take into consideration what was the exact economic situation in this country, what was the balance of payments position, what was the amount of black money or the parallel economy or whatever it is, prevalent in the country and what was the level of production of various essential commodities. I come from a very backward

State Orissa. The Western Orissa is a very backward area and there I can tell you—I am not going into very broad policy matter right now—since 1955, only one major irrigation project has been launched, that is, Hirakud Dam project. After that no scheme or Plkn or project to augment irrigation facilities in this area has been taken up. There has been no industrial activity. All the projects, medium or small or big, including Rourkela Steel Plant, were launched prior to 1962. From 1962 onwards there has been no development, either in the agricultural field or in the industrial sector. No project, no scheme, no plan, either in the field of irrigation or for industrial development, has been taken up in this area. I am just trying to illustrate how a major part of this country where we can produce groundnut, we can produce wheat, we can produce rice in large quantity, has been neglected. With simple efforts, the farmers have, during the current season, produced large quantity of groundnut in our own area which was neglected. We are talking about the shortage of oil. Then, there are several other things also like spending or squandering our evaluable resources in importing oil from foreign countries and taking kickbacks. I am not going into that. But I would say that no sincere efforts were ever made earlier to meet the requirements of the people for essential commodities. Although those who were in power earlier were talking about the Public Distribution System, but they never took any concrete steps to strengthen the Public Distribution System. Only as lip sympathy, they were talking about all these things but no concrete measures were taken. Black money was allowed to flourish in this country. The parallel economy has never tried to be destroyed; rather they have helped the parallel economy to enter in this country. I have got all the documents and statistics with me but I believe that almost all the statistics, whether in favour or against, are not exactly the real indicator of the situation. There are many reason for that. Whether it is due to the policies of the Central Government or due to the inefficiency or whatever it is of the State Governments, today, previously or hereinafter I am not going into the details. But the point is why the situation

[Sh. Bhabani Shankar Hota]

which we are now witnessing has happened like this. I believe that our Finance Minister will reply to each and every point that has been raised or will be raised by the hon. Members of the Opposition or by other hon. Members. It is not a question of a day or two, or a month or two. Whatever actions or inaction or the wrong doings have taken place over the years, we are now facing the results of those. The point is whether we are determined to control the situation and to reverse all the policy measures. On one point at least I agree and that is about what we are going to do with regard to public sector undertakings and whether the public sector undertakings are going to generate surpluses to be used in other sectors. These are all basic and vital questions on which a nation-wide debate has to be launched. It is not a question whether this Government will fail within three or four months or whether we had succeeded last time or not. There is no success story everywhere. But at least I am happy that as a Member of Janata Dal, a constituent of National Front Government, hon. Member, Shri Sathe just now referred that some demonstration were going on before the Parliament House and some hon. Member has also pointed out that they have entered the Gate No. 1 of the Parliament House today. I remember, as trade union activist, that some years back, some 18 or 19 years back, some of the people, political parties, trade unions, were highly agitated over the price rise and when they were demonstrating before the Parliament House, we do not know how many heads had been broken and how many limbs were broken. Now at least our Government has not taken any steps to break them, to beat them, lathi-charge them or fire them. This is our Government, a democratic Government. You are now saying about the price rise. Let us discuss it. This is a national problem. Why has this happened like this? What is the reason behind it? Who is responsible? It is not a question of a party. It is a wrong economic policy which has been pursued over the last several years. It has now created such a situation where it is bound to

bring pressure on the price of the commodities. But the Government have taken effective measures constantly monitoring under the chairmanship of Finance Minister in other States and you have already seen the results on several items. We have yet to see the effect of price of other items. But, Sir, we assure the House that we are very sincere and honest and we will try to pursue, to monitor, to check and see that all evils that have been done earlier are removed and the prices will be brought under control and something will definitely be done in this regard.

Sir, I do not want to elaborate on this point. Personally I am prepared to have a policy on this and I appeal through you, Sir, to our Government that there must be a policy to fix up price of each and every item taking cost of production into account. Sir, I put a question to the Government and asked them "what is the cost of production of Maruti car"? In the written reply, it was mentioned that "it is a commercial secret". This was reply given by the Minister concerned. But my question is fundamental. Now, what is the production cost of an Ambassador Car, whether it is run on diesel or on petrol? So, my humble submission, may be as an individual Member, will be let us have a debate and find out the cost of agricultural produce like paddy, wheat or sugar or the production cost of a car, a refrigerator or a colour TV or any other item. No one should be allowed to have more than 15% profit over and above the cost of production. So, Sir, let us have a price policy and let us have a debate on this. Let all parties join and find out a procedure for making it more effective and fix up the prices of each and every item and then the cost of expenditure tax will come on all the conspicuous consumption, like expenditure for stay in a 5-star hotel, purchase of a car, purchase of a refrigerator. There will be a total abolition of the income-tax and it will hit at the source of the generation of black-money system in this country. Let us have a debate and let us try to find out this and then the whole world would know and the whole country would know what we have done. The price situation has come to this pass. We have been taking honest and sincere effec-

tive measures. Somewhere we have been successful and somewhere we do not want to hide our failures and we are ready to admit our own failures. We are prepared to educate ourselves. So, my honest appeal to the House is: let us be seized of this situation and take an integrate view of the whole situation and have a national debate and find out the solution. Let us have drastic changes for the benefit of the whole people without any party affiliations or narrow considerations.

SHRI JASWANT SINGH (Jodhpur): Mr. Chairman, Sir, I must share with the hon. mover of the adjournment motion to adjourn the House, at least one or two aspects of his intervention I entirely agree with him. That this discussion, calling upon the Chair for the admission of an adjournment motion is not an occasion for a competitive expression of our concerns about price rise. I do entirely share his sentiments, Sir, that this is not a question that is parochial or only of party interests. Of course, I concede to the Opposition, the Congress Party in Opposition, that should they find difficulty with the price situation, they would then naturally wish to exploit it politically. And I would be astonished if they did not do that kind of a reaction from the Congress Party, whether inside the House here or outside in collecting people at the gate of the Parliament, an unprecedented development, is expected even if it is an unhappy development. (Interruptions)

Sir, prices are a matter which impinge upon all of us, whether inside this august House or outside, directly. They are not like some abstract discussions of policy which we quite often have here and which in time or in consequence are somewhat separated from the citizen. It is, therefore, in that sense, entirely right that the Government immediately accepted that the motion for adjournment of the business of the House be accepted because it reflects that the antennae of political awareness about the consequences of price rise are alert and sharp on both sides of the House.

Sir, the mover of the Resolution while moving for adjournment of the business of the House, engaged himself in some very heavy irony and in somewhat overstated sarcasm, but I would let that pass because I think essentially we are concerned with prices. I also don't wish to preempt the discussion which the hon. Finance Minister would no doubt be having when he comes to the House with his quarterly statement of accounts, as it were, so that the House knows how far he has succeeded in the management of the country's economy or in achieving the fiscal target that he had set for himself. Let me, before I address myself to the question of prices which concern us all, make my position very clear. Even at the cost of disagreeing with my esteemed senior colleague, and if I may take the liberty, indeed privilege of calling him my friend, the hon. Finance Minister, when the budget was presented, I had submitted to him a caution that following upon the hike in postal rates, rail fares, telephones, petrol and all that despite the best possible intentions and despite very able administration in his Ministry and indeed very commendable efforts to contain deficits, there is a psychological push given to prices and that psychological push to prices is given in a synergetic form, on account of rise in infrastructural costs. And all these costs whether they are telephone or rail or petrol, go towards contributing to that which perhaps cannot be arithmetically reduced, but is of a synergetical consequence hence largely psychological, nevertheless real in terms of prices.

I must then submit my next point, Sir, that my party, the BJP and I personally, because as Bhajan Lalji just asked me to speak in my language, I am born in a village, Sir, my roots lie there, the BJP and I are unserved for more remunerative prices to farmers. So, when you increase the support price of whether it is wheat or rice or whenever, two things happen. Firstly, whenever you do so, whichever government does so, it is uniformly and without any hesitating, questioning voice anywhere roundly applauded both in this House and that House.

[Sh. Jaswant Singh]

15.00 hrs.

Farmers must get remunerative prices. As soon as you raise prices for the farmers, which they must get, these raised prices go into a basket, which is the accumulated basket or prices, giving a price rise to the total price index which leads me to my next submission. The BJP and I personally do not subscribe to or believe that in the country, there is any rural-urban divide. We do not subscribe to the thesis of feeding the town at the cost of the village; we do not believe in the reverse either. I believe that this kind of pitching one against the other as if the policy is oriented for the village against the town or that policy is oriented for the town against the village is not the proper way in which to approach the issue of prices.

[*Translation*]

SHRI BHAJAN LAL (Faridabad): Action should be taken against those who say such things. Please say this also.

[*English*]

PROF. N.G. RANGA (Guntur): This is your inference on our economy.

SHRI JASWANT SINGH: I cannot, with due defence to the senior most Member of the House—I welcome his interruption, but given the limitation of the time that I have, I would choose not to react to it at the moment.

15.02 hrs.

[SHRI VAKKOM PURUSHOTHAM AN in
the Chair]

I would also make another submission. Whatever be the situation, it is the responsibility of the Government to govern. You have to account to this Assembly for what you do and that which you do not do. If prices pinch all of us, indeed they will pinch all of you also. So, whoever is in the Government cannot have it both ways. You cannot say that we

are in governance, but we are not responsible. Having said that, I must also put it to this Assembly, through you, that in the field of economy and fiscal policies, there obtains a logic. It is an irrefutable logic whereas the opposition is within its rights to say that you cannot continue to exercise the alibi of inherited difficulties for ever. Of course nos. But the ship of economic and fiscal organisation of a country as vast, diverse and complicated as India cannot change course overnight and whenever correctives are applied to the course of that vessel, it takes time for the consequences of the correctives to be felt.

SHRI CHIRANJI LAL SHARMA (Karnal) How long will it take?

SHRI JASWANT SINGH: I think it is a valid question. If it were possible to reduce fiscal and economic policy to a kind of arithmetic of days or weeks or months, I would be able to answer immediately as to how long will this State take to correct what are obviously... (*Interruptions*)

SHRI VASANT SATHE (Wardha): I hope you do not want 40 years.

(*Interruptions*)

SHRI JASWANT SINGH: I will attempt to give a more precise idea. Indeed, I cannot be so presumptuous as to usurp the functions of a very capable and a very dear friend, the honourable Union Finance Minister but I will submit to you that the larger the size or quantum of inherited fiscal and economic imbalances, the longer the time it will take for the ship of State of correct those very imbalances. The hon. mover of the motion, a very senior Member of the House whom I hold in esteem devoted considerable thought to correctives that are required in the country, spoke also of the necessity to rely only on *tathya*. Freely translating *tathya* therefore, suggesting let us rely on facts. I will rely only on facts and these are the irrefutable facts.

The hon. Members asked, how long will you take to correct the course of the vessel?

There are some major serious economic problems that this Government inherited. In December, 1989, the Budget deficit inherited was around Rs. 14,000 crores—I am not giving the exact figure. It was nearly double of what had been projected for the whole year. Foreign exchange reserves were in the region of RS. 5,000 crores, just sufficient for two months' requirements. The stock of foodgrains had fallen to 11 million tonnes as against a comfortable limit of roughly about 19-20 million tonnes, though there is no statutory limit, the inherited stock of foodgrains was about half of the comfortable limit. Foreign debt was about Rs. 82,000 crores. Internal debt was in the region of Rs. 238,000 crores. Interest payment in the Budget estimates of 1989-90 was Rs. 17,000 crores. I have not dreamt these figures. These figures were inherited by this Government.

I think, when we talk of price rise, we are really talking of inflationary pressures on the economy. Whereas I started by saying, I do not want to pre-empt the discussion, since the mover of the motion has referred to these aspects, the debate has extended from simple prices to fiscal aspects as well; of examining why sugar has gone up, wheat has not gone up or what is troubling in the edible oil field. By the end of December, 1989, the wholesale price index which was referred to by the mover of the motion had recorded an increase of 6.1 per cent in the first 9 months of the financial year against 3.9 per cent which was your achievement during the previous year. The build-up of inflationary pressure, I submit for consideration, was due to fiscal imbalances resulting in higher money supply, supply and demand imbalances in commodities, which was largely on account of shortfall in production, and also possibly on account of supply bottlenecks, and the other aspect which is the psychological consequence of all this. I am worried about what is inherited by the Government by way of revenue deficit. I am not going into the total aspect of deficits because those will come up. Revenue deficit however, has gone up from 2.21% of GDP in 1985-86 to 3.5% GDP in 1989-90. Likewise,

the revenue position of the States has simultaneously also deteriorated. Price situation in India is not merely a function of administration of the Ministry of Finance in the Union Government. It is a cumulative consequence of what is happening in this vast and diverse land and what is being done or not being done in the various States of the Union. The revenue position of the States. Therefore, is also relevant and that too has deteriorated in the Seventh Plan. I do not want to clutter up the debate with too many figures but that is the fact. This large revenue deficit in the Central Budget meant that significant part of the revenue expenditure was being financed by borrowings. This is again something which the Government inherited. Perhaps the Union Finance Minister in his reply, will enlighten us on this also.

Money supply was referred to by the mover of the Resolution. I put it to you that the annual growth rate of money supply during the Seventh Plan was over 17.53. The report of Shri Sukumoi Chakraborty is a very fine document on the subject. He has recommended that money supply consistent with a certain amount of GDP growth, of about 5% and inflation at 4% should not cross 14%. In the economy that this Government had inherited, money supply had already crossed 17% I would not go into the philosophy of the relationship between deficit financing and the associated increase in money supply. But there is a connected aspect. It is that a headless government had no option of meeting with immediate shortages like, for example, sugar or edible oil.

India is the only country, with 800 million, in the world that does not and cannot rely on animal fat for cooking. It is the only country in the world which uses only vegetable oil. Edible oil, therefore, is not just a price rise matter for us a nation of the size of 800 million. Rest of the world uses animal fat for cooking and for other purposes. But India cannot. Therefore, edible oil has a very important role to play in the totality of price rise situation. So, I started by saying that this is the inherited imbalance of the Government. In this inherited imbalance, we sud-

[Sh. Jaswant Singh]

denly find that edible oils have gone up to Rs. 35/- a KG in my village, which does not produce very much of oil of its own except. But if that is the kind of price that the user has to give for an essential commodity—he cannot replace it with annual fat—then what is the option to the Government? You could well turn round and say with some logic “Why don’t you import”. The Government cannot import essentials because it inherited a terrible balance of payment situation. It inherited a situation whereby, if it sought recourse to importing essentials, it would not have money for other requirements I am not going into the aspect of the totality of trade deficit or the totality of the debt servicing ratio, but this option also was closed. This Government is not absolved of its responsibility merely because it inherited a bad economy. It is all the greater challenge to the dedication and acumen of my good friend, the Union Finance Minister because this alibi of an inherited bad situation will go along only for this month and, not for ever. I think that we are fast coming to that point where the nation will no longer recognise that this is now sufficient ground for you to continue to say that this difficulty is because we inherited the difficulty.

The mover of the resolution mentioned about liquidity over-hang about money supply. I would request the hon. Union Finance Minister to clarify this aspect. This question of money supply is far too complex for me to pretend to say that I am any kid of expert on it. But I have some figures with me and there is one component of money supply because, after all, money supply is not just M3. It is also Net Bank Credit, it is also Reserve Bank advances of Central Government etc. Please let us have the figures of all these three aspects so that we can understand better whether the point made by the hon. Mover of the Resolution is valid or is really not based on facts. *(Interruptions)* Union Finance Minister will explain it. But my point is that liquidity imbalances reinforce inflationary pressures and I think the Government would be well-advised to first clarify what was this

imbalance that you inherited; what have you done on the aspect of correcting it now. There are some details about the Wholesale Price Index and the Consumer Price Index. This is a very long and very old debate. Whenever we discuss prices, the Government comes across with figures, the Wholesale Price Inducers etc. But we go back to the Government to what that fine Lady has referred—“Mr. Finance Minister—That is all very well. You are saying that the Wholesale Price Index is not alarming. But your good wife is saying that it is most alarming because she is going by the Consumer Price Index.” Therefore, I would request the Union Finance Minister to explain to us that at a certain stage, at a certain point, even if the Wholesale Price Index is not exactly coinciding with the Consumer Price Index, there is not such a wide divergence between the two, as is commonly assumed. Secondly in the case of Wholesale Price Index, what according to you own reckoning, by your own assessment is the contribution made to the total basket by the price increases that you have recently granted to the agricultural sector, to the farmers? I started by saying that the BJP does not stand for or believe in the rural-urban divide. We stand for remunerative price to the farmers. But simultaneously, as we say, you cannot feed the farmer at the cost of the town. You cannot continue to support the town at the cost of the village. Please explain this position to us.

I would just like to deal with some essential aspects. I will not go into the details of raw-materials. I would however, like to go into things like sugar, tea, oil, cement, salt and textiles. I am going into the details of all these things because all of them have a consequence. They have consequence on the daily wages in the organised sector, in the unorganised sector etc. Therefore, I would like to tell you that one of our planks during the elections was about their mis-handling of the sugar situation. Sugar had then gone up very high. We committed ourselves to bringing sugar prices down. What has caused it to go up again? I cannot explain the fine economics and the complicated management of the fiscal arrangements, the nuts and bolts of

a country as far and wide as India. We say that taste lies in the eating. When sugar price crosses a certain point, it becomes bitter in eating, then we have to pay a political price.—As much as you have to pay, we too have to pay. Therefore, I would request you to please explain to us the difficulties that have been encountered in these essential commodities like sugar, tea, oil, cement, salt and textiles. It is my understanding that so far as salt is concerned, there is a corrective. Salt is perhaps now recovering from a sudden spurt and so also sugar. But edible-oil is a matter of very great concern. You had, through the NDDB, instituted a mechanism for intervention in the market whenever edible-oil prices fluctuate too much. You wanted the NDDB to act as a kind of corrective. Please explain to us how far, how successfully or how unsuccessfully has this measure worked?

MR. CHAIRMAN. You have already taken about 25 minutes. How much more time will you take?

SHRI JASWANT SINGH: I will conclude in two minutes. I am very grateful to you for your kind consideration. Now I come to the price of cement. I am given to understand that prices of cement went up on account of transport bottlenecks, not essentially on account of production. Production was sufficient. Cement companies are making record profits.

SHRI R. JEEVARATHINAM (Arakkonam): In the South, it is being sold at Rs. 100/- per bag.

SHRI JASWANT SINGH: I am not denying that. What happens in respect of different regions? Why has the cement price gone up? The hon. Minister may provide an explanation. May I submit that along with providing an explanation, let the Minister reassure us what he intends to do to bring the cement prices down, to bring the edible-oil prices down. It doesn't suffice for me to say on account of transport bottlenecks cement is now being sold at Rs. 100 per bag in the South and perhaps at Rs. 18 in the North-

East. It does not suffice. Therefore, it does not delight me if there is a run on the shares of the Associated Cement Company. I cannot understand this imbalance. Why there is simultaneous run on the shares of ACC and such an exorbitant and unacceptable price of cement I will conclude. You have been most kind to me. (*Interruptions*)

SHRI MURLI DEORA (Bombay South): I presume you have replied 25 per cent.

SHRI JASWANT SINGH: I do not presume. I will leave some questions and thoughts with you. (*Interruptions*)

PROF. MADHU DANDAVATE: I would have been happy if you had left nothing for me. (*Interruptions*)

SHRI JASWANT SINGH: I agree. And the Union Finance Minister is the first one who said that above all what is required in price control is fiscal equilibrium. What are you doing to regain that fiscal equilibrium? I submit that whether it is at the union level or it is at the State Government level, public enterprises have to show much greater efficiency than they are showing at present—whether it is the State Electricity Board or the Bus transport system or suburban railways or our wretched telephones or whatever. These public enterprises have to show much greater efficiency and not just the public sector undertakings. Public enterprises have to earn their keep. What is the Government doing to achieve that?

