

STANDARDS OF WEIGHTS AND
MEASURES (AMENDMENT)
BILL, 1986*

(English)

THE MINISTER OF PARLIAM-
ENTARY AFFAIRS AND MINISTER
OF FOOD AND CIVIL SUPPLIES (SHRI
H. K. L. BHAGAT) : I beg to move for
leave to introduce a Bill to amend the
Standards of Weights and Measures Act,
1976.

MR. SPEAKER : The question is :

"That leave be granted to introduce a
Bill to amend the Standards of Weights
and Measures Act, 1976."

The motion was adopted.

SHRI H. K. L. BHAGAT : I introduce
the Bill.

DRUGS AND COSMETICS
(AMENDMENT) BILL, 1986*

(English)

THE MINISTER OF STATE IN THE
MINISTRY OF HEALTH AND FAMILY
WELFARE (KUMARI SAROJ