A word about the public distribution system. I think, public distribution system today is really renowned for its absence of distribution, for its total insensitivity to the citizen. This is not something with you have created. It is what you have inherited. But unless this public distribution system improves, we will not even be beginning to make a dent in our direct assault in the difficulties that the citizen faces and the poorest face it the most because they have no recourse to this Assembly, or any other assembly, and they do not have any flexibility of income.

[Sh. Jaswant Singh]

Anti-hoarding steps. I will not elaborate it because this is self-evident. I think, certain amount of rationalisation of taxes will result in lowering of prices. I refer specifically to imposts like sales tax, excise and all those varieties. Please consider that.

Finally, we believe that free movement of goods and commodities between one State and another is a very effective measure for taking care of imbalance of prices officially or unofficially. Even if these are unofficially done, and if you place restriction upon free movement of goods and commodities, you are contributing to a situation of incipient blackmarketing. You have been very kind. The subject does not lend full justice in the time that I had. But I endeavoured to answer some of the points that were made. (*Interruptions*)

MR. CHAIRMAN: Mr. Charles, it is not permitted. Shri H.K.L. Bhagat to speak.

SHRI H.K.L. BHAGAT (East Delhi): Mr. Chairman, I had the privilege of just now listening to Mr. Jaswant Singh for whom and for whose ability I am always biased, biased in his favour. Therefore, I would like to give him all the benefits of doubt. I would give him one credit that he has tried to put up at least in appearance much contrary to the impression which his own party the BJP is giving outside, doing all kinds of breast-beating against the price rise. All kinds of breast-beating is being done by the BJP against price rise. I can quote from their resolution. I can quote from Shri Advani's speeches whom I consider as one of the ablest Members in the Parliament and for whom I have great respect. Much against the breast-beating by the BJP against the price rise, so much so that I have seen in the Press that the local BJP Chief of Delhi has written to Shri Advani that they should be given the permission to oppose the Government because due to price rise their credibility not only among the people but among the workers also is being lost—he has written a fact—Shri Jaswant Singh has tried to appear to be defending

this Government atleast partly for a little while. And then intelligently he put some questions. His defence was also weak and wrong, howsoever superficial it is. he has given an impression that he is defending this Government on price rise giving them some alibi. This is how I feel.

There was price rise in our time also. I was myself the Minister for Food and Civil Supplies. Mr. Dandavate was here and I was there. I know there was price rise in our time; who says there was no price rise? There was price rise; but now there is unprecedented price rise. That is the difference. It was *Mahangai* then; it is *Maha Mahangai* now. That is the difference.

They say that this sudden price rise is because of the economy that they have inherited from us. But afterwards you don't have an alibi, Prof. Dandavate. He has told him and given him a warning. Till this moment you were defending the price rise though the BJP all along has given an impression that it is opposed to the price rise. Well, I am glad you have not opposed the Budget; you have supported the Budget, but you oppose the price rise. About much of the price rise which has come about, Mr. Dandavate himself is on record in this House having admitted that is because of the Budget. He is a straight person. I like him. When he was in the opposition he was full of wisdom. I remember, tonnes of suggestions Mr. Dandavate used to give us from here.... (*Interruptions*) I don't want any suggestion, I can take care of myself.

Mr. Dandavate is a very well meaning person. I can say it openly though I am in the opposition. He is a very well meaning Finance Minister. He was full of suggestions from this side. He was telling us that we are committing this mistake or that mistake; but he has forgotten everything. He is now remembering that because my sister Mrs. Pramila Dandavate has reminded him. She had the Belan Brigade. I don't know whether she is using Belan against him in his home or not! My wife used to do that. She used to tell me that I am a fool because price rise is

going on and as the Civil Supplies Minister I am doing nothing. I am sure she also must be doing that. I don't know this ostensibly because publicly she has not used the Belan. If it were a Congress woman she would have used Belan publicly against him.

Six thousand of them were arrested today. Ten thousand in all have been arrested. One of my friends from the Janata Dal or the National Front who was speaking right opposite me—he must forgive me because I don't know his name but I have very great respect for him—seemed to have been misled by somebody, as if some people from the demonstration that took place in Delhi today organised by the Congress Party entered here and did some hooliganism. But it goes to the credit of this Government that they did not use lathi-charge. Let me tell this for record's sake. I was myself in the demonstration. I was arrested and I have come there after being released. I can say that the most peaceful, the biggest the unprecedented and the most enthusiastic demonstration against price rise ever taking in Delhi was done today with a lakh of people participating in it and ten thousand people being arrested peacefully (*Interruptions*) You will go on talking, but you know nothing; (*Interruptions*) I have a document with me. I challenge you. (*Interruptions*) There are people from Andhra Pradesh who are sitting outside. I have seen them. You are referring to a wrong thing and a wrong person because of ignorance and because somebody from BJP misled you. (*Interruptions*) What I am saying is this. Not one of those price rise demonstrators came to the precincts of the all. Only I have come there, after release. I peaceful demonstration was there. I have helped this Government. Police did not have vans for us. There were hundred buses, while those who wanted to court arrest was more than fifty thousand. They have no place in the police stations, no place in jails. Ultimately ten thousand people were technically arrested. Ten thousand including six thousand women. There were *belans* and things like that. I must thank Shri Jaswant Singh because Shri Jaswant Singh's speech gives an impression that in this price rise, the

collaborators with the Janata Dal Government is the BJP. His speech is not that the reply of a Finance Minister, but a part of his speech is a reply of the Crouch. A slogan came forward today.

[*Translation*]

"Three incarnations of high inflation"

[*English*]

Shri Vijay Kumar Malhotra would not like it. Shri Vijay Kumar Malhotra's name was not mentioned because he and I are too small. There are bigger people sitting here. (*Interruptions*) A slogan came forward today.

[*Translation*]

Three incarnations of high inflation L.K. Advani, Atal Behari Vajpayee and Vishwanath.

[*English*]

This is the slogan which the country has got. (*Interruptions*) Why it is BJP?—because they are the collaborators. You are double faceted people. You support the Budget and have the courage to say what you doing is right but you do not have the courage to do that,—you do not have the courage to oppose that. You are, as usual, double facted, running with the hare and hunting with the hound. (*Interruptions*) Please bear with me. I would not take much time of the House. (*Interruptions*) The Left is doing the same with the slogan. But they have been spared—I have told Shri Somnath Chatterjee—because the Left is a bit honest on economic matters while you are not. I saw in the news item, in a paper which is not a pro-Congress paper, a cartoon, as Shri Advani saying, in price rise, everything is bad; in Kashmir everything is bad; in Punjab everything is bad; in Assam everything is bad and in Tamilnadu everything is bad.' Mr. Advani says this. And then Mr. Advani is saying that we are with the Janata Dal Government. It is a double faceted party. you are fooling your-

[Sh. H.K.L. Bhagat]

self and not the people. Mr Vijay Kumar Malhotra's colleague himself has said this. Virtually he has said Mr. Madan Lal Khurana has written to Shri Advani, 'Our credibility is going down. Even our workers are asking to allow them to oppose the Janata Dal Government'. I have not come here to say that. You will always raise your hands in despair I have spared you also because you are responsible for carrying the policy of the Prime Minister. Therefore, I have not mentioned you in the slogan. But will you tell me what have they done in nine months? One Member was saying, 'you fix the price of every article Can you do that? During this Government's tenure of nine months, what have they done? In nine months, a child may be born. But what have you proved? Did you make any effort to rescue voluntarily, the price of even one item. But we did that. Please look into the files of the Civil Supplies Ministry and the Finance Ministry, you will find that. You did not do that because I know your difficulties, I know your problems. Shri Jaswant Singh is a very able advocate of a bad cause. He is always a very able advocate of a bad cause. And I remind Mr. Jaswant Singh. (*Interruptions*)

MR. CHAIRMAN: Order, order.

SHRI H.K.L. BHAGAT: I cannot refer to his proceedings in the Rajya Sabha. I want to remind Mr. Jaswant Singh what he used to tell us while speaking there. Actually I am reminding you deliberately You were there and I was there. I am sparing you deliberately. I am sparing you purposely. Even if you don't want, I am sparing you. What I am saying is that you are equal sinners for this increase in price structure. We are sparing you because you have some economic thought.

SHRI SOMNATH CHATTERJEE (Bolpur): The angel has come. (*Interruptions*)

MR. CHAIRMAN: Order, order.

[*Translation*]

SHRI H.K.L. BHAGAT: Please tell us which items have not become dearer, except air. There is no national catastrophe to warrant this rise in prices. When we were in power, the prices had increase during the period of drought. I know it as I was the Food Minister at that time. And even during the period of drought, prices did not rise to as high a level as expected. Even international institutions have said that they have not inherited a bankrupt economy from us. The document issued by your department belies your contention. The hon. Prime Minister has himself declared his inability to control inflation and that help of State Government is needed. Have you sought the help of the State Governments? How many anti-hoarding drives were launched? Whatever was done by the Congress is there for all to see. When I was Food and Civil Supplies Minister.... (*Interruptions*) I have not stood up to publicize the deeds of the Congress. you may see the files.... (*Interruptions*)in our time we had made efforts to combat price-rise, but this Government has made no such effort

[*English*]

SHRI RAM NAIK (Bombay North): Sir, I am on a point of order.

MR. CHAIRMAN: Under which rule?

(*Interruptions*)

M. CHAIRMAN: You can raise your point of order if only there is a violation of the rule.

SHRI RAM NAIK: The Speaker cannot change the language. he started speaking in English and now he has switched over to Hindi.

MR. CHAIRMAN: He can speak in any of these languages. There is no point of order.

SHRI H.K.L. BHAGAT: Mr. Chairman, I have respect for the Member who is raising a point of order.

[*Translation*]

Prices are rising because such Members have been elected to this House.

[*English*]

They understand nothing. He understands nothing. That is what I am saying. I do not mean any personal reflection on him. Now what I am saying is this.

[*Translation*]

Prices are rising and every household is feeling the strain. My wife used to take me to task every time. I asked her how she was coping with the price-rise. Now the prices have risen very high... (*Interruptions*)... hon. Shri Somnath Chatterjee's party, the B.J.P. and the Janata Dal are all saying that prices have risen and the Government has failed to check the price-rise. Even then they are supporting the Government lest the Congress should not return to power again. Shri Jaswant Singh raised a point of the urban-rural divide. Who has married a person who talks of an urban—rural divide? A cartoon was published in the 'Tribune' showing Shri Devi Lal as the bridegroom and Shri Vajpayee as the bride. Do you remember this cartoon depicting the Janata Dal—B.J.P. alliance..... (*Interruptions*) Today, you are teaching us. We have been against Shri Devi Lal from the very beginning and have always opposed the urban-rural division. B.J.P. which has till three months back supported Devi Lal is now teaching us. What can you teach us?... (*Interruptions*)... If you don't have an answer, don't try to evade the issue by making light of it. Truth is very bitter. And you are feeling its bitterness, I know. You have extended your support for a pretty long time. Let the next elections come and you will come to your senses. We too used to speak in the same way as you are doing now... (*Interruptions*)

[*English*]

PROF. MADHU DANDAVATE: Shall I make a request if you yield?

SHRI H.K.L. BHAGAT: I will yield to you ten times.

PROF. MADHU DANDAVATE: Only once is sufficient. What I request you through the Chair is for my and my Government's follies, you can attack me and my Government to your heart's content. But why do you go out of the way and try to attack the supporting parties who are not supporting the rise in prices? (*Interruptions*)

SHRI H.K.L. BHAGAT: I must thank Prof. Dandavate for expressing his concern for the crutches. You may not consider them responsible. But I consider them, more so, particularly the BJP to be responsible for the price rise. I do consider them so. They are responsible and people consider them responsible. They are trying to do the drum beating that they are not responsible. They are saying that you are responsible. The Janata Dal is responsible and they are responsible. They are saying that the Janata Dal is responsible and they are not responsible. But I say that they are responsible and you are also responsible. Therefore, Prof. Dandavate, thank you very much but I am sorry that I cannot oblige you because in Delhi, I am not to fight against you; I have to fight against them... (*Interruptions*) Yes, I have to fight against them. I am speaking the truth and not like them while saying that this Government is bad, but they will support them because the Congress should not come to power. Could there be more confession of double-facedness or fear psychosis? Even in dreams, you feared Mrs. Indira Gandhi. You have started to fear Mr. Rajiv Gandhi. Anyone may be sitting here as the Prime Minister. But I want Rajiv Gandhi to remain as the leader of the country. It is the price front on which you are going to collapse. I am not demanding your resignation. I am not demanding Mr. Vijay Kumar's resignation. You used to demand but I am not doing it. Mr.

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Jaswant Singh was saying that it is natural for us to go outside the Parliament to protest. BJP did not come to protest today.

You had not come to demand resignation because resignation was not necessary. In fact, I have prayed God in the presence of people that this Government be given a little longer life. (*Interruptions*)

SHRI MANDHATA SINGH (Lucknow): Have you allowed the former honourable Minister to move a No-Confidence Motion against the BJP? (*Interruptions*)

SHRI H.K.L. BHAGAT: I must thank the Member because he continues to maintain the mentality of the Opposition and with his grace, I might become a Minister again...(*Interruptions*) I am saying that BJP is a part of the party which is supporting the Janata Dal Government. Our Adjournment Motion on price rise is relevant against them. It is very much relevant against them. Why do you have a guilty conscience? You are with the Government. You have to sink or swim with them. You are like a wife who says that she is very very loyal to her husband and yet wants to have extra chances everywhere. What a safe wife you are! Everywhere outside you are trying...(*Interruptions*).. I told my hands to you. I suppose you will not be in Parliament next time...(*Interruptions*)...Sir, I am concluding now. If they interrupt me, I will go on speaking and nobody will have the courage to stop me. I am saying that in this House, I pray God to give a little longer life and a little wisdom also to this Government. They need a little wisdom also. I am not the master. I am only one of the MPs. If you need a little oxygen to have a little longer life—it is not that I am afraid of midterm poll. Let it come today and we will face it—I will request Mr. Rajiv Gandhi to give you a little oxygen, if necessary, so that you will have a little longer life. People should know what you are and what they are. They will understand you and they are understanding you. Time is coming. We are not interfering in your quarrels. We

will not. We will not get on to that side by mere tricks; we will come with the support of the people and the price rise is sinking your ship. It has sunk your ship more than half and the rest will also sink soon.

MR. CHAIRMAN: Shri Amal Datta.

SHRIMATI MALINI BHATTACHARYA (Jadavpur). Mr. Chairman, Sir while we are debating price rise in this House; outside at the boat club there is a rally by some of the worst victims of this price rise, namely the Anganwadi workers, who do not even have any regular pay, who have only just a meagre pittance, which is called honorarium, which was granted by these people who are now shouting ..(*Interruptions*). I request the Government to do something for them...(*Interruptions*)

MR. CHAIRMAN: The hon. lady Member may kindly understand that this is not the way to raise issues

Shri Amal Datta.

SHRI AMAL DATTA (Diamond Harbour): Mr. Chairman, Sir, the Congress Party has shown its concern for the people of India by raising on the first day of this session the price rise issue as an adjournment motion. That having been done, it has cleared its guilty conscience. Why that guilty conscience? You will understand that price rise affects nearly everybody, but not exactly hundred per cent citizens of a country. There are some people who even gain by price rise. There are always two sides. On one side, there are speculators, blackmarketers, the businessmen and the middlemen. Who represents them? Which political party represents this class? Those are the people who represent these people. Therefore, they must clear their guilty conscience to the people so that they get votes in the next elections...(*Interruptions*)

I am surprised by the reaction that this very harmless remark has evoked now that they are sitting in the opposition. When they

were sitting on that side, they did not react that way...*(Interruptions)* I am surprised. They did not feel impelled to protest at that time when they were called representatives of the land lord capitalists, middlemen, the black-marketers etc. They never reacted, but today they feel concerned because they have to go to the people and get their votes, the very same people who are adversely affected and are starving because of the price rise...*(Interruptions)*

I do not mind standing here silently while these people go on making noise provided my item is not taken away by this...*(Interruptions)*

MR. CHAIRMAN: When there is too much disturbance, it means that your speech is very effective.

SHRI H.K.L. BHAGAT: Mr. Somnath, I am jumping less than you are jumping.

SHRI AMAL DATTA: The economy is still being run in the same way as it was run by the Congress Government but with better intentions. The Prime Minister and other Ministers all want to keep the prices under control, which the earlier Government never did.

Sir, we had raised the price rise issue in the last Parliament in every Session and in every such debate, through our party, we have always demanded certain concrete measures. These measures are that the proportion of taxation should be such that more should be collected by way of direct taxation and less by indirect taxation. But even now the situation remains the same. It will take time but it will have to be done. Unless that is done, we will never get an economy where we can control and check the prices. Only 17 per cent of the total Government's revenue comes by way of direct taxes. The Government should now resolve to have a higher figure—something in the region of 35 to 40 per cent—to be collected by way of direct taxes. They must do it immediately. The Government must set a target—may be two or three years—within

which that figure should be reached by restructuring the taxation policy.

The other thing which I have always demanded is that certain number of items—14 is the figure which we always mention—should be distributed at the same price to every Indian citizen by the Public Distribution System throughout the country. Sir, this is a demand which we have raised in every Session. When these people were sitting on the other side, they never listened to these demands. I am raising it now again. Let us discuss the history of it.

When these people were in power, knowing that this is our demand, they never gave any importance. So far as this Government is concerned, a pre-election promise is already there by the Janata Dal and I am sure that this will be implemented. I only beseech them that this should be done as soon as possible. A target date should be fixed.

The Government, through the Prime Minister and other Ministers and also the Finance Minister, has time and again publicised its concern for the price rise and has drawn up some action programme...*(Interruptions)*

SHRI SOMNATH CHATTERJEE: Sir, are they serious about price rise?

SHRI P. CHIDAMBARAM (Shivaganga): It is a humorous interlude.

SHRI AMAL DATTA: Sir, I cannot speak like this.

MR. CHAIRMAN: You were also doing the same when Mr. Bhagat was speaking.

SHRI SOMNATH CHATTERJEE: The Chair cannot take note of that.

SHRI AMAL DATTA: Sir, I am stating some plain truths. *(Interruptions)*

Time and again, concern for price rise has been expressed by the Prime Minister,

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the Finance Minister and other Ministers. I believe, the plans of action had been drawn up. This House has a right to know what plans of action have been taken by the Finance Minister and various other Ministries. We would also like to know what actions have been taken pursuant to that. We would like to know, who is monitoring to see the results of the actions being taken. I am sure, all these things are being done but only the House has not been properly intimated. We want this intimation should be made as soon as possible. We also want that this House should be kept fully informed at all times of this very important aspect 'the Government tackling the situation of price rise'. I can ask this Government, request this Government to do so. We had also requested the Congress Government to do something but the never did anything. In order to differentiate themselves from the previous Congress Government's records, they must do something. It is politically imperative for them to take some action and I am sure they will do it shortly.

There are certain measures which the Government have taken and which have come in for a great deal of criticisms. Some of the criticisms had been valid and we had made these criticisms even in the Budget Session when they increased the price of petrol and some other petroleum products. We immediately criticised the Government's action by saying that this is going to have a reflection in the general price rise. So, the general prices have risen. But to what extent the rise in prices of petrol and petroleum products are responsible for that price rise is not known. It is not known for a variety of reasons but a part of which is the responsibility also of the previous Government. It is because, as I heard the Finance Minister explaining in course of a Television interview only a few days ago that rise in prices of commodities was only very partially responsible due to rise in petrol prices. He said about five per cent of prices rise may be due to rise in petroleum prices. There is a very valid argument behind it. But the point is that

we do not know the reasons. Why? Because, we have not calculated it. Nobody has taken the statistics and made the calculation to see to what extent the rise in prices of petrol and diesel got reflected in the rise in prices of other commodities. This has not been done.

Similarly, the exercise regarding consumption of petrol by the Government sector has not been done.

SHRI P. CHIDAMBARAM: The Minister has said in the morning that it is 60 per cent.

SHRI AMAL DATTA: To what extent, the Government's action in curbing the petrol consumption has had any effect?

Always, the previous Governments have done it and now this Government has done it again by saying that rise in the price of petrol is said to be necessary in order to curb consumption of petrol and other products due to foreign exchange situation. We also produce petroleum in this country. At least in off-shores, there are large reservoirs. The policy of extraction from the reservoirs was decided some years ago when the foreign exchange situation was not so bad, for every reservoir, it took a time horizon of around 15 years or more, so that the reservoirs can last for 15 years or more. The policy requires revision. Who is going to do that? I think it is not only the Petroleum Ministry, but also the Finance Ministry which must be involved in seeing that we are able to produce and we do produce more petroleum, because we have the reserves, we have the capacity to extract more petroleum from there. But we are not doing it, because we have taken up a certain policy five years ago, in a very different situation. The situation has changed, and we have to conserve foreign exchange and, therefore, we have to see that we produce more petroleum in the country itself.

Similarly, we have not taken, as far as I can see around me, any effective measures to conserve petroleum. This is of concern for some institutes which have been set up for conservation of petroleum. They keep on

saying: nobody is listening to us. And the government is not listening to them for the last ten years since the Institute was set up. They have given many recommendations, but none of them has been implemented so far. We can implement. It is a question not only of intention, but of proper planning, proper programming and proper management, to see that these plans and programmes get implemented on the ground. For that, we require a Government which is sure of its stability, and is not always being rocked by the Opposition. (*Interruptions*)

We had a very stormy Budget session. I have attended, already, eight Budget sessions. This was the stormiest one, because the intention of the Opposition was to keep the government as uncomfortable as possible. Possibly, we are going to have as uncomfortable a Monsoon Session also. It that is done, the responsibility must be shared by them as well. They are not letting the Government work (*Interruptions*) They are not allowing the Government to work. (*Interruptions*) In a parliamentary democracy, the Opposition has definitely a right to quarrel with the Government, but not to behave in the same unruly fashion as which they were behaving in the last Session of Parliament. (*Interruptions*) In an unruly, disorderly and the most unparliamentary fashion they have conducted themselves. (*Interruptions*)

SHRI M.J. AKBAR (Kishanganj): Sycophancy...

SHRI SOMNATH CHATTERJEE:
What is sycophazncy? (*Interruptions*)

SHRIAMAL DATTA: About sucophancy, I have to take a lesson from him. (*Interruptions*)

MR. CHAIRMAN: Order, order. What is this, Mr. Akbar?

SHRI AMAL DATTA: There are also certain long-term policies which the Government has to evolve and adopt now, because by these policies Government can send a message to the economy, to those who are

speculators and black-marketers, that they will not be safe, they cannot use their money for hoarding, for hiking up prices and making hay in black market. That policy must be decided as soon as possible, in order that the signal goes. Much of the price increase is there not because of any cost increase; much of it is due to speculation, due to the fact that there is liquidity through black money in the hands of a few people, with a handful of people in this country. They are the people who are responsible for the price increase, and they are the people who are represented in this House by this group sitting here...(*Interruptions*)

Don't get excited; please restrain yourselves. You have been very childish. (*Interruptions*)

The country had taken a new turn under the leadership of the last government. It had become more import-oriented. We had to depend more on import for our various needs. The country had, therefore, the spend a lot of money on import. One of the factors which had given a cost push to the products is the fall in the value of rupee. The rupee value has fallen because of our dependence on import. We could not match our exports with imports. We had to rely absolutely on import for our various industrial products. That is also another factor which must be eliminated. Therefore, more self-reliance should be our target; this target should be fixed by the Government and implemented by the government properly.

The previous Government had also assured us about their policy with regard to self-reliance, But that was not implemented. I now request the present Government that they should not only give their intention in words but also translate it into concrete plans and programmes so that this country's import goes below a certain level of its national income, which it can comfortably afford.

These are the targets which the Government must fix and thereby give a proper signal to those who are hiking up the prices

[Sh. Amal Datta]

today, to those who are—as representatives of the people—trying to exploit the situation further for coming back to power again.

16.08 hrs.

[SHRI JASWANT SINGH *in the Chair*]

[*Translation*]

SHRI SURYA NARAYAN YADAV (Saharsa): Mr. Chairman, Sir, all hon. Members welcomed the adjournment motion brought by hon. Shri Vasant Sathe because there is no denying the fact that prices have risen. I would like task the former Prime Minister hon. Shri Rajiv Gandhi, hon. Shri Vasant Sathe and hon. Shri H.K.L. Bhagat, who were saying at the top of their voice that the prices have risen to a new high. Fifteen years ago, sugar was available at Re. 1, onions at 0.25p. a kilo and a piece of cloth sufficient to cover the body of a poor man for Rs. 12/-. Under which policy has inflation touched such great heights? The National Front Government has to bear the brunt of the faulty policies of the previous Government. For example, the previous Government paid little attention to the plight of the farmers. Today, farmers produce mustard, sugar-cane and wheat but during Congress rule, the prices of the crops were fixed by traders. This denied the farmers of remunerative prices for their crops. There was a continuous rise in prices during the Congress rule and nothing was done to control the situation. Shri Rajiv Gandhi is present here... (*Interruptions*) please listen to me carefully. Apart from this, we had to bear the burden of the previous years' foreign debt. This too has had an effect on inflation. During the Congress rule, the price of petrol was increased by 20% and the reason given for this was that petrol had to be imported. Time and again Shri Rajiv Gandhi used to say that 15% of the funds was spent on villages but the reality is that not a single penny reached the villagers and neither did the villagers get benefit in any way. May I know from Shri Rajiv Gandhi whether he

made any efforts to unearth black money? I request him to throw light on this matter when he makes his speech shortly. It is we who have suffer as result of their misdeeds. The public is facing accute hardship due to inflation brought about by faulty economic policies of the Congress Government. Till now the Congress had neglected farmers and labourers. Many labourers have migrated to Delhi and are presently living in slums. The Congress did not issue even ration cards to them. During this short period when we have been in power we have issued them ration cards. By holding demonstrations, of poor labourers, Shri Bhagat wants to show that he wants to upright them. Our Government is just 9 months old and this is short a period to judge a Government's performance. Your Government was in power for 42 years but in this period, the only thing they succeeded at was to increase the prices. Corruption, dishonesty, bribery and unemployment became rampant during their time. Now our hon. Prime Minister Shri Vishwanath Pratap Singh is trying to deal with these problems. This Government is trying to fulfil promises to the people. Loans given to farmers are being waived, and an announcement is going to be made regarding the implementation of the Mandal Commission Report. The right to work is to be included in the fundamental rights. The public will not be swayed if you raise the issue of rising prices. I have no hesitation in saying that the misdeeds f the Congress Government have led to an inflationary economy. There should be no reluctance in importing or exporting any item if it helps in controlling inflation. The prices of essential commodities should be controlled at every cost. I request hon. Shri Rajiv Gandhi, who is the leader of the Opposition, to extend his support to our Government. You have repeatedly assured that you will give constructive support to the Government for all constructive work. I would like to know what sort of support you have given? In stead of giving any constructive support, you put pressure to do wrong thing.

Now I would like to give some figures. If the prices of some commodities have increased, it is also a fact that prices of some

commodities have also come down. A commodity which used to be sold at a price of Rs. 1500 during the Congress regime, is now being sold at a price of Rs. 6.00 only. Prices of other commodities will also be checked within some time. I would like to tell you that you will not yet any political benefit of the situation as expected by you.

With these words, I conclude.

[English]

SHRI CHAIRMAN: The Business Advisory Committee has decided that the discussion on this Adjournment Motion will be replied by the hon. Minister at 6 P.M. After the Minister's reply the hon. Prime Minister will make a statement on the Mandal Commission Report.

Shri Rajiv Gandhi. How much time do you require?

SHRI RAJIV GANDHI (Amethi): I will take half an hour or 40 minutes.

Mr. Chairman, Sir, I rise to support the Motion of Adjournment that has been moved this morning. It has been generally agreed that during the past five years of Congress Government, although other questions have been raised but the one factors which nobody has disputed is the economic performance of the Congress Government. Every indicator has shown that the growth rate, the removal of poverty, the control of inflation has been better than perhaps ever before. Inflation was controlled at the single digit level for then years of Congress rule except for the first year 1980-81 when it was double digits and in 1980-81 it was double digits because we were still recovering from the Janata Party rule of th previous year...(Interruptions) Even during the drought year of 1987-88 we kept a very strong control on the economy and the inflation was kept well under control. (Interruptions)

MR. CHAIRMAN: Please do not interrupt.

SHRI RAJIV GANDHI: Sir, in certain papers that the Government has published recently, there has been comparisons of the prices of 1989 and 1990 with regard to specific commodity. It is important to note that in the first half of 1989 we worked very hard at reducing the prices of certain commodities. For example, oilseeds came down between early 1988 and early 1989 by 23 per cent approximately; groundnut, mustard and rape-oil came down by 20 per cent; spices were down by nine per cent. This was in spite of the worldwide inflation that was taking place. We should compare this performance of 1980 to 1989 with the performance of the Janata Party in 1979 and the Janata Dal in 1990. In 1979 the inflation was approximately 21 per cent if I remember correct, and this year you are already running very close to double-digit numbers. In the middle of 1989 we noted with concern that certain prices were drifting upwards and then to that was added a pre-election price rise. But we took corrective measures, strong and effective corrective measures, and the result of those corrective measures was that both the WPI and CPI came under control. The WPI and the CPI both came down during the last quarter of 1989. We think bequeathed a healthy economy with prices well under control and if I might say so, with the coffers full and not empty.

The National Front manifesto had promised reining in of inflation and the control of future price increases. The question is what has gone wrong? In eight short months the economic healthy has been wrecked. There si run away inflation and the coffers today are truly empty. How has this happened? Let us see what has happened. In September, 1989 the wholesale price index was at 168. This was brought down to 166 in December, 1989 by the measures that we had initiated in the months of October and November...(Interruptions) I am just telling you what you have done. I saying that you have done because it is on your support that it has been done. If you had used a little bit of wight that you have got, the treasury benches would not have allowed all this to

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happen. It is your support, your backing that we are looking at to it...(*Interruptions*)

[*Translation*]

Both of you are equally responsible for it. How can I decide who is more responsible ..(*Interruptions*)

[*English*]

MR. CHAIRMAN: No interruptions please.

SHRI RAJIV GANDHI: In September, 1989 the wholesale price index was 168. In December, 1989 it had come down to 166 by the measures that we took in two months. But what have you done in eight months? From 166 in December, 1989 it is now 178.5. And that was last month's figure. It must have crossed 179 now. And this has happened by the measures that the National Front Government has taken. Our measures reduce prices, your measures have increased prices...(*Interruptions*) What does surprise me is why do the leftists feel so guilty about the sharp rise in prices. I can understand the treasury benches being uncomfortable. Obviously there is a guilt somewhere because you know that it is so because of your support, and this is where I will specially appeal to you because I know that you do not really want to support these measures but you are caught in a cleft stick and you do not know what to do. But this is the time to assert yourself a little bit. I am not suggesting that you do what others have done and suggested that they will remove crutches and call a mid-term poll. We do not want a mid-term poll. We are very happy with the Government. We would like Government to go for five years. But, what we would like is that those policies which are perhaps 'hurting' is not good enough, which are devastating the life to the poor people, must be corrected. Perhaps, it is difficult for me to appeal to our friends sitting across there because they have a certain support base which makes it awkward for them. But, I will appeal to our

leftist friends to use your influence—you use your influence in appointment, you use your influence to get other things done, why don't you use your influence to do something for the poor people?

THE PRIME MINISTER (SHRI VISHWANATH PRATAP SINGH): Is it not true that the previous Government in the last two years of its tenure...(*Interruptions*) resorted to more than Rs. 30,000 crores of external borrowings for import and burdened the country with that much debt. And when you used foreign exchange, you can bring down prices, but at what cost?

SHRI SOMNATH CHATTERJEE (Bolpur): I repudiate the insinuation made by the Leader of the Opposition against my Party. It is totally unwarranted and baseless.

SHRIMATI GEETA MUKHERJEE (Panskura): I do not want to be uncharitable. But, I think this is the biggest joke of the century.

SHRI RAJIV GANDHI: I entirely agree with the lady hon. Member. It is the joke of the century that your party is perpetuating on the national and the joke is sitting opposite, in those benches...(*Interruptions*) I would appeal to the hon. Prime Minister I will yield if he wants to interrupt, of course. But, I will request him, if I remember correctly, from the same chair, he has said that confusion is very important, and it is confusion that he creates that cause things to go right. I will request him not to try and confuse me, when I am trying to give my suggestions...(*Interruptions*). Sir, I realise that the Government needs two crutches. But, everytime the Prime Minister gets up, I see the crutches also getting up. Sir, let me remind the hon. Members of the Left parties it is the government that needs the crutches, not the Prime Minister...(*Interruptions*)

Sir, on a point to point basis inflation is running merely in double digit figures today. WPI is a measure not of the suffering of the common men because that comes much later. WPI really is a measure of the profi-

teering by the traders and racketeers. So, when we see run-away inflation like this on the WPI, when we are seeing the government is reluctant to take measures against those that are hoarding, those that are manipulating the market to make profit, we are wondering why the Government is not acting. What is the interest of the Government, what are the linkages? Perhaps the hon. Prime Minister will clarify this when he gives him answer. It is Consumer Price Index, Sir, which reflects the level of suffering of the poor. The Consumer Price Index was steady from August, 1989 to November, 1989 and it declined to 172 from November, 1989 to January, 1990. Why did this happen? Not because your Government had just come in, it happened because of the measures that we had initiated right from August to November, because the CPI invariably follows after a period, as you are well aware...(*Interruptions*)

MR. CHAIRMAN: No interruptions please. We have a constraint of time now.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Which Consumer Price Index is he referring to, Sir? (*Interruptions*)

[*Translation*]

SHRI RAJIV GANDHI: The leftists seem to be more distressed today. (*Interruptions*)

SHRI TARIT BARAN TOPDAR (Barackpore): They are distressed due to price-rise. (*Interruptions*)

[*English*]

SHRI NIRMAL KANTI CHATTERJEE: I am trying to know from the ex-Prime Minister which Consumer Price Index he is referring to.

SHRI RAJIV GANDHI: For industrial labour I am talking about. Sir, the Consumer Price Index he is referring to.

SHRI RAJIV GANDHI: For industrial labour I am talking about. Sir, the Consumer

Price Index came down to 172 in January, 1990 and then in just a few short months it was over 180 in April, 1990. And it is estimated that today the Consumer Price Index is around 185. Why this sudden rise just after the National Front Government takes over? We need to think about it, you need to think about it. You can keep blaming the Congress. How long will you blame the Congress? You started off. One month, two months, three months, now it is eight months. How many more months will you carry on?

AN HON. MEMBER: One month more.

SHRI RAJIV GANDHI: What is worrying me is that next month it may be still-born. Sir, it is the commodity prices that reflect the agony of the common man. Individual prices today are truly shrinking. From December, 1989 to July, 1990, in just seven months, groundnut oil is up by forty-eight per cent—from Rs. 21 to Rs. 32 a kilo. And I was told just recently by one of our senior Members that he bought a tin the other day, it cost him over Rs. 600 for a tin of groundnut oil. I see the members are nodding their heads. But do something about it. Arhar is up by 51 per cent—from Rs. 5.30 to Rs. 8 a kilo. Bajra is up by 46 per cent—from Rs. 1.70 to Rs. 2.45 a kilo...(*Interruptions*) I am talking of those items which affect the poor people you can make a joke of it. You already have a problem with the rural area versus urban area, I do not want to compound that problem. I am talking about those people who are the weakest and who have the most difficult time. Khandsari is up by 18 per cent—from Rs. 6.30 to Rs. 7.44.

AN. HON. MEMBER: Have you seen bajra?

SHRI RAJIV GANDHI: I have eaten it, I keep it and I enjoy eating *bare ki roti*. Then, Sir, there are a number of commodities such as wheat, rice, jawar, other edible oils, urad, mung and other dals, which have all gone up by between 10 to 40 per cent. Sir, contrast the decade of controlled prices under the Congress Government with the eight months of runaway inflation under the National Front

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Government. This could have been understandable if there had been some major disaster—failure of monsoon, shortage of stocks, international crisis or armed conflicts. But we have now had at least three good monsoons. There are adequate stocks. There is no international crisis. There is no armed conflict. Yet because sometimes the way I hear some senior Members from the Treasury benches talking, why he is afraid of what may lie ahead. Then, why this inking? Sir, there are two basic reasons. The first, the Government believes in populism instead of principles and programmes. The second, the Government have the preference for soft options. On the populist side, the Government has vastly increased revenue expenditure to the grave detriment of the budget deficit thus fuelling an entirely man-made inflation. But because the National Front Government survives by distorting the past and making false premises about the future the major danger that lies ahead is a very rapidly increasing inflation and if corrective measures are not taken immediately the inflation will touch double digit. That is why we are giving such importance to this debate. We are just bordering on the double digit today. If corrective measures are not taken by the end of the year, we could be close to 20% inflation and if more populist measures are taken where lots of money are spent in thousands of crores—sometimes we hear about it from the statements of different Ministers—then that 20% could be very much higher.

AN HON. MEMBER: Could you suggest some measures? (*Interruptions*)

[*Translation*]

SHRI RAJIV GANDHI: You should remember that you are their crutch, not ours. You should speak only when they speak... (*Interruptions*)

[*English*]

Sir, what type of stock-taking this Gov-

ernment is talking? Sir, for regulating petrol consumption.

SHRIMATI GEETA MUKHERJEE: Are you against loan waiver?

SHRI RAJIV GANDHI: I will tell you about the loan waiver. What have you done? You have not done anything about the loan waiver. You have now cancelled the loan. Today the farmers are not getting loan. It is because of incompetence and the false promises that you have made. You realise what you are doing. Don't talk about irresponsibilities. (*Interruptions*) Mrs. Dandavate has taken a delegation of women to see the Finance Minister. Perhaps you should do the same thing.

SHRIMATI GEETA MUKERJEE: In the last debate, it is I who congratulated Mrs. Dandavate and started my speech.

SHRI RAJIV GANDHI: I am looking forward to a day when you will congratulate Mr. Dandavate on controlling prices, not Mrs. Dandavate on complaining of what he has done about the prices. This is what we would look forward to and we will also congratulate Mr. Dandavate if he gets the prices down.

[*Translation*]

PROF. MADHU DANDAVATE: Why do you want to create a discord in my family life.

SHRI RAJIV GANDHI: I am trying to calm down the matters. There will be no discord if you take proper steps.

[*English*]

Sir, what have they done with the petrol? (*Interruptions*)

[*English*]

Sir, what have they done with the petrol?.. (*Interruptions*)

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[*Translation*]

If you are unable to think and suggest properly, you should sit somewhere else...(*Interruptions*)

[*English*]

Sir, what are the soft options which this Government has taken? They had a problem with petrol consumption, diesel consumption. What have they done? They restricted petrol pumps to 12 hours a day. Immediately they said, 'Closed on Sundays'. One day later they changed their mind and said:

[*Translation*]

"No, petrol pumps should not be closed on Sundays"

[*English*]

What has happened? Is the fuel consumption actually reduced by closing the petrol pumps for 12 hours? I doubt whether you will find it, perhaps the statistics are not readily available so soon, but you will find that the consumption level has not gone down, you will find that people are holding much more petrol, inventories are going up and you will find that the actual cost, the money that you are spending on fuel has increased and not reduced. So, what was the aim of this decision? Where is most of the petrol consumed? In Government. There are easy methods. Why should the average person suffer when the vast majority of petrol consumption is by Government? But who is suffering? It is not Government because Government has its own guarantees. And I am even told that one Chief Minister belonging to the National Front and the Alliance had a petrol pump opened after 7.00 p.m. because his car did not have fuel in it. Now, is a special facility going to the special people or is the same rule going to apply to everybody? (*Interruptions*)

Sir, on the one hand the average person is not allowed to buy petrol. He is told to conserve petrol. On the other hand, we have the hon. Prime Minister, he takes not one, but two aircraft on a foreign trip. I don't think this has ever happened. Sir, never before do I believe...(*Interruptions*)

[*Translation*]

SHRI VISHWANATH PRATSAP SINGH: I did not take it for enjoying holidays.

SHRI RAJIV GANDHI. Mr. Prime Minister, I also did not take it for enjoying holidays.

[*English*]

Sir, a point has been raised, let me be very clear.

[*Translation*]

SHRI CHIRANJI LAL SHARMA (Karnal): I recite a couplet:

"Yun to bante ho pathar ke sanam,
Bhagwan ban gaye to mujh par baras
pare."

[*English*]

SHRI RAJIV GANDHI: Sir, never before have so many Ministers used Air Force and other aircraft for travelling around. Never before have the families of Ministers gone on foreign trips like they have now. Why this sudden...(*Interruptions*)

[*Translation*]

AN HON. MEMBER: You have gone to Lakshadweep.

SHRI RAJIV GANDHI: You should know that I had gone there by the commercial aircraft duly paying the fare to Lakshadweep. I went alone by Pawan-Hans...(*Interruptions*)

SHRI DAU DAYAL JOSHI (Kota): Shri Amitabh Bachan had also gone to Rajasthan. He went there only to see tigers, not for

[Sh. Dau Dayal Joshi]

the welfare of the State...(*Interruptions*)

[*English*]

SHRI RAJIV GANDHI: Sir, there is a shortage of foreign exchange. But how many people are running around the world on Government expense? How many families are a going all over the world spending pots of foreign exchange? That is not important, but a poor three-wheeler scooterwala's whole Sunday earning is ruined. This is the contradiction that you have to clear about and if you remember, there was a suggestion that came from the Government to send 100 MPs on a foreign jaunt on this inter-session period and it is only when our party questioned, it was cancelled. So, foreign exchange was not important; you did not know in the end of May that foreign exchange is going to be a problem in June a July. You were going to pack off 100 MPs all over the world. Now, the problem is even more serious. I read in the newspapers that the Soviet Union has refused to give more fuel and now with the crisis in the Gulf and with the increase in fuel prices, it is going to become an even more serious problem. But more than that, as you have to go to stock market to buy more fuel, you are finding a new problem. You need credit and we find that India's credit rating has come crashing down. Why has India's credit rating come crashing down? Is that also the fault of the Congress Government? (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE:
Not at all..(*Interruptions*)

SHRI RAJIV GANDHI: It was under that G Congress Government that India had had the highest credit rate as ever. Today, a major public sector undertaking as the ONGC with a very good record cannot get a loan of 150 million dollars. This has happened to India and you are trying to get this loan for months together. What is happening to our nation? Why does the world not trust India's economic performance within eight months of the change of Government? This is a very

serious question which you have to think about and you have answer. What has been the National Front's performance on its promises on prices? Your election promise very clearly stated in the National Front manifest, says that the prices will be controlled. It has been totally betrayed. Prices are running completely out of control. What has been the post-election promises? The Civil Supplies Minister has said on the 8th of May: "Prices of essential commodities are stumbling down."

SHRI P. CHIDAMBARAM (Sivaganga):
The Government is stumbling down.

SHRI RAJIV GANDHI: On 19th of June, he has again said: "Increase in food prices are a seasonal phenomenon and prices are bound to stabilise in due course of time." The Finance Minister has said: "Prices of essential commodities will crash in the next five months from today." This is a hard prophecy made on the 22nd January, 1990. The Finance Minister has said on the 21st April, 1990: "I am sure sugar, tea and edible oils among other commodities will come down by June, 1990. The National Front Government will take all necessary steps to bring down prices of essential commodities within the next two months. The Finance Minister again said this on 21st April, 1990. The Prime Minister said, "The Government has taken a series of steps to bring down the prices within one month from now."

[*Translation*]

But the Hon. Prime Minister is not sitting here. I would like to remind him. Please let him listen. Why are you creating trouble for your Prime Minister?

[*English*]

"We will take stringent action if prices which have risen steeply do not come down by the end of May, 1990." This statement was made by the Prime Minister, Sir, May has ended!

SHRI VISHWANATH PRATAP SINGH:

Sugar price has dropped; cement price has dropped. We are taking measures.

SHRI RAJIV GANDHI: Cement has dropped. But it is still rising. Perhaps he can clarify this, whether it is rising or coming down.

SHRI VISHWANATH PRATAP SINGH: At that time, a specific reference was made, sugar was prevailing at about Rs. 10 a Kg. It did drop thereafter to between Rs. 8 and Rs. 9 Kg. Cement was prevailing, at that time, around Rs. 110 a bag. Cement had approached Rs. 100; it approached Rs. 110 in some remote areas; After that, in many areas, it did drop to Rs. 85 90 per bag. In remote areas, there is a problem.

Only recently again we are getting reports about price increase in cement. We are taking action. But to say that nothing happened after it, is totally wrong...(*Interruptions*)

SHRI RAJIV GANDHI: Sir, the Prime Minister has been devastating. We will now ask all our poor people to eat cement. (*Interruptions*)

[*Translation*]

We are talking about their livelihood and he is talking about cement. This is the main problem. You go to the market and then you will find the situation...(*Interruptions*)

THE MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI NATHU RAM MIRDHA): During the last elections, the price of sugar was Rs. 14 to 15 per kilo.

SHRI VASANT SATHE: Where?

SHRI NATHU RAM MIRDHA: In the entire country, we are not alone who are saying this. You can go and enquire anywhere you like. The price of tea was Rs. 80 to 90 per kilo. This has now come down...(*Interruptions*)

The production of sugar during Shri Rajiv Gandhi's regime was 97 lakh tonnes.

Now it has gone up to 109 lakh tonnes. This Government has made a record during last 6 months and so the present price of sugar in the entire country is Rs. 8 to 9 per kilo. The current price of tea ranges between Rs. 40 and Rs. 55. These two things come under essential commodities. Even the poorest of the poor takes tea, and the current prices stand comparatively at a level much lower than that of the prices during the tenure of your Government. I would like to tell you that during the last six months, there has been a record production of sugar. As far as rice and wheat are concerned, we have given remunerative prices to the farmers. For wheat, we had increased the procurement price by Rs. 32 per quintal and this has indirectly contributed to the increase in the prices of other commodities. Not only this, we had also increased the procurement price of sugarcane by Rs. 40, while during your regime, it was a mere Rs. 23. We do agree that the increase in the prices of some commodities is a natural fallout of the increased prices being given to the farmers. There would be a definite fall in the prices of some commodities is a natural fallout of the increased prices being given to the farmers. There would be a definite fall in the prices of these commodities, if we do not give these prices to the farmers. We believe in the principle that the farmers should be given remunerative prices even if we have to bear the brunt of some price hike. Your actions during the tenure of your Government did not conform to this principle. We always think in terms of the farmers' interests...(*Interruptions*)

[*English*]

SHRI H.K.L. BHAGAT: I never interrupted you. When your turn comes you speak.

MR. CHAIRMAN: Order please. No interruptions. Do restrain yourself. We are talking about prices.

SHRI RAJIV GANDHI: I appreciate what the Prime Minister has said. But I notice that after speaking about cement when I asked him about what people were eating, he could not stand it any more and

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(*Interruptions*)

[*Translation*]

he has fled from the scheme.

[*English*]

While the common man is being crushed by this burden of prices irrespective of whether Shri Mirdhaji is talking about cement flat or the roof or a cup of tea.

[*Translation*]

Mr. Mirdha, today we are not talking of tea. The issue of tea prices was relevant when people were unperturbed about the prices of foodgrains but today, the prices of foodgrains and pulses have gone so high that even the common man's survival is at stake. Therefore, the increase in the tea prices is not that important in the present context... (*Interruptions*) Moreover, Mirdhaji, though you are very keen to reduce the price of a cup of tea and are saying that the price of sugar has come down, but what do you have to say about the price of tea? The tea prices have sky rocketed and under the circumstances, how do you expect the common man to enjoy a cup of tea? Will he mix only sugar in water to have a cup of tea?

MR. CHAIRMAN: Hon. Minister, you please let him speak.

(*Interruptions*)

SHRI BHOGENDRAJHA (Madhubani): Mr. Chairman, Sir, please ask Member to address the Chair, in order to save the Minister from the inconvenience to getting up time and again. (*Interruptions*)

[*English*]

SHRI RAJIV GANDHI: I am sure the prime Minister is competent enough.

MR. CHAIRMAN: Please do not respond to every interruption.

SHRI RAJIV GANDHI: While the common man is getting crushed, we see no action step the Government against the harders and racketeers. Why? While one cult, the secular cult, I can understand, will fight for the right issues....

SHRI TARIT BARAN TOPDAR (Barrackpore): We are secular. You have been communal.

SHRI RAJIV GANDHI: But there is also communal cult and perhaps there is a vested interest here which is preventing the Government from acting. This is where the BJP must be much more forthcoming. During the last Budget speech, almost every section of the House spoke up against the measures in the Budget including our friends who are supporting the Government. Now instead of just speaking up, please do something. You have much influence on the treasury benches than we have. We can only talk here in the House. But you have a dinner meeting every week I believe.

17.00 hrs.

Slowly now that value-based has been shed, Perhaps the values of things have gone so high and we have turned to issue-based. One of the issues that you can raise at any one of these meetings in the issues of rise in prices... (*Interruptions*) What did you say? You have responsibility without power. Please take that responsibility a little more seriously and try to see that this Government acts positively and brings prices under control... (*Interruptions*) The fact is that the basic curse of our economic problems is not just the muddleheadedness of the National Front Government. But it is the inevitable consequence of weak governance by a minority Government depended on survival on two such contradictory factions which pull in completely different directions, contradictory ideologies one pulling to the Left and the other pushing to the right.

Sir, the National Front Government came

to power by spreading false hood about the Congress Government's performance. Today, it was to remain in power by making false promises about what it can do. But there is no more credibility

17.02 hrs.

[MR. DEPUTY SPEAKER *In the Chair*]

in blaming the Congress. The people have no faith in your promise. The people are realising that the prices will not stop soaring so long as the ruling party is preoccupied with internal bickerings and caught up in internal contradictions and dependent on this type of outside support, who, at their convenience, distance themselves from the Government's policies and programmes to remain untainted by the performance of the Government. If you are supporting the Government, you should be man enough to stand up and support their policies also. You contradict. You say this is bad, that is bad. But then you put your stamps on it, you put your seal on it; let the bad be done, let the wrong be done. (*Interruptions*)

Now he is not here. He doesn't need a crutch.

[*Translation*]

SHRI SHOPAT SINGH MAKKASAR (Bikaner): Both are alike. They earned commissions on oil, while you pocketed it in sugar deals.

[*English*]

SHRI RAJIV GANDHI: This weakness will continue as long as the Government is vulnerable to the pressures of the vested interests or it will continue as long as the Government is vulnerable to pressures from foreign powers. Populism will not work any more because the promise has been betrayed. There was the promise of jobs for youth, there is nothing. The old schemes are wallowing and not one new scheme for job or employment has come. The promise of loans again is even worse than non-implemen-

tion and because of that promise, today the farmer does not get a loan. He goes to the bank to get a loan. The bank looks at the books and says: "You are a defaulter because you have not paid your loan." He does not get the loan for this year's crop. Why? Is this the farmer's fault? No, Sir, it is the fault of the National Front Government because they have not fulfilled the promise that they held out to the farmers.

Then, there was a promise of pensions. What happened to that? Again, another promise unfulfilled. We have already talked of the credit-rating. Just eight months ago, India's credit rating was perhaps at its best. Today, the credibility of the National Front Government has reduced the credit-rating right down to that.

We call upon the National Front Government to stop wasting the nation's time on petty internecine quarrel and get on with the business of governance starting with controlling prices. Instead of taking anti-inflationary measures, this Government has taken measures that only increase inflation. (*Interruptions*)

[*Translation*]

SHRI DAU DAYAL JOSHI : Now he is free to make such comments.

SHRI RAJIV GANDHI: If you cannot follow this much, you better the headphone.

[*English*]

Let me be very clear. The inflation that we are seeing today, almost three quarters of the inflation is caused directly by actions of the Government. The Railway Budget, the National Budget and the monetary policies have increased the money supply from approximately 15 per cent of 20 per cent. The Railway Budget indiscriminately increase prices of everything. I just read out some prices of pre-Budget and post-Budget period. This is just a Budget. Nothing more. Nothing to do with Congress. Nothing to do

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with what you do afterwards. Just across the Budget. (*Interruptions*)

MR. DEPUTY SPEAKER: I would request the Members not to interrupt. If you have any intelligent points to make, you can make those points while speaking. There is no point on very time saying something which has no meaning.

SHRI RAJIV GANDHI: Just because of the Budget....I am not yielding (*Interruptions*)

The wheat went up from Rs. 2.14 to Rs. 2.44 - a 14 per cent jump in the price of wheat just because of the Budget. Sugar went up by 17.6 per cent just because of the Budget. *Jeera* by 167 per cent; *Kabuli Chana* by 38.5 per cent; *Arhar Dal* by 30 per cent; *Moong ki Dal* by 18 per cent. I am only talking to the Budget. I am not talking of the full increase from November to today which I did earlier. Mustard Oil by 22.7 per cent; Vanaspati by 14.8 per cent; Refined Oil by 9 per cent; loose tea by 18 per cent; Petrol by 13 per cent; kerosene, which is used by the poorest of the poor, went up by 100 per cent in this Budget. The Prime Minister took special interest in mentioning cement just across the Budget. Cement went up by 69.4 per cent. Bricks have gone up by 106 per cent. This Budget, the Railway Budget, the monetary policies of this Government are responsible for the inflation that we are seeing today. And for this, I hold both the supporting parties equally responsible. They cannot shed their responsibilities. You must bear the cross. You supported them through this. I am not saying you should have stopped supporting the Government, not at all. You should have used your influence to have the policy changed; but you did not do that. This is what makes me sad. When you had said, when you acknowledged that you have responsibility, you must use that responsibility; but you are not using it. You are certainly not using it for the benefit of the poor people of the country. You may use it for solving your own problems-putting somebody from here

to there, one *Kursi* here or one post there-but that is not it.

May I read a quotation?

"That Last eight months of the National Front rule have been characterised by administrative indecision, gross economic mismanagement and a gaping policy vacuum. Policy statements issued by the Government contradict each other even as different leaders of the National Front speak in different voices.

The Industrial Policy Resolution tabled in Parliament in May 1990 contradicts the Industrial Policy outlined in the Approach Paper of the 8th Plan."

(*Interruptions*)

MR. DEPUTY SPEAKER: Will you take your seat please? Please sit down. You just leave it.

(*Interruptions*)

SHRI RAJIV GANDHI: "Warnings by the Economic Advisory Council to reduce budgetary deficits and non-essential expenditure are simply ignored by the Finance Ministry. The EAC suggestion for overcoming the balance of payment problems are put to one side by those in charge of drafting the industrial and trade policies. There is creeping economic chaos all around. While development staggers Government have gone on a spending spree on populist gimmicks, needless Luxuries and diverse inessentials.

People groan under a crushing burden of rising prices even as Ministers of the National Front Government take themselves off on jaunts to foreign capitals and holiday resorts all around the word often on the flimsiest of excuses."

SHRI BHOGENDRAJHA (Madhubani): Have you permitted a written speech in this House Sir?

MR. DEPUTY SPEAKER: My ruling is that quotations can be read

SHRI BHOGEN德拉 JHA. Whose quotation is this?

SHRI RAJIV GANDHI: If you want, I will put it on the table (*Interruptions*)

MR. DEPUTY SPEAKER: This is no intelligent way of interrupting

SHRI RAJIV GANDHI: I will gladly table the paper if the Member so desires

"While ordinary citizen is subjected to the rigours of petrol rationing it has become virtually a standard practice for national Front Ministers to fly where they wish by special planes, something that was resorted to by previous Government only in exceptional circumstances. Populist promises like the half-backed election promises to waive all loans upto Rs 10 000 have restricted the flow of institutional credit to productive sector in agriculture and other allied activities. In the enormous confusion that exists all around, large numbers of farmers have been denied bank credit in time for the sowing of the Kharif crop "

The kisans everywhere in India are in danger of suffering the same fate of the farmers of Haryana against whom the Haryana Government has shamelessly issued detention orders '

Sir, I request the hon Prime Minister who is not here, the Finance Minister (*Interruptions*)

SHRI TARIT BARAN TOPDAR. Whose quotation is this? (*Interruptions*)

SHRI RAJIV GANDHI: If you want me, I will lay the paper on the Table of the House. It is the AICC Economic Resolution (*Interruptions*) We will lay it on the Table to the House. (*Interruptions*)

SHRI TARIT BARAN TOPDAR: Is he allowed to read his party Resolution, Sir? (*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolpur) Sir, the House has been if his party misled, Resolution is quoted, if his party document is quoted (*Interruptions*)

MR. DEPUTY SPEAKER: It is part of the Resolution, which is quoted

(*Interruptions*)

SHRI TARIT BARAN TOPDAR: Sir, a party Resolution has been read out, in the name of quotation (*Interruptions*)

SHRI RAJIV GANDHI: Sir, with your permission, I can remind the hon Member, I can read quotations from his party Resolutions also there is no restriction. (*Interruptions*)

SHRI SAMARENDRA KUNDU (Balasore) Sir, the convention is that no Resolution of a political party wholesale, A to Z, is quoted here. You refer to it. And that too, it is so embarrassing for us, because it is the Resolution of the party of which you are presiding, he is quoting his own Resolution; he is quoting his own scriptures. It is really very funny (*Interruptions*)

SHRI RAJIV GANDHI: Sir, I am speaking on behalf of the Congress Party. I have quoted one para of the Congress Party Resolution. There is nothing wrong with that Resolution (*Interruptions*)

MR. DEPUTY SPEAKER: I would like to say that if any Member sitting here, wants to quote the Resolution passed by his party, the Chair shall not take any objection. Now, he is quoting from the Resolution and I think there is nothing wrong in it. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: He should have said, 'it is his party's Resolution. He should have the honesty to say that. He never said that. He is saying it just now.

[Sh. Somnath Chatterjee]

There are some conventions and some practices in this House. (*Interruptions*)

MR. DEPUTY SPEAKER: I hope you have an argument and a point; you can make it in your speech. (*Interruptions*)

SHRI RAJIV GANDHI: Sir, we will have no objection if any party's Resolution is read out, which relates to price rise.

The fact is that during these eight months, the National Front-Janata Dal rule, the burden of prices that has fallen on the poor has been unprecedented, except for the period of Janata party rule in 1979. It is when the Janata comes back, that the poor people have to carry this burden. I would request the Government to take serious steps as promised by the Prime Minister and the Finance Minister to correct the run away prices and the run way inflation. And I would request the house to support this Motion to put pressure on the Government to protect the poorest people in our country.

MR DEPUTY SPEAKER: Shri Asokaraj will speak now

(*Interruptions*)

SHRI L. K. ADVANI (New Delhi): Sir, what is the time allotted for the Debate? (*Interruptions*)

MR. DEPUTY SPEAKER: Well, I think, 6 o'clock they have fixed. But I do not know whether we will be able to complete because I have a long list and the Members on the other side also.

PROF. MADHU DANDAVATE: Mr. Deputy Speaker, if it is an adjustment on both the sides, I can reply at 6 'clock.

MR. DEPUTY SPEAKER: I leave it to the Whip to inform you. Suppose if someone wants to speak, I will allow him to speak.

[English]

MR. DEPUTY SPEAKER: Please do not raise this issue like that. The parties are allotted their time. They can use it.

SHRI L. K. ADVANI: Actually, the objection relates to Mr. Gandhi's speech here. (*Interruptions*) First, the paraphrase and then the quotation is meaningless. Actually, it is a wastage of time. (*Interruptions*)

MR. DEPUTY SPEAKER: Mr. Asokraj.

[*Translation*]

PROF. VIJAY KUMAR MALHOTRA (Delhi Sadar): Mr. Deputy Speaker, Sir, the Congress Party was given two hours and forty five minutes. Will you give time to other parties also?

SHRI A. ASOKARAJ (Perambalur): Mr. Deputy Speaker, Sir, on behalf of All-India Anna DMK, I would like to say a few words about the price rise. The 8.4 per cent rise in prices during the financial year 1989-90 was partly due to the increase in the prices of seasonal items like pulses, tea, oilseeds, groundnut oil, khandasari and gur.

Among non-food manufactured items, textiles, paper and paper products, beverages, tobacco and tobacco products and basic metals contributed to the overall rise in prices.

The movement of wholesale prices in the first quarter of the calendar year 1990 and beyond has been steadily and persistently upwards at a rate faster than in the corresponding period of 1989. The price index of all the commodities (on the basis of 1981-82) had moved up to 170.7 on 31st March, 1990, and further up to 177.5 by 30th June, 1990, as against 165.9 in the last week of December, 1989.

The annual point-to-point inflation rate based on the data for the week ended June 30, 1990, was 9 per cent against 5.6 per cent

in the corresponding week ending June 30, 1989.

The prices of primary articles were up by 7.3 per cent. Among the primary articles, the prices of food articles were higher by 9.8 per cent. The wheat prices were higher by 11 per cent. The prices of pulses were higher by 11.1 per cent.

After the Union Budget, the percentage increase in the wholesale price index as on June 23, 1990, over and above December, 1989, was: pulses 10.7 per cent, fruits and vegetables 35.1 per cent, condiments 21.1 per cent, other food articles 15 per cent, oilseeds 22.6 per cent, sugar, khandsari and gur 10 per cent, edible oils 17.5 per cent, beverages, tobacco, etc. 11.8 per cent.

We know the reasons. The Central Budget for 1990-91 has proposed a massive increase of Rs. 1,790 crore in the tax burden. I would like to point out that the Union Railway Budget is expected to yield an additional revenue of Rs. 947 crore. The retail prices of petroleum products as well as the import duty on crude oil would mop up an additional revenue of Rs. 836 crore. This has a cascading effect on the general price level. Additional levies imposed by the State Governments and the State Electricity Boards have also increased the power tariff. Central Government is unwilling to spend foreign exchange to the extent required to stem inflationary pressures. The recent hike in the procurement prices of wheat and rice have led to the increase in the issue prices of these two essential commodities. In this connection, I would like to tell you that the Government of Tamil Nadu has procured rice for public distribution system. We have seen in the newspapers that there were malpractices. Keeping in view these malpractices, our leader, the General Secretary of the aiadm, Ms. Jayalalitha pointed out that procurement was done on wrong basis. And for this, a case was filed against her. The State Government which is run by the DMK Government wants to hide the truth. They do not want to come out with the truth because the Central Government is insisting on pub-

lic distribution system. When the Opposition leaders are pointing out about this issues and about the vast sums, they are put in jail. The probability of a high rate of inflation in the coming months emanates from two sources, namely, the cost-push effects of some budgetary impositions and the demand-pull effects of the likely increase in Government expenditure and inflationary financing beyond the budget estimates. An increase in the tax on consumer goods like cigarettes, cold drinks, etc. will reduce consumption yielding larger revenue to the Government without producing any spread effect on the prices. But on the other hand, a higher indirect tax on a basic material or an increase in its sale price would raise costs all around resulting in cascading effect on final prices of a large variety of final goods. We should remember that the trend in growth of real national income reflects the trend in aggregate supply of goods and services in the economy. The gap between the real national income growth rate on the one hand and the rate of increase in gross national expenditure and/or money supply on the other hand, broadly indicates the magnitude of the imbalance between the aggregate supply and aggregate demand in the economy. I would like to draw the attention of the Finance Minister to one point. What is important is the combined impact of bank credit to the Government sector and the bank credit to the commercial sector which includes the public sector lendings and the priority sectors of the economy. Our Prime Minister had written a letter to all the Chief Ministers on 20th May, 1990 for assistance and cooperation in containing the prices. Prices are increasing like anything not only in Tamil Nadu but also in other States. To contain price rise, there should be a very good public distribution system and periodic market intervention.

Both these points should be practised properly. We know that people are hoarding goods. We should adopt some measures for de-hoarding and also punish the hoarders. I want the Government to make stringent laws to avoid hoarding and to punish the hoarders. Price stability is essential for sustaining the momentum of growth and ensuring equi-

[Sh. A. Asokara]

table distribution of benefits. Inflation hurts the poor especially since their incomes are not indexed to prices. It also reduces the willingness to save in financial assets, encourages speculation and the generation of back money and distorts investment priorities. Inflation hits hardest at the already low living standards of the poorer and weaker segments of our society. The resolution of inflationary pressures has to be sought principally on the demand side, with particular attention being devoted to correcting the underlying fiscal imbalances. There is no use accusing the Congress Party for their mistakes, but we must now see that proper steps are taken for lowering the prices at the earliest.

Lastly, I would like to warn the Janta Dal to understand the dangerous situation. You have made us sit on volcanoes. Please understand that the poor people are highly agitated. We should understand their difficulties or else those volcanoes will definitely swallow not only you, but all of us. With these words, I once again request the hon. Finance Minister to see that prices come down within the next three months or else we may be in danger.

[*Translation*]

PROF. VIJAYKUMAR MALHOTRA: Mr. Deputy Speaker, Sir, today the House is discussing the issue of price rise. The entire nation is perturbed over the rising prices and the poor people are forced to lead a miserable life. The salaried class too are facing a lot of problems. The prices of items of daily use are rapidly increasing as a result of the general price rise. When there is an increase in the price of essential commodities, it becomes very difficult for the poor people to make their both ends meet. That is why, we vehemently protested against this price rise by organising 'Dharnas' and holding demonstrations. However, I was very much surprised to see congress leaders including Rajiv Gandhi, Vasant Sathe and H. K. L. Bhagat expressing their thoughts on the

issue of price rise and accusing the Government for it. We do not have any disagreement in respect of the statistics they have presented here but I was pained to see the imprudence with which they have tried to draw an inference and change the Government for an issue, for which they are solely responsible. Mr. Deputy Speaker, Sir, the criticism of the Government by the B.J.P. and the left parties, on the issue of price-rise is understandable, but the accusations levelled against the Government by the Congress on an issue for which the latter is solely responsible is nothing but an uncalled for an shameless act.

Mr. Deputy Speaker, Sir, I would like to present some statistics before the House and the hon. Members may also go through the figures presented by Shri Rajiv Gandhi. Shri Rajiv Gandhi had said that the Consumer Wholesale Price-Index which stood at 168 in December, 1989 has now gone up to 175. His assertion in this regard is correct but Mr. Gandhi forgets that during the Congress regime between 1982 and 1989, there was a 68% increase in the Consumer Wholesale Price Index. Thus, during the last seven years, there has been an average annual increase of 10% in the wholesale price index, whereas Shri Sathe has said that the price index has gone up by 6% under this Government. Here, I am not justifying this increase of 6% but considering the fact that the price index had gone up by 70% during the seven year rule of the Congress Government the charges levelled against the present Government on the issue of price rise, by the leaders of the Congress party is beyond my comprehension.

Mr. Deputy Speaker, Sir, these leaders have also said that the Consumer price-index stood at 180 in December, 1989. Now, how has it risen to 180 from 100? Thus we find that during a period of seven years i.e. from 1982 to 89, there has been an increase of 80% in the price-index. In short, it comes to an average increase of 11.5 per cent per annum. This Government is yet to reach that percentage. I do agree that if the Congress Government had committed a mistake, it

does not mean that the present Government too should follow that path. No excuse can justify the continuation of those mistakes. However, it is most improper on the part of Congress leaders like Shri Rajiv Gandhi and Shri H.K.L. Bhagat to present statistics, indulge in self-praise and blame the present Government for their inaction on the price front. In his speech, Shri H.K.L. Bhagat has compared the B.J.P. to a wife, who speaks too high of her loyalty to her husband, but hesitates to defend him in public, but I would like to make it clear to both Shri H.K.L. Bhagat and Shri Gandhi that the maladministration of Congress Government during the last ten years is responsible for the present price rise and economic situation, the prevalence of black-marketeers and black money and then the Congress people stand up to speak on this issue, it looks like the Devil quoting the scriptures. You should realise it. Last year, the Budget presented by the Congress Government had a massive deficit of Rs 13,500 crore. The total amount of deficit in the Budgets presented by the Rajiv Gandhi government during its five year tenure comes to Rs. 35,000 crore. Isn't it but natural that such a huge deficit would result in price rise? The Congress party is responsible for the present situation. Their maladministration is the root cause of the present price-rise. If sudden brake is applied to a vehicle going down a slope very fast chances are that it may break down, but it also doesn't mean that brake should not be applied and the vehicle should not be prevented from a fall. I would like to say to the Janata Dal or for that matter the National Front's Government that the Congress Party was alone responsible for the rise in prices for which it was punished by the people in the elections. The people made to sit them in opposition. Therefore, they do not have any moral right to raise the question of price-rise in the House. But this does not mean that the Janata Dal should do nothing to check the prices and be complacent with the situation prevailing in the country. They should also not repeat the same mistake which was made by the previous regime. Rather they should devote their energy to control price-rise. We have given an assurance to the people to this effect.

Last elections were fought on the twin issues of price-rise and corruption at high places. Therefore, to check price-rise is our greatest responsibility. I would like to make mention of three or four steps which can be taken to check price-rise. When Shri Dandvate presented the budget in the House, I stated that it would lead to inflation. At that time, Mr. Dandvate had asserted that it would not lead to price-rise. But our apprehensions proved true. If you hike the prices of petrol, diesel, iron and coal as well as railway freight and fare, the prices of all other commodities are bound to increase. They cannot be checked.

Mr. Deputy Speaker, Sir, I want the National Front's Government must take three or four steps. It is correct that the budgetary deficit during the last five years regime of the previous Government increased to Rs. 35,000 crores as also the country was burdened with external loans of Rs. 1,00,000 crores. Shri Rajiv Gandhi was saying that prices had come down during the period from September to November, 1989 but he forgets the level of prices reached by the end of September. Prices were brought down for two months by taking recourse to heavy imports in view of the impending elections. There is no doubt that prices have sharply gone high after elections. But I would like to know why contradictory statements were made by the Prime Minister and the Finance Minister in regard to import of Palm-oil. On the one hand, hon. Prime Minister said that he would not take recourse to import of Palm-oil on the other, hon. Finance Minister said that he would go in for import of it. Immediately after the statement of the hon. Prime Minister to the effect that Palm-oil would not be imported, traders hoarded it, as a result of which the prices of edible oil rose very sharply. Therefore, it is the responsibility of the Government to check the rising trend in prices of edible oil.

This could have been checked but adequate steps were not taken. the Congress Party was in league with the black-marketeers and hoarders. They have deposited billions of rupees of blackmoney in foreign countries. But why no action is being

[Prof. Vijay Kumar Malhotra]

taken against these hoarders even now? Why the Government is showing leniency to them? Why not hoarding is being checked? You say that the prices of wheat, arhar and other foodgrains soared due to increased support prices given to farmers. I would like to know why the prices of goods such as soaps, tooth-pastes, hair oil, shoes, waifer, etc. manufactured by multinational companies have gone so high. These multinational companies spend crores of rupees on advertisement and sell the product of 2 in Rs. 12. The Congress Party was in league with them. Why are you not taking actions against them? An Agriculture Price Commission was set up for farmers. Why did you not set up an Industrial Price commission to fix the prices of industrial goods? Then only you will know as to how an industrial good costing Rs. 2/- is being sold at a price of Rs. 10/- You have brought down the deficit in budget from Rs. 13,500 crores to Rs. 7,500 crores. But it does not mean the halting of developmental activities and curtailment of job opportunities. 75% of D.A. is neutralised by the Government but 40% of the the D.A. sanctioned to the employees is deducted in Income-Tax. employees in private sectors do not enjoy even this facility. In such circumstances, the price-rise is bound to pinch them. Why do you not supply other essential commodities like tea etc. through fair price shops? You can control the prices of tea as this come under your jurisdiction. You can increase the supply of tea and edible oil to fair-price shops. You can reduce the prices of salt and some other things directly. More fair-price shops should be opened and the prices of essential commodities should also be controlled. The money deposited abroad should be brought back and blackmoney should also be unearthed. Shri Rajiv Gandhi says that the present Government has inherited a sound economy from him, whereas the truth is contrary to it. During the last 40 years, it was only during the year 1978 when the wholesale price index and consumer price index had fallen by one-point. Thereafter the Congress Party in league with the compa-

nies indulged in corrupts practices and ruined the country. They also ask the reason of our supporting this Government despite the fact that we do not like it. We do it because we do not want the Congress Party to come to power again and ruin the country. That is why we support the Janata Dal. Janata Dal should also keep our this compulsion in mind. We want that this Government completes its full term of five years but this does not mean that they should take no step in this direction. I am constrained to point our that almost all the Ministers went on foreign jaunts. Was it necessary? By this way you are also repeating the same mistakes as were committed by the Congress Party. Shri Rajiv Gandhi has pointed out that the Prime Minister took two aeroplanes with him during his foreign tours. He, however, has no moral rights to raise finger against him as he himself used to take a number of planes with him and that too for enjoying holidays. But this does not mean that we too should do the same. Our Ministers should not imitate the life-style of Ministers under the Congress regime. But I am sorry to point out that immediately after the end of the budget session, most of the Ministers went on foreign jaunts and I could hardly find anyone present here. This much of foreign-tour was certainly not needed. The foreign exchange position of the country is already alarming. While on the one hand, we give sermon to observe utmost austerity, on the other Ministers are going on foreign jaunts. These two contradictory things cannot go hand in hand. You should control such things.

I think that if three or four steps like setting up a Commission, supplying more commodities through fair-price shops and controlling the prices of the commodities which are fixed by the Government are taken, then the prices of the commodities all over the country would be stabilised. A mention of these steps has been made in the manifesto of the Janata Dal as well as the B.J.P. Therefore, we are committed to the people for it and necessary measures should be taken by the Government in coming days to fulfil this commitment. This is all I want to say.

[English]

MR. DEPUTY SPEAKER: Now Mr. Bhogendra Jha. His party has four minutes. He can take some more time. I just wanted to bring this to his notice. (*Interruptions*)

SHRI BHOGENDRAS JHA: I do not want to take more time, nor do I want to harangue my friends.

MR. DEPUTY SPEAKER: If you want the hon. Minister to speak at 6 o'clock, then you will have to restrict; otherwise, I will allow you time. I just brought to your notice how limited is the time. You can take your own time

SHRI BOGENDRAS JHA: On behalf of our party, we have moved several Motions, in several forms, on this Price rise issue. So, it is welcome that we all have unanimously accepted this issue. So, it is in the form of an Adjournment Motion, because it is an issue on which largest sections of the people are deeply concerned, excepting some hoarders, some blackmarketers, and some other agents.

Some issues have been raised. The Leader of the Opposition, the former Prime Minister has said that this Government is dependent on two crutches. True; it is so. when we are supporting this Government, we cannot entirely absolve ourselves of the responsibility, good or bad, and of the policies and performances of this Government; and that is why we are more concerned than those who are in power, and those who are in the Opposition. After all, support means something; and I think the Government and the Ministers must bear it in mind, that they must not tax our patience too much, beyond a limit.

One the issue of prices, the Leader of the Opposition saw all sorts of contradictions within the Government. He has talked about contradictions here. Even worse contradictions he had, when he was in power. As the Minister of his Government, at his instance, Shri Arif Mohammad Khan had introduced a

resolution, and then he was asked by Mr. Rajiv Gandhi to withdraw that resolution on the Muslim Personal Law.

Several crimes they had committed. I am not going to compare this Government with that Government. Simply I want to mention that this question of legacy has been there. Very correctly this Government had mentioned that this legacy was left by the Congress Government. And not very incorrectly the Leader of the Opposition had said that they had this legacy from the Janata Party. These legacies are to some extent unavoidable. What I am concerned with is the legacy of the policy followed by the Government. The Government led by the Congress Party had the basic policy of serving the interest of the monopolists in the country, of the wholesalers, of the profiteers. And unfortunately I have to say that this Government is also following the same policy in varying degrees. That is the crux of the problem. I am not talking about some performance here, some omissions here, some commissions there. But the policy pursued in pro-capitalists, pro-hoarders, pro-profi-teers. That is why I was marking how jubilant Shri Rajiv Gandhi was when he said that he was happy at the performance of his government.

The class interest served is the same; the class benefiting, to the detriment of the interest of the people, is the same. So, they are jubilant. They are again jubilant on the mistakes of this Government, particularly the mistakes on the issue of the prices so that it can be said that it is a change from frying pan to the fire. That is why they are happy and they are not in a position to conceal their delight. Shri Vasant Satheji is here. He is also delighted. I do not want that he should be so jubilant (*Interruptions*)

The Budget itself contained 70 per cent indirect tax thereby throwing burden on the people. It contained about 30 per cent tax on the rich people. That was bound to result in the rise of prices of consumer goods and essential commodities; that is inevitable. I do understand that my friend Prof. Madhu

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Dandavate cannot be oblivious of this fact. Many others may be; many others may not understand the financial implications of such a policy, but not so Prof. Madhu Dandavate, because he spoke about such a policy in my presence in this very House on several occasions. So, this is the result of that policy; and the result of that policy is helping the former Congress Party again to have the gear at the table to some extent.

In a democracy, I do not doubt the motive of anyone; in a democracy, any government elected on the basis of adult franchise will not oblige prices to rise. So, I do not impute any motive either to this Government or the former Government. The question is that of policy which you follow. That results in these things. So, that should be again in the interest of the people. If the Government is prepared to re-consider its policy on that score, then it is understandable. Take the example of remunerative prices to the farmers. I don't think anyone in this House will be opposed to that, anyone in the country will be opposed to that. But when you gave a second rise for wheat, what was the time? It was when most of the actual tillers of the soil had disposed of their products on the basis of distress sale. About the distress sale, I do not want to contradict anyone here. But what I want to know from anyone here is this.

Is there any single village in the country—because you swear by the village always—where an overwhelming majority of the residents are not at the same time consumers of foodgrains also, by purchasing? But they have to go to a distress sale. Wherever a distress sale is there the price of wheat was increased. When the wheat was stocked by the rural rich, including the hoarders and the land-grabbers then the prices were raised. So, we do not want to believe that it was done in the interest of the peasantry. That was done in the interests of the hoarders in the towns, in the villages and the land grabbers. I am talking of the second rise. You will have to think whether it will get

you any credit. Who is helped or benefited by it? There can be no division of the country between the towns and the villages for this purpose. A tiny sector, that is the land grabbing sector, the hoarders, many of whom are bus owners and truck owners, has benefited and they are the exploiters of the rural people. Similarly, in the towns also an overwhelming majority consists of poor people. There is no question of any clash between the interests of the towns and villages. But there is a clash between the exploiters in the towns on the one side and the people in general, especially those in the villages. That is the divide among the people whether we like it or not. If you are asked whether we want to reduce it, or whether we want to minimise it, the reply I think everyone will give, is 'yes'. Then, the policy should be yoked to that.

Similarly, when you raised the issue price of wheat by 30 per cent, naturally that will have an effect and there will be sympathetic rise in the other prices also, even if the whole salers are very fair. In that context the Government policy and the performance of the Government must be to take steps which would reduce prices or curb the forces which were instrumental in the rise of the prices of essential commodities. Again, I am not going into the details of the rise in prices with regard to the other items; they have been mentioned by my friends.

When a question of the whole-sale trade came up in this very House, I had pertinently asked my friend, Prof. Madhu Dandavate- I do not expect the Government to nationalise the whole-sale trade in foodgrains—whether it would not lead to some price rise. We are supporting this Government not on the basis of our policy, but on the basis of their commitment which regard to the election manifesto. So, with regard to the prices I had pertinently asked him to take very harsh measures and mentioned that he cannot nationalise this Government. Simply, you do not aid the hoarders and black-marketeers. The Government should stay neutral. And that is the only thing to be done. You should also give up the policy of giving institutional finance to the whole-sale trade. To that question, he

had categorically replied that that was exactly what he wanted to do. That is on the record of this House. Has that been done? Because, there is not a single wholesaler from Kashmir to Kanyakumari or from Manipur to Gujarat who does not depend upon the bank financing, or financing by the public institutions, in the whole country. Simply do that and within a week you will see that the prices will crash down. Without arresting a single whole-sale trader in the country, this can be done. Without taking any such measures, simply you withdraw your money from the wholesale market. I am not talking about the retailers. From the whole-sale market you withdraw your money. You give some time, fifteen days or one month, that whatever they have taken should be repaid, except the interest. Just ask them to pay back your money without any interest and see the effect on the market. They will have to come with the stock to the market. It will not bring down the black money, but they have to bring the stocks to the market to pay back that money to you.

Mr. Sathe was referring to this and was asking what the way out was. This is the way out. This was once implemented partially in 1974.

18.00 hrs.

The prices of mustard oil come down from Rs. 14/- per kilo to Rs. 6/- per kilo. Partially it was implemented. So, I want Prof. Dandavate to consider seriously this proposal. That will make much of a difference.

This Government, like the previous Government, is depending upon supply and demand and supply management. Shri Mir-dha was calming that sugar production has gone up to one crore tonnes; foodgrains production has exceeded by 17 crores tonnes. As a result, supply is there. But the demand has not gone up. The prices have gone up. Why? Because hoarders are hoarding the stock in the bank godowns on the basis of black money. Consumers do not enter to godowns. They are left out.

MR. DEPUTY SPEAKER: You have to be very brief. You have very well made the point about control and supply of money.

SHRI BHOGENDRA JHA: Sir, I am suggesting a way-out.

MR. DEPUTY SPEAKER: You have the capacity to make it. But make it very brief.

SHRI BHOGENDRA JHA: So, I think that policy had failed. Supply is there. The demand has not gone up and then the prices have gone up. Some sort of cartelisation has taken place on our wholesale trade. We have read in the newspapers. Cement production will have to be reduced. The prices may come down. Cement production went up and the prices went up. I want to know whether you are in a position to break that cartelisation. I am afraid that you can not. You have surrendered to them.

Oil crisis is not of our making. Some more worse days are to come.

The hon. young lady is sitting here as the Minister. In order to save 17 tress in Champaran District of Bihar, the gas production was delayed in the name of environment. The ONGC has openly said that it will plant 17000 tress. Again ecology has become a dogma. In the name of that dogma you cannot have gas production. You do not permit oil exploration. So, I think that some more attention has to be given for increasing our production.

All the essential commodities which are necessary for the people—several commodities have been mentioned by our friends—should be supplied through public distribution system. For that, you require stock. So, you must get the stock on the basis of the actual price plus whatever the profit the industrial producers have got. Ensure control over the wholesale market and ensure supply through the network of public distribution system in the towns, in the villages, throughout the country. For that, you should fix remunerative prices to the peasants and well thought-

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out prices must be proclaimed before so that they can go in for that production. Even in regard to pulses, our country can become self-reliant. Between the prices given to the peasants, primary producers and the prices charged from the actual consumers, there must be a limited gap, I think, of 20 per cent; not that the peasants are given less and the consumers have to pay more; and the middle men may loot the people on both the sides. Such a coherent policy has to be made.

Do not be jubilant that sugar prices are not rising now. At present there is no demand because of the rainy season. Again, it will go up. So is the case in regard to many other things.

MR. DEPUTY SPEAKER: Please conclude now.

SHRI BHOGEN德拉 JHA: I am now concluding. I am not supporting the Adjournment Motion. Mr. Rajiv Gandhi has made an appeal to us to vote. We will not vote for that because he has justified his policy. I was hearing Shri Rajiv Gandhi very attentively. He did not say a single word whether anything was wrong with his policy. He entirely justified those policies which are boomranging today. So we cannot support that. We have to vote against that policy. But this should not be taken by this Government to mean that we support the policies of the Government... *(Interruptions)* We are saying, either you change your policy, make it pro-people and anti-exploiter or people will go to the streets. We will not support them. But the masses will come to the streets. They will come to struggle and demonstrate. They will come to struggle and demonstrate. They will not tolerate that they produce and still they have to purchase at higher prices and allow the middlemen to loot. This is a warning. But still we support this Government because we do not want this Government to fall. We want this Government to continue for a full term of five years..... *(Interruptions)*

MR. DEPUTY SPEAKER: Now the hon.

Minister is to reply. *(Interruptions)*

MR. DEPUTY SPEAKER: I have a long list and it is very difficult for me to accommodate everybody.

(Interruptions)

[*Translation*]

SHRI RAM KRISHNA YADAV (Ajamgarh): Kindly give two minutes time to me also.

MR. DEPUTY SPEAKER: I will provide you opportunity to speak tomorrow and on whichever subject you want to speak, you may speak at length. You would be given chance on some other occasion. If I give you a chance right now, why not to Sheila Kaul and Chitta Basu?

SHRI RAM KRISHNA YADAV: Please give me just two minutes.

MR. DEPUTY SPEAKER: You should appreciate that I will be very happy to give you time. You would be given adequate time tomorrow. You are doing all this unnecessarily... *(Interruptions)*

[*English*]

MR. DEPUTY SPEAKER: Don't continue this argument like this. Hon. Finance Minister, please....

(Interruptions)

MR. DEPUTY SPEAKER: If I give him time I shall have to give time to other hon members also.....

(Interruptions)

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Mr. Deputy Speaker, Sir, I am thankful to Shri Vasant Sathe and other hon. Members who have participated in this debate on the Adjournment Motion. Sir, I may be permitted to point out to the House that in the past on so many

occasions when Adjournment Motion on the price issue was sought to be raised here the plea put forward from the Government side was and there was also some substance I concede that when the price rise problem is a continuing problem in that case it cannot become the subject matter of Adjournment Motion, but it can be raised through Rule 193. Sir, you will be happy that the moment this permission was sought, the Government announced that we have no objection at all because we consider this to be a burning problem and as a result of that Adjournment Motion has been moved on this issue. (*Interruptions*). I myself five names sought permission. It was individual; it does not matter. I am happy Shri Vasant Sathe moved the Adjournment Motion.

Sir, I wish to make it very clear that I would like to take note of every point that has been raised in this House. I would not like to drive the burning problem of rising prices below the carpet. I would also like to analyse the situation as it exists today and on behalf of the Government I would like to indicate to the House the concrete steps and measures that we propose to take in order to see that the rising prices are arrested. Sir, not in a spirit of acrimony but to state the fact that if the prices have to be controlled, essentially it is a question of controlling the economy of the country and therefore when we speak of controlling the economy of the country, the financial constraint that existed at the time of our taking over the economy is very relevant. I am not doing it again in the spirit of finding faults with 'X' or 'Y'. But, please not what were the financial constraints under which we started the management of the economy. In the beginning of December the deficit was of the order of Rs. 13790 crores. The foreign debt was of the order of Rs. 83,000 crores, including NRI deposits. That means the debt service ratio was of the order of 27 per cent. thirdly, due to internal borrowings and external borrowings in 1989-90 Budget, the entire obligation for paying the interest was of the order of Rs. 17,000 crores. When there is scarcity of certain commodities and we are forced to import, we must have adequate financial resources and foreign exchange

resources. We were left with the foreign exchange resources of the order of Rs. 5,000 crores that is, less than what is required for imports for less than two months—to be exact, one and a half months. The rate of inflation at that time was 8 per cent and the food stocks had dwindled down from 20 million tonnes to 11 million tonnes and at the same time I must state that against the background of this, we have to manage our economy. Now with this background, the entire House will agree that if the long term inflationary pressure on the economy is to be checked, the first priority has to be to restrain the deficit financing in our Budget and in our economy. Sir, prior to the presentation of the Budget we had consulted the economists, the central trade unions present trade organisations, women organisations, consumers, small scale industries, and commercial groups and all of them agreed on one point from left to right that what we have to do is to give priority to curbing the deficit financing and, therefore, that was the priority that we have to give.

Now, there is also another aspect. There were certain additional constraint to which I did not refer and that is the Defence expenditure. So, I would not like the House to take it lightly. No matter which part of the House you belong, but all of us are dedicated and committed to the defence of the country. Because of the security environment in the country, we find that whereas in the previous Budget the Defence expenditure was to be of the order of Rs. 13,000 crores, in the Revised Estimate, it became Rs. 14,500 crores, and I was forced, because of the security environment, to put the Budget at Rs. 15,750 crores. Such a quantum jump in our entire Defence expenditure! Some people raised the question that we could have cut down the Defence expenditure. Without meaning any ill-will towards anyone, I would like to recount as to what happened in 1962. When we had to face a debacle in NEFA and when, under the instructions of the Prime Minister of the country, Pandit Jawaharlal Nehru, the Defence Minister had to quit, at that time all criticism in the Opposition and in the ruling party was that we had no defence

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preparedness. And all the books that were written after the debacle of NEFA very clearly said that while counting rupees, annas and pies, we did not take cognisance of the security environment of the country and, as a result of that, we had to face the humiliation defeat in NEFA and as a result of that, the Defence Minister had to go. Therefore, this is another constraint under which we had to control our economy. So, we decided to give priority to contracting the deficit. The deficit in the last budget was of the order of Rs. 7,337 crores, the Revised Estimate was Rs. 11,750 crores and with the cooperation of all, I tried to contract it to Rs. 7,206 crores. Now, people say what guarantee is there that we are going to maintain the deficit at Rs. 7,206 crores so that in the long run we are able to check the inflation..... (*Interruptions*)

SHRI JANARDHANA POOJARY
(Mangalore): What about revenue deficit?

PROF. MADHU DANDAVATE: Please don't disturb me. I never disturb you, so, you please don't disturb me.

SHRI JANARDHANA POOJARY: But I was not given a chance to speak.. (*Interruptions*)

PROF. MADHU DANDAVATE: You leave it to me. I will take care of it. So, Sir, as far as deficit is concerned, this was the position Rs. 7,337 crores, then Rs. 11,750 crores and we tried to contract it to Rs. 7,206 crores. After listening to Mr. Sathe, I feel that the legitimate question that the House can ask is what guarantee is there that we will be able to maintain this deficit at this level. Therefore, I have given the assurance to the House that every four months we will come before the House and give the performance of our efforts to collect the revenues and curtail the expenditure. Inside the Finance Ministry, we are doing it every month and inside the House I shall present, in this Monsoon Session, the first four-monthly report.

One very significant and valuable point was raised by my friend Mr. Sathe. He quoted an economic journal and said that last month, whereas at that particular point of time last year, the deficit was of the order of Rs. 9,000 crores, no doubt the deficit had come down. It was Rs. 7,400 and odd crores. But then that was supposed to be more. Now, there is a common misnomer that if the deficit goes up after two months or three months, then ultimately at the end of the financial year, the final deficit is bound to be beyond that. If you look at ten years graphs of various deficits that have grown or contracted month by month, you will find that the general trend in the deficit has been that in the beginning there are no collections. The expenditure starts. Therefore, the deficit goes up. It reaches at a particular maximum point at that particular point of time when we start giving the shares of various States. Then some sort of a plateau, a constancy of deficit is maintained, or it goes up and down. At a later stage again when almost all the expenditures are over, the States' shares are already completed and in the final phase only we get the revenues, but there is less expenditure, again you will find that the deficit starts coming down. If we were to fulfil the final target, it might come to Rs. 7,206 crores, it might be up. I will try my best to see that we try to keep the deficit at the level of Rs. 7,206 crores. Therefore, because it has gone to Rs. 7,400 crores, do not imagine that further deficits are to be high. Always this is the trend that is observed in the last ten years' deficit trend. That is the point that I would like to make.

As far as the resources are concerned, I do not want to discuss in detail. While replying to the Budget, I had made that point very clear. Our entire strategy was that if the deficits are to be curtailed, that means expenditure to be curtailed and revenues to be augmented. Obviously, I must have resource mobilisation. And by and large we decided that when we have to augment the resources, we would try to concentrate on those articles of elitist consumption instead of taxing the entire society. We would try to restructure those taxes which are to be paid by the riche:

sections, elitists and the capital intensive companies and as a result of that because of the advantage of investment announcement, many other facilities and incentives were completely escaping the tax net, maximum profit and almost zero taxes are there, these people have been brought into the tax net and those richer sections will also pay the taxes. We are trying to have additional resource mobilisation through corporate taxation and last time it was zero. This time it is going to be 800 crores of rupees and we are trying to mobilise these resources. I am very happy to mention about the four monthly reports which will come before you. But Mr. Sathe will be happy that as far as the expenditure is concerned, one by one we are calculating and these are our efforts. We have been able to curtail the expenditure. The revenue must increase still more. What we are doing is that we will try our best to keep the deficit as small as possible, as far as possible, because ultimately, as I rightly said, it is the budget target that was projected, it is the money supply increase and the deficit that will ultimately decide as to how much will be the increase. As far as the inflation is concerned, I do not want to repeat what Mr. Jaswant Singh has said. The imbalances are due to deficit and others, the imbalances created outside because of the fall in production of certain essential commodities and thirdly, the hang-over of the past liquidity. These are the main resources and we are trying to see that these sources are properly tapped.

As far as money supply is concerned, Mr. Sathe was right in saying that the money supply has increased to 19.1 per cent. But that was in 1989-90 and I am very happy to state-not that we have completely salvaged the last year's increase-that as far as the first quarter is concerned, as far as the rise in money supply is concerned, there is growth by 4% in this quarter as against 5.8% money supply last year and we will try our best to monitor the economy so that money supply increase to which Mr. Jaswant Singh referred and Mr. Sathe referred and many other Members referred will be taken care of by us.

SHRI VASANT SATHE: What was it in the first quarter?

PROF. MADHU DANDAVATE: In the first quarter, I am pointing out that it is 4% and last time it was 5.6%. It is an accepted practice that we compare with the identical figures. So, last time it was 5.8% and now it is 4%. I was there to refer to the percentage variations over the year-ending. I did not want to discuss with the leader of the Opposition when he was speaking. But I would like to point out in all humility, I am not satisfied even with these results. But when we are trying to paint a picture which was so gloomy-as if the past picture was very bright, unfortunately we have to compare the two gloomy pictures and not one fine and one gloomy. These are the figures available from all the documents. We have picked up, for instance, the latest available figure of 21st July, 1990 and we will take the figures of 22nd July, 1989 to calculate the annual rate of charge.

As for foodgrains, cereals and pulses, this time it is 4.2% and last year, to the corresponding date, it was 4.4%. For cereals, this time it is 3% and last time it was 4.6%. Both have increased, no doubt. In regard to vegetables, this time it is 18.3% and last time it was 25.6%. As for tea, this time it is 18.8 and last time it was 44.1%. In the cases of manufactured food products, this time it is 8.8% and last time it was 9.6%. In the case of sugar, this time it is (-) 0.2% and last time it was plus 7.8% rise. (*Interruptions*) I think Mr. Sathe will have the right to reply to the adjournment debate and I think he will take care of the points.....

SHRI K. J. AKBAR (Kishanganj): It is all work of imaginative bureaucrats.

PROF. MADHU DANDAVATE: No, not at all. It is not the work of imaginative bureaucrats. I have also done my home-work. In my hand-writing I have taken the note.

And I can assure you that for these references Madhu Dandavate does not require the bureaucrats. He does his home work, as I am doing it today. (*Interruptions*).

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Even your price has increased. I am saying this in a good sense.

Khandsari—this time it is minus 3 per cent, last time it was 24.3 per cent. Salt-8.1 per cent increase this time, last time it was 7.9 per cent. Textile-8.4 per cent this time and last time 10.3 per cent. I am not happy even with these results. If my performance and examination has failed, as I said at one time, I cannot be happy because I am the first among all those who have failed. That is not my satisfaction at all. We would like to improve the situation further. This is the position.

As far as the excess liquidity to which Mr. Sathe has referred is concerned, no doubt that is one of the important problems and we have increased the statutory liquidity ratio from 38 per cent of 38.5 per cent. I am sure that will give us some benefit.

A question was raised by a number of persons and I think in a very figurative way and a characteristic way Jaswant Singhji said: 'Why is it that you have referred only to the wholesale consumer price index and not to the consumer price index?' And he said: 'One is the beautiful charming lady and the other is the wife.' I would not like to give such analogy because why try to have a conflict between a beautiful lady and the wife. He compared the wholesale price index with a beautiful lady and he said: 'Why do you resort to that reference? It is better that you go to CPI Consumer Price Index.' And he referred to that as wife. I do not want to add to that conflict. But I must explain that as far as the wholesale price index is concerned, even the periodical changes are available from time to time. As far as consumer price index is concerned, all urban, rural and various sections and for various periods they are not easily available and that is why unfortunately we have to take recourse to wholesale price index, but I agree with all the Members that if the consumer price index is available, in that case that gives a better position. I would also like to refer.....

PROF. P. J. KURIEN (MAVELIKARA):
Now, is forgetting the wife and going for the beautiful lady better?

PROF. MADHU DANDAVATE: That is all right. This is about the rise in petrol and diesel prices. Vijaykumarji referred to that; Jaswant Singhji referred to that and Mr. Bhogendra Jha referred to that, and you, Mr. Sathe, referred to that. And of course, our former Prime Minister and the Leader of the Opposition also referred to that. They were right. As far as petrol and diesel are concerned, any increase in the price of these inputs for our transport are bound to increase the commodity prices. But I must make it clear, I had pointed out to you here that according to the calculations of what is likely to increase and actually what has happened, I candidly agree, Sir. For instance, there is a 15 per cent increase in the petrol prices and 10 per cent increase in the diesel price. If you calculate according to that, one-third of this petrol price index should enter into the transport increased prices and therefore, transport prices should go up by 5 per cent and 10 per cent of that 5 per cent should actually reflect into the increase in prices of items and about 10 per cent of 5 per cent would mean only half per cent. But as Bhogendra Jha has rightly said, knowing many traders, businessmen or any other entrepreneurs whenever they get an opportunity to see that the inputs that are required for their industry or business have also gone up, they do not make the mathematical calculations and increase the rates according to them, but they have the modern mathematics, they have multiplier factor and even if it is half per cent increase, in that case it becomes 5 per cent and therefore, taking pretext of this particular increase, they have further increased it, and that particular analysis of Mr. Sathe is perfectly justified that petrol and diesel having touched that, they have also entered into the increase in the number of commodities, but I must think there were certain compulsions. We wanted to see that the budget is restricted to minimum value. Therefore, we touched the high capital intensive companies, we tried to touch the elitist production, the elitist consumption items,

but in spite of that, when we found that the deficit financing could not contract to the necessary value, as an unpleasant act—I am not happy about it, as an unpleasant act I know what will be the consequences—to close the deficit gap we were compelled as an unpleasant duty to impose levies on petrol and also diesel. Of course, in doing that I tried to be selective. Of course in doing that I tried to be selective. We tried to eliminate naphtha which is used for fertilisers. We tried to see that kerosene is not touched; we tried to see that the furnace oil is not touched; We tried to see that the gas and the LPG are not touched. In spite of that, I fully agree even whatever the remainders, that caused definitely increase in prices and we had to see that that particular effect is neutralised. Everyone of you have made that criticism. I fully accept that criticism. Since there was no alternative left open to us, this unpleasant act had to be done. Each one of you including the person who have moved the Adjournment Motion and the last speaker Vijay Kumarji had said that when you touch petroleum and diesel, you are bound to increase the products of that and that particular conjecture is coming.

SHRI BHOGENDRA JHA: What is the way out?

PROF. MADHU DANDEVATE. We will find the way out as to how we will neutralise. I will come to that. As far as those who have exploited this particular increase and raised the prices are concerned, our experience is, even if we annual those increases they are not going to come back to the original prices. Then, as far as immediate steps are concerned, I would like to point out to you certain aspects. Take for instance, sugar. It is a fact that in the previous year when the sugar production had come down from 92 lakh tonnes to 87 lakh tonnes, because of the decline in production there was considerable increase in the price of sugar during your regime. In our regime, we sat with the unions; we sat with the industries; we encouraged them to have better production and we have told the unions working in the sugar industries that they would get incen-

tives. Fortunately, we expected that the production would be about 105 to 107 lakh tonnes. We are happy the production is about 110 lakh tonnes and as a result of that we are not able to bring down the sugar prices too low, but at least we have been able to restrain them. We have to take precautions. The mistake that we committed in 1977 has to be avoided. We must not allow sugar prices to depress to that extent by which the sugarcane growers and the kisans will not get the price and if they are denied of the remunerative prices, in fact they will burn the sugarcane and then burn us who are responsible for not giving them the remunerative price. So, some sort of a balance between the two has to be established. Then, as far as tea is concerned, I said it earlier, I assured you and we did that. The previous Government, I cannot blame them because these are the obligations with the friendly countries, had entered into an arrangement that there would be export of tea to Soviet Russia. We have also good relations and we have nurtured those relations. We have persuaded them that we have certain difficulties; this time the tea crop has gone down the therefore allow us to stagger these exports. We did that and as a result of that, the price of tea has been stabilised. They have been brought down to some extent.

Then, as far as salt is concerned, I said it last time, some Members have requested me that I should go into the expert enquiry into the point that because of the iodisation of salt, the price of salt has gone up. I am happy to report that iodisation has not caused any rise in the prices of sale and the reason in something else. If you iodise one tonne of salt, actually the expenditure is Rs. 40 to Rs. 42 per tonne. Our subsidy is Rs. 20 to Rs. 22 per tonne. If you calculate that, as a result of iodisation, the increase in the price of salt will be only two or three paise per kilogram. But where the thing had gone wrong? We found that we had certain difficulties about transport. We contacted the Railway Ministry. The initial difficulty was that the Railways have put some restrictions. If you want to move the salt from the place of salt plant to the centres where the

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salt is to be received, you must have the full rake movement and then all then all the wagons will be filled up. As a result of that, they had to wait for the loading of the salt. In that case, the turn-over of the wagons was changed. As a result of that, receiving centres received salt. We had sorted out the issue. You must take note of one more factor. At a number of places in the villages where there are heaps of salt without fancy packages and where the salt will be available very cheap, if you insist on beautiful packages the price of salt will be high. We have sent instructions to the effect that for those who are prepared to accept the salt without packages it must be given without it and packages should not be insisted. In that case, without package, salt will be available at 80 paise to one rupee. Of course, unfortunately with package, it goes up. That is why, we are trying to tackle the salt problem.

About cement, the Prime Minister has rightly indicated it. We had an agreement with the industry that they must try to bring down the cement prices to the March level. By and large, after some time, the prices came down. But after that, we enquired and found that there were certain break-downs in certain plants. They assured us that they would set up the plants which were broken down. Now, in two or three regions, the cement price has come down to March level. But in other places, the prices have gone up. The Leader of the Opposition tried to ridicule it saying: it came down and had again gone up. Leave aside your ridicule, we have taken cognizance of your criticism and we will try to see that those cement plants which are out of order or broken down are properly set up. It is not only in two regions but in all the regions, we will see that the cement is available at the lower price. (*Interruptions*)

Yesterday, the news has come that there is cartel that is being operated by certain interested parties. About cartel, we will take very firm attitude and we will that this problem is also solved.

But there is only one sensitive item which has put us into difficulty and put the nation into hardship. That is the edible oil. I must humbly admit that so far we had miserably failed in controlling the prices of edible oil. But I must tell you, in order to salvage the situation, what we propose to do. Unfortunately, the production of oilseeds has gone down. We want to increase the production but that is a long-term measure. But what will the people do in the short-run? We have made certain arrangements. We have talked to the National Dairy Development Board; we talked to Dr. Kurien and an arrangement is made. There are large packets of milk lying unsold with some countries. Do not ask me to name those countries. We have made certain arrangements. Those packets of milk will be given to them. In lieu of that, certain will be given to them. In lieu of that, certain foreign exchange will be available. We will not take the foreign exchange but for the due quantity of the foreign exchange, the palmolein oil will be brought here. Originally our plan was, on the instructions of the Prime Minister, we would bring that oil, we would mix it up and bring it with the traditional oil, we would refine that and sell it at the low price. Fortunately we have got the fresh information that we will be getting refined palmolein oil and straightaway we will sell it. We have tried our best to see that before the festival season, we will try to give oil which will be of cheaper variety. Of course, sometimes, the taste is to be adjusted. I understand, in times of difficulty when there is less production, I think, eating habit also will have to change and we will try to do that. (*Interruptions*) You will laugh it. We have done it in the past. I may tell you in the II World War, when there was differential between kerosene and petrol, a number of countries tried to resort to kerosene and as a result, certain changes were brought out. It is not only that but I would like to refer to 1965 in which Shri Lal Bahadur Shastri, the Prime Minister of the country appealed to the nation: "Since we are passing through difficult times, we have to change our eating habit and I will start it myself and I shall request the nation so long as the security environment continues as it is, let us try to forego one evening meal." A

number of people did that. Do not try to ridicule when we talk in terms of changing eating habit. (*Interruptions*)

Those of us who were in jail were forced to change our habit because whatever was given, we had to eat it.

Mr. Bhogendra Jha has made a very fine and constructive suggestion. They say, businessmen and industrialists are responsible for stocking of any commodity and as a result of stocking and hoarding, artificially prices go up. In that case he suggests, utilise the Essential Services Maintenance Act. Of course, it is to be implemented by the States. We have coordinated our activities with them and I am happy to say that even after the new Government has come, 914 hoarders have been dealt with. For these activities we will strengthen the machinery and we would warn all the vested interests that if they resort to hoarding, serious possible action will be taken in cooperation with the State Governments, and whether it is Congress or non-Congress State Government, all of them are prepared to coordinate and cooperate with us. With their cooperation, we will try to implement this.

Shri Rajiv Gandhi has made some criticism. He said that India's credit rating has gone down. I will put the record straight. We have been kept on credit watch because of what happened between 1985 and 1990. I have the facts and figures. Number one is the persistent fiscal deficit financed by internal borrowing that caused increasing debt. Secondly, the mounting current deficit financed by borrowing abroad. That also created certain difficulties and, as a result of that, no doubt a credit watch is kept. But I am one with even Members of the Opposition that as far as our country is concerned, our debts might be very high. On 31 st March, 1989 it was Rs. 83,000 crores. Now it is Rs. 1,00,000 crores. Debt service ratio is 30%. That means, whatever we export, almost one third of our export earnings will be spent, not on India's welfare and development but in paying the interest in spite of that, one matter of pride, whether you rule or we rule,

for us is that we had heavy debts. But we never become defaulters like some of the countries which are over 75%. Our position is not like that. Ours is 20%. I am not even happy about it but we will have to curtail it. This is the aspect that I would like to say.

Shri Rajiv Gandhi has made another allegation. He said that when the new Government came, he tried to indicate as to what happened as far as the rising prices are concerned. Between December, 1989 when the NF Government took over, till the end of July, 1990, he said that the whole sale price index increased. That is true. Between September and December, 1989, prices dropped to some extent. That is also correct. You are correct. With all respect. That is also correct. You are correct. You are correct. With all respect to your knowledge and wisdom, let me tell you that the period, between September and December, 1989 is the period between khariff crop and that is the traditional period in which the prices decline. Between January and August, 1989 prices increased by more than 6%. This was not much different from what happened in 1990. There are certain economic laws. Whether Shri Vishwanath Pratap Singhji is the Prime Minister or Shri Rajiv Gandhi is the Prime Minister, the economic laws operate. That is the equality before law and, therefore, let me tell you that as far as these facts are concerned, there is no distinction between the two. I do not want to be linked. I must also put the record straight because it is in national interest.

Some sort of a scare is sought to be created that there is a war in Kuwait. OPEC has created that there is a war in Kuwait. OPEC has created certain rise in prices and, as a result of that, the whole situation is going to be very dangerous. We anticipated that we might be lacking proper imports and, therefore, one mistake we did not commit. Again I do not want all of us to be blamed, because all-party Public Accounts Committee on the Kuo oil deal had made certain observations. Shri K.P. Unnikrishnan is here. He knows that. That Committee which contained Congressmen also unanimously said

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and that will be guidelines for me. At the time of the Kuo oil deal they said—when actually, the Singapore spot prices of oil were falling, the deal was struck at a higher constant price—that particular committee report said:

“That Committee does not see how it was prudent on the part of the Government to make such transactions”

and, therefore, it was assured to us by the previous Government also that “in future, we will take a note of the falling prices and make the imports and the purchases at appropriate time when our import bill will be released.” Taking note of this particular issue, I must say that a number of things which we had done in the Opposition, they are helpful to us when we are in power. We saw that when we have to purchase the oil, some difficulty may arise. The bills may go up and, therefore, taking due precautions, we saw to it that when the prices of petroleum were low, we made substantial spot market purchases. Our inventories were made full. Therefore, please rest assured that in spite of what has happened in Kuwait, so far that has no disturbance and don't create any international panick. Do not be advantageous to those who are sending petrol to us. Do not create panick. Do not try to demoralise any one. Anticipating that certain changes will be there—of course, we did not anticipate Iraq's entry into Kuwait—we expected that the prices may go up due to some other extraneous factors and we use not wisdom but common sense and decide to keep up our inventories full. Therefore, there need be no alarm on that score.

Regarding impact on events in Kuwait, we will have to watch what will happen. But we will take due precaution to see that we will not become panicky on that score. I do not want to take much of your time. But I would like to make an appeal to you.

Sir, occasionally there might have been confrontation. Where there is Opposition, where there is a ruling party, there is bound

to be confrontation. I do not blame all of you because even when we were sitting in your Benches, we also vigorously tried to raise the issues. In fact the task of the Opposition is to expose and Oppose. Whenever some mistakes have been committed by the ruling party or any one, if there are some loopholes in the policy, it is the task of the vigilant opposition to point out. In fact, my grievance is that you do not give enough notices. Whatever amount of homework you are doing every day for giving 13 notices, those notices are not coming. But I congratulate you for having reside this matter of public importance. But only one appeal to you. Really many constructive solutions and suggestions have been made on both sides of the House regarding streamlining the Public Distribution System, regarding the imports, regarding hoarders, regarding certain cartels that have to be destroyed, regarding certain actions that have to be taken against those who are trying to resort to excess stock. We will take care of all these suggestions, no matter whether they come from the ruling party or from the opposition or by the supporters.

I have only one request to you. I do not want to cast any aspersions. But when one of my friends on the Opposition side was speaking, I only made a request that if I and my Government have committed any blunder from the policy issue, please attack me or my Government. But do not attack those who are trying to support our Government from outside. Do not pick up this opportunity to hit at them. (*Interruptions*) You will get enough opportunity. Please don't do it now. I have no grouse. All that I have said is that I am prepared to accept the responsibility. (*Interruptions*)

SHRI BHOGENDRA JHA: We do not expect this reply to come from you. We will support you. We are accountable for your policy also. Moral responsibility is there on us also.

PROF. MADHU DANDAVATE: That is all right. I am very happy that Shri Bhogendra Jha has sportingly said: “Though we are

supporting you from outside, still we share the responsibility of everything that you do." Therefore, in a very friendly manner they have pointed out to us. I can rest assured that whether friendly or unfriendly, I do not treat the Opposition as unfriendly because you might be the Opposition and you might be the ruling party. Opposition is not the enemy of the country. They are the friends of the country; they are friends of democracy because it is their task to point out what are the failures of the ruling party. I congratulate Shri Sathe for having brought this Adjournment Motion. But I want to make one appeal to you. Having assured you that all the constructive suggestions will be taken note of, I will try my best to implement and check the prices. My last appeal to you is this: having brought to the notice of the entire House all the issues that he wanted to put forward, I appeal to Mr. Sathe not to press for the Adjournment Motion and in spite of that if he presses for the Adjournment motion, my appeal to the House is: very humbly reject it. *(Interruptions)*

SHRI JANARDHANA POOJARY: Sir, I have given one notice asking for permission to put a question.

MR. DEPUTY SPEAKER: This is not the time.

SHRI JANARDHANA POOJARY: With your permission, I would like to ask a question.

MR. DEPUTY-SPEAKER: Now we have come to the fag end of the debate.

SHRI JANARDHANA POOJARY: It is a very important issue. I have to put one question. *(Interruptions)*

MR. DEPUTY SPEAKER: Not now. If you make a point again he has to reply and there will be a debate. This, we cannot afford to do.

(Interruptions)

SHRI JANARDHANA POOJARY: I want

to put the record straight. You kindly permit me. He has misled. *(Interruptions)*

MR. DEPUTY SPEAKER: You tell Mr. Sathe, he will do it.

(Interruptions)

SHRI JANARDHANA POOJARY: You please permit me. The hon. Finance Minister has stated in his reply that the revenue deficit in his Budget was the highest during the entire period of 42 years.... *(Interruptions)*

MR. DEPUTY SPEAKER: No, please. You hand it over to Mr. Sathe and he will do it.

(Interruptions)

SHRI JANARDHANA POOJARY: I want to say that the hon. Finance Minister has misled the House... *(Interruptions)*

MR. DEPUTY SPEAKER: No, please. Mr. Sathe to speak.

(Interruptions)

SHRI VASANT SATHE: I thought at the end of the debate on this very important question, we will have have some re-assurance from the hon. Finance Minister that there is some hope at least some time in the near future, that the prices would come down. But the entire speech which he made was apologetic ultimately trying to defend and justify saying that economic laws are the same for everyone whichever the Prime Minister, whichever the Government is and, therefore, they will operate. Why did you not think about it during your elections when you were criticising us that under the economic laws we had got the price rise? Why did you not think of economic laws when months after months you started from January onwards, both you and taking cue probably from you the hon. Prime Minister started assuring that next month, within three months, within four months the prices will come down. The more you assured, the more they went

[Sh. Vasant Sathe]

up. That is why, probably, I think, Dandavateji has not assured anything to this House.

Another thing that surprise me is that he was quoting an example and I would like to know about it. Let some officers in your Finance Ministry give us really that whole review of whether in very annual Budget, as you said—this is what I have noted—the deficit target, whichever estimated deficit is there, is reached in the first quarter itself. I have to understand it and therefore I would like to know this. Because if this is true, then it reaches in the first quarter and according to him it becomes a plateau and later on it comes down so that the annual deficit remains within the budget estimates. This is what I have understood. If this is true, then all your other things that are going to come which are called hidden deficits, where will they be taken care of? How is it then that budget after budget things go beyond budget estimates? If this was true that it reaches there and that becomes plateau, why does the supplementary budget come and why do you criticise it later on? Therefore something goes wrong. Don't be so sure that you will be able to contain the deficit as you have said. Because that is again all from economic laws.

I would like to show it, when you said deficit—giving the analogy of our performance. The Finance Minister again repeated it—the legacy that was left to them. There is repetition again and again that nothing was left to them and that is why they are not responsible. Instead of owning up the responsibility and saying that we went wrong, as you rightly did, during the Budget speech I distantly remember sitting here listening to you when you again and again emphasized that although we are increasing the petrol prices, although we are going to increase the diesel prices, its impact—to the whole House, to everyone he said—on the prices of consumer commodities will be negligible, knowing full well that this story of mathematical

business does not actually happen and its had a devastating effect all across the line.

I remember the percentage story of an intelligent mathematician who went at the river wanting to cross the river. He calculated the average depth and found that it was only 4 feet. He was 5 feet and 4 inches tall like Mr. Dandavate. He thought that he can easily cross the river taking into consideration the law of averages and percentage. Precisely what happened? He tried to cross the river and drowned. That is what happened to you. This is what happened to this Government. It drowned in between in the river of prices rise, inspite of the crutches.

I believe that as far as this tendency of deficit is concerned, you have to take the average—whenever five years period is there or when you take it for the decade. You will see the tendency in the previous years right from 1980-81 to 1988-89. In 1980-81 as percentage of GDP at the market price, the budget deficit was 1.9 because it is taken as a percentage. Then in 1985-86 it was again 1.9. In 1986-87—you can correct me; I believe the hon. Prime Minister was the Finance Minister of the country—it increased to 2.8. Then again when he ceased to be the Finance Minister it came down in 1987-88 to 1.7.

SHRI VISHWANATH PRATAP SINGH: It was the period when the Leader of the Opposition was making announcements out of the Budget of thousand and thousand of crores of rupees in various states. (*Interruptions*)

19.00 hrs.

SHRI VASANT SATHE: To give excuses on the hind-sight is a very dangerous thing because if he seizes to be the Prime Minister tomorrow, he will give similar excuses later on, to other people also. So, this is not fair. (*Interruptions*) Therefore, to say this analogy that in the last year, as it were, something had happened and we were left with a legacy, is not fair. Did he say that in the previous year the Budget that he had got or

the deficit that he had got was a legacy? Or because it is the same Government, should the next Finance Minister say that the legacy given to me was 2.8? Therefore, what I am saying is this. When you deal with the nation as a whole and its Budgets and if you talk in terms of... (Interruptions) It is not the question of distance. The thing is you have to take it in your stride. You have to have the confidence that you can manage this. And you have to take measures, economic measures and that is what you told the country; that is what you told the House, that you will be able to manage. Unfortunately, having failed totally, now you are trying to argue, as they say, 'For e'en though vanquished, he could argue still'.

[Translation]

This is an example of the famous saying.:

"Marjbadta gaya, jyon-jyon dava kee."
The disease is aggravating with every dose of the medicine. Kindly discontinue it.

[English]

SHRI M.J. AKBAR: You change the doctor.

SHRI VASANT SATHE: You have to change the doctor. (Interruptions) Shri Madhu Dandavate was speaking from the other side and I was also speaking from my side. We were keeping the debate at a certain level—at an intellectual level. But I was amazed, both when I was speaking and my leader was speaking, to see some of the crutches were virtually jumping like springs. What was worrying them? (Interruptions) What was bothering them? (Interruptions)

[Translation]

SHRI MADAN LAL KHURANA (South Delhi): We are not a bonded labour. (Interruptions)

[English]

SHRI VASANT SATHE: I am not going to use this word, 'bonded labour' Some nicer words, they have said. (Interruptions) You are talking of beautiful lady and all that. But I can see the protest from both the quarters. They refused to be called either a wife or a beautiful lady. (Interruptions) Shri Madhu Dandavate was trying to protect and ultimately was appealing, 'please do not say anything to them'. (Interruptions) What is the relationship do you have with them?

(Interruptions)

PROF. MADHU DANDAVATE: Again, don't create problems in my home (Interruptions)

SHRI VASANT SATHE: Someone said, 'Hon. Shri Somnath Chatterjee is the first man to get up immediately, whenever anything is said—an angry man to protect the Government'. (Interruptions)

SHRI M.J. AKBAR: He is new *Tau*. (Interruptions)

SHRI VASANT SATHE: Somebody said that he was a new *Tau*.

(Interruptions)

But, what happened to one *Tau*? (Interruptions) Somebody whispered to me here. The way they were vying with each other to please the Government, someone whispered to me not 'Tau' But..... **.....

(Interruptions)

SHRI SOMNATH CHATTERJEE: It is the role you have always played... (Interruptions)

SHRI VASANT SATHE: I said, somebody whispered. I have not heard it.

MR. DEPUTY SPEAKER: That word will not form part...

(Interruptions)

SHRI SOMNATH CHATTERJEE: This is the level of debate! This is the intellectual level! *(Interruptions)*

PROF. MADHU DANDAVATE: Please don't go to that level. *(Interruptions)*

SHRI VASANT SATHE: The word is withdrawn. I keep it to 'Tau'

SHRI SOMNATH CHATTERJEE: You have some principles, not out of your so-called loyalty to one person. *(Interruptions)*

They have no conscience. *(Interruptions)* This is not the way. *(Interruptions)*

SHRI VISHWANATH PRATAP SINGH: Mr. Vasant Sathe has withdrawn the word. Let us not have a debate on 'Tau'. *(Interruptions)*

SHRI SOMNATH CHATTERJEE: Why don't they ask themselves? Everybody has deserted them. *(Interruptions)* They want our help. *(Interruptions)*

[*Translation*]

PROF. VIJAY KUMAR MALHOTRA: You are the Bofor's 'Tau'... *(Interruptions)*

[*English*]

MR. DEPUTY SPEAKER: Please take your seats.

(Interruptions)

MR. DEPUTY SPEAKER: Mr. Makkasar, please sit down.

(Interruptions)

MR. DEPUTY SPEAKER: Mr. Malhotra, you have also used wrong words. I did not say anything to you also. I will request that let not the Members use the words which will hurt the feelings of others.

(Interruptions)

MR. DEPUTY SPEAKER: You will sit down first.

(Interruptions)

MR. DEPUTY SPEAKER: Please sit down first.

(Interruptions)

MR. DEPUTY SPEAKER: Do not complicate the matter.

(Interruptions)

MR. DEPUTY SPEAKER: Let me complete what I have to say.

(Interruptions)

MR. DEPUTY SPEAKER: Please sit down first.

(Interruptions)

MR. DEPUTY SPEAKER: Mr. Makkasar, you will have to sit down.

(Interruptions)

[*Translation*]

MR. DEPUTY SPEAKER: I would like to request you all to first listen to what I am saying and I will give you an opportunity to speak after I conclude. Immediately after that word was spoken. I said that it would not form a part of the record. Secondly, Shri Sathe ji has said that he is withdrawing his words. So, kindly do not stretch it too far now... *(Interruptions)*

MR. DEPUTY SPEAKER: No I will not do that.

(Interruptions)

MR. DEPUTY SPEAKER: If you want me to do that, then I shall have to do that against many of the Members. You will please

sit down. It is not use shouting.

(Interruptions)

[*Translation*]

MR. DEPUTY SPEAKER: Your demand has been fulfilled. If action is taken against some one that way, it would have to be taken against many Members.

(Interruptions)

[*English*]

SHRI VASANT SATHE: I would again say that I withdraw the word and I will settle on the word 'new Tau'.

(Interruptions)

SHRISOMNATH CHATTERJEE: Now, they want a 'Tau' to help them out.

(Interruptions)

MR. DEPUTY SPEAKER: Somebody has talked about wife and beautiful lady. Why don't you make the two in one?

(Interruptions)

SHRI VASANT SATHE: I would leave it to you Sir. I do not want to make any further remarks now... *(Interruptions)*

[*Translation*]

I do now know whether it will be 'Ardhanarishwar' or something else. *(Interruptions)*

[*English*]

I would only suggest that this question of price rise is connected with the larger question of economic structuring and restructuring. Unless the Government, irrespective of parties, shows sagacity and courage to restructure our economic system and make it accountable and growth-oriented, we will not be able to solve the prob-

lem of production of goods. What is inflation mainly? It is lack of commensurate goods related to the money in circulation. Therefore, ultimately, we will have to think in terms of that structure which will enable this country to reach those heights of growth, particularly of essential commodities and not of elitist consumer goods. That is why, I sincerely believe that this Government will take bold measures to curb price rise and bring about a structural change. We would really like to know as to whether the country is satisfied with these prices and price rise or not. This Adjournment Motion is only to register our protest and censure against the policies, not the individuals, of the present Government's administration. Those policies have resulted in such a skyrocketing and harassing price increase in the country. People must know and as representatives of the people, it is our duty and everyone who honestly feels that this price rise is unjustified owes it to the people of this country to support this adjournment motion and vote in favour of it.

MR. DEPUTY SPEAKER: I shall now put the motion to the vote of the House.

SHRI BHOGENDRA JHA: The finance Minister has intervened and the mover has also just concluded his reply. We are all agreed that the price rise must be checked. I urge upon them not to press for division on the motion.

MANY HON. MEMBERS: No, no.

MR. DEPUTY SPEAKER: I shall now put the motion to the vote of the House. The question is:

"That the House do now adjourn"
The Lok Sabha divided:

AYES

Division No. 1

19.24 hrs.

Ahmed, Shri kamaluddin

Anbarasu Era, Shri
Antony, Shri P.A.
Arunachalam, Shri M.
Asokaraj, Shri A.
Baga Reddy, Shri M.
Bajpai, Dr. Rajendra Kumari
Banatwalla, Shri G.M.
Bansi Lal, Shri
Basavaraj, Shri G.S.
Basheer, Shri T.
Benjamin, Shri S.
Bhagat, Shri H.K.L.
Bhajan Lal, Shri
Bhakata, Shri Manoranjan
Bhardwaj, Shri Parasram
Bhosle, Shri Prataprao Baburao
Bhuria, Shri Dileep Singh
Chandrasekhar, Shrimati M.
Charles, Shri A.
Chaudhary, Shri Kamal
Chennithala, Shri Ramesh
Chennupati, Shri Vidya
Chidambaram, Shri P.
Damor, Shri Somjibhai
Deora, Shri Murli
Dev, Shri Sontosh Mohan

Dinesh Singh, Shri
Godgil, Shri V.N.
Gaikwad, Shri Udaysingrao Nana-
saheb.
Gajapathi, Shri Gopi Nath
Gamit, Shri Chhitubhai Devjibhai
Gandhi, Shri Rajiv
Gavit, Shri Manikrao Hodlya
Gomanage, Shri Giridhar
Gupta, Shri Janak Raj
Handoo, Shri Piyare Lal
Jag Pal Singh, Shri
Jamod, Shri Shashibhai
Jamuna, Shrimati J.
Janardhanan, Shri Kadambur M.R.
Jayamohan, Shri A.
Jeevarathinam, Shri R.
Kamal Nath, Shri
Kamson, Prof. Meijinlung
Kaul, Shrimati Sheila
Kodikkunnil, Shri Suresh
Konthala, Shri Rama Krishna
Krishna Kumar, Shri S.
Kumaramangalam, Shri P.R.
Kuppuswamy, Shri C.K.
Kurien, Prof. P.J.
Lakshmanan, Prof. Savithri

549	<i>Adjournment motion</i> <i>Failure of Govt. to check</i>	SARAVAN 16, 1912 (SAKA)	<i>rise in prices of</i> <i>essential commodities</i>	550
	Muraleedharan, Shri K.		Rao, Shri K.S.	
	Murthy, Shri Kusuma Krishna		Rao, Shri Srinivas	
	Murthy, Shri M.V. Chandra Shekara		Rathod, Shri Uttam	
	Muthiah, Shri R.		Rawat, Shri Harish	
	Nandi, Shri Yellaiah		Raddy, Shri A.Venkata	
	Netam, Shri Arvind		Reddy, Shri Bojja Venkata	
	Odeyar, Shri Channaiah		Reddy, Shri Kotta Vijaya Bhaskara	
	Panja, Shri Ajit		Reddy, Shri R. Surender	
	Patil, Shri Prakashbapu Vasartrao		Reddy, Shri Rajamohan	
	Patil, Shri Shankarrao		Sait, Shri Ibrahim Sulaiman	
	Patil, Shri Uttamrao		Samad, Shri Abdul	
	Peruman, Dr. P. Vallal		Sathe, Shri Vasant	
	Poojary, Shri Janardhana		Scindia, Shri Madhavrao	
	Potdukhe, Shri Shantaram		Selvam, Shri Kanci Panneer	
	Pradhani, Shri K.		Sema, Shri Shikiho	
	Purushothaman, Shri Vakkom		Shankaranand, Shri B.	
	Rahi, Shri Ramlal		Shanmugam, Shri P.	
	Rajeshwaran, Dr. V.		Sharma, Shri Dharm Pal	
	Rajeswari, Shrimati Basava		Singada, Shri D.B.	
	Raju, Shrimati Uma Gajapathi		Sidnal, Shri S.B.	
	Rakesh, Shri R.N.		Silvera, Dr. C.	
	Ram Prakash, Ch.		Singaravadivel, Shri S.	
	Ramachandran, Shri Mullappally		Singh, Shri Anand	
	Ramadass, Dr. R.		Singh Prof. N. Tombi	
	Ranga, Prof. N.G.		Solanki, Shri Surajbhjanu	
	Rao, Shri J. Chokka		Sukhbuns Kaur, Shrimati	

Sultanpuri, Shri K.D.

Sumbrui, Shri Bagun

Sundararaj, Shri N.

Thambi Durai, Dr.

Thomas, Prof. K.V.

Thungon, Shri P.K.

Umbrey, Shri Laeta

Venkatesan, Shri P.R.S

Varma, Shrimati Usha

Viswanatham, Dr.

Yadav, Shri Ram Krishan

Yazdani, Dr. Golam

NOES

Acharia, Shri Basudeb

Advani, Shri L.K.

Agnihotri, Shri Rajendra

Aher, Dr. Daulatrao Sonuji

Ahmed, Shri Anwar

Amat, Shri D.

Argal, Shri Chhaviram

Baig, Shri Arif

Baitha, Shri Mahendra

Bala, Dr. Asim

Banera, Shri Hamendra Singh

Bankhele, Shri Kisanrao Baburao

Barman, Shri Palas

Basu, Shri Anil

Basu, Shri Chitta

Behera, Shri Bhajaman

Bengali Singh, Dr.

Bhagey Gobardhan, Shri

Bhargava, Shri Girdhari Lal

Bhartiya, Shri Santosh

Bhatia, Shri Ram Sewak

Bhattacharya, Srimati Malini

Bhattacharya, Shri Nani

Birender Singh, Rao

Brahm bhatt, Shri Prakash Koko

Chakravorty, Shri Susanta

Chatterjee, Shri Nirmal Kanti

Chatterji, Shri Somnath

Chaudhary, Shri Ishwar

Chaudhary, Shri Ram Prasad

Chaudhary Shri Rudrasen

Chauhan, Shri Prabhatsinh

Chavda, Shri Khemchanbhai
Somabhai

Choudhary, Shri Lokanath

Choudhury, Shri Saifuddin

Chowdhary, Shri Dasai

Commander, Shri Mohd. Hassan

Dandavate, Prof. Madhu

Das, Shri Anadi Charan

553	<i>Adjournment motion</i> SARAVAN 16, 1912 (SAKA) <i>Failure of Govt. to check</i>	<i>rise in prices of</i> 554 <i>essential commodities</i>
	Das, Shri Bhakta Charan	Kalka Das, Shri
	Datta, Shri Amal	Kalvi, Shri Kalyan Singh
	Deshmukh, Shri Chandubhai	Kapse, Prof. Ram Ganesh
	Dhakane, Shri Babanrao	Kataria, Shri Gulab Chand
	Dhumal, Prof. Prem Kumar	Kaushik, Shri Purushottam
	Dikshit, Shri Narsingh Rao	Keshari Lal, Shri
	Dome, Dr. Ram Chandra	Khan, Shri Arif Mohammad
	Fernandes, Shri George	Khan, Haji G. M.
	Fernandez, Shri Joss	Khan, Shri Sukhendu
	Gandhi, Shrimati Maneka	Khandelwal, Shri Pyarelal
	Gangwar, Shri Santosh Kumar	Khurana, Shri Madan Lal
	Giri, Shri Sudhir	Kotadia, Shri Manubhai
	Gujral, Shri I.K.	Kushwaha, Shri Jagdish Singh
	Gupta, Shri Dharmपाल Singh	Lodhan, Shri Guman Mal
	Hannan Mollah, Shri	Mahajan, Shrimati Sumitra
	Hansda, Shri Matilal	Mahale, Shri Haribhau Shankar
	Harsh Vardhan, Shri	Mahata, Shri Chitta
	Heera Bhai, Shri	Maheshwar Singh, Shri
	Hota, Shri Bhabani Shankar	Makkasar, Shri Shopat Singh
	Jangde, Shri Resham Lal	Malhotra, Shri Vijay Kumar
	Jaswant Singh, Shri	Malik, Shri Purna Chandra
	Jatiya, Shri Satynarayan	Malik, Shri Satya Pal
	Jha, Shri Bogendra	Mandal, Shri Sanat Kumar
	Jorawar Ram, Shri	Manjay Lal, Shri
	Joshi, Shri Dau Dayal	Manvar, Shri Balvant
	Kabde, Dr. Venkatesh	Mayekar, Shri Gopalrao

Meena, Shri Nandlal

Meghwal, Shri Kailash

Mewar, Shri Mahendra Singh

Mishra, Shri Balgopal

Mishra, Shri Janeshwar

Mishra, Shri Raj Mangal

Misra, Shri Satyagopal

Montosh, Shri Paul R.

Mukherjee, Shrimati Geeta

Mukhopadhyay, Shri Ajoy

Naik, Shri Ram

Negi, Shri C.M.

Nitish Kumar, Shri

Pal, Shri Rupchand

Pande, Shri Rajmangal

Pandey, Prof. Yadu Nath

Pandeya, Dr. Laxminarayan

Pani, Shri Ravi Narayan

Paraste, Shri Dalpat Singh

Paswan, Shri Chhedi

Paswan, Shri Ram Vilas

Paswan, Shri Sukdeo

Patel, Dr. A.K.

Patel, Shri Arjun bhai

Patel, Shri Chandresh

Patel, Shri Ram Pujan

Patel, Shri Somabhai

Patil, Shri Basavaraj

Patnaik, Shri Sivaji

Prem Pradeep, Shri

Rai, Shri, M. Ramanna

Raje, Shrimati Vasundhara

Rajveer Singh, Shri

Ram Awadh, Shri

Ram Dhan, Shri

Ram Sagar, Shri (Bara Banki)

Ram Sagar, Shri (Saidpur)

Ram Sajiwan, Shri

Ram Singh, Shri

Rana, Shri Kashiram Chhabildas

Rasheed Masood, Shri

Rawat, Prof. Rasa Singh

Ray, Dr. Sudhir

Raychaudhuri, Shri Sudarsan

Routray, Shri Nilamani

Roy, Shri Haradhan

Roy Pradhan, Shri Amar

Sahay, Shri Subodh Kant

Sai, Shri A. Larang

Saroj, Shri Sarju Prasad

Sartaj Singh, Shri

Sarwar Hussain, Shri

<p>557 <i>Adjournment motion</i> SARAVAN 16, 1912 (SAKA) <i>Failure of Govt. to check</i></p>	<p><i>rise in prices of</i> 558 <i>essential commodities</i></p>
Sayeed, Shri Mufti Moghammad	Sur, Shri Monoranjan
Scindia, Shrimati Vijayaraje	Tandel, Shri D.J.
Shakya, Dr. Mahadeepak Singh	Tarif Singh, Shri
Shakya, Shri Ram Singh	Tarwala, Shri Amratlal Vallabhdas
Shastri, Shri Kapil Dev	Thakore, Shri Gabbhaji Mangaji
Shastri, Shri Yamuna Prasad	Thapa, Shri Nandu
Shekhada, Shri Govindbhai Kanjibhai	Tiraky, Shri Piyus
Shukla, Shri Vidyacharan	Tiwari, Shri Brij Bhushan
Singh, Shri Ajay	Topdar, Shri Tarit Baran
Singh, Shri Dhanraj	Tyagi, Shri K.C.
Singh, Shri Har Govind	Unnikrishnan, Shri K.P.
Singh, Shri Jagannath	Varma, Shri Dharmesh Prasad
Singh, Shri K. Manvendra	Varma, Shri Ratilal Kalidas
Singh, Shri L.V.	Vekaria, Shri S.N.
Singh, Shri Pratap	Verma, Shri R.L.P.
Singh, Shri Ram Bahadur	Verma, Shri Sheo Sharan
Singh, Shri Ram Prasad	Verma, Shri Upendra Nath
Singh, Shri Sukhendra	Yadav, Shri Baleshwar
Singh, Shri Surya Narayan	Yadav, Shri Chhotey Singh
Singh, Shri Tej Narayan	Yadav, Shri Chun Chun Prasad
Singh, Shri Uday Pratap	Yadav, Shri Devendra Prasad
Singh, Shri Vishwanath Pratap	Yadav, Shri Hukumdeo Narayan
Sonkar, Shri Kalpnath	Yadav, Shri Janardan
Subedar, Shri	Yadav, Shri Kailash Nath Singh
Suman, Shri Ramji Lal	Yadav, Shri Mitra Sen
	Yadav, Shri Ram Sharan

Yadav, Shri Ramendra Kumar Ravi 19.27 hrs.

Yadav, Dr. S.P.

STATEMENT BY PRIME MINISTER

Yadav, Shri Sharad

Decisions on the Mandal Commission Report

Yadav, Shri Surya Narayan

[Translation]

Yadava, Shri Ramjilal

Yadvendra Datt, Shri

THE PRIME MINISTER (SHRI VISHWANATH PRATAP SINGH): I am happy today to announce in this august House a momentous decision of social justice that my Government has taken regarding the Socially and Educationally Backward Classes on the basis of the Report of the Mandal Commission.

Yuvraj, Shri

Zainal Abedin, Shri

MR. DEPUTY SPEAKER: Subject to correction *

The result of the division is:

Ayes : 117

Noes 202

Hon'ble Members are aware that the Constitution which we gave to ourselves 40 years back envisages that Socially and Educationally Backward Classes (SEBCs) be identified, their difficulties removed and their conditions improved in terms of Article 340 (1) read with Article 15 (4) as well as Article 16 (4). It is a negation of the basic structure of our Constitution that till now this requirement was not fulfilled.

The Motion was negated.

The Second Backward Classes Commission under the Chairmanship of the late Shri B.P. Mandal which was appointed on 1st January, 1979 submitted its report on 31.12.1980. In accordance with our commitment before the people we included of it. I am glad to announce that my Government has taken the following decision on the Mandal Commission's Report:

MR. DEPUTY SPEAKER: Now the Prime Minister is going to make a statement.

SHRI KAMAL NATH (Chhindwara): Sir, the Hindi versions of the statement has not been laid.

MR. DEPUTY SPEAKER: No, no.

(i) In order to avail ourselves of the

*The following members also recorded their votes;

Ayes: Shri P.C. Thomas, Shri Govindrao Nikan, Shri Dharmanna Mondayya Sadul, Shri Palai K.M. Mathew, Shri C.P. Mudalagiriappa, Shri Raja Ambanna Nayak Dore, Dr. B.G. Jawali, Shri Pater G. Marbaniang, Shri Mankuram Sodi, Shri A.S. Gounder, Shri P. Narsa Reddy, Shri M.J. Akbar,
 Noes: Shri Ajit Singh, Shri Srikanta Jena, Shri Harikewal Prasad, Shri Yusuf Beg, Shri Jamlabhai Rathra, Shri Mangaraj Mallik, Shri Sayed Masudal Hossain, Major D.D. Khanoria, Shri Biplab Dasgupta, Shri Ramashray Prasad and Shri Kankar Munjare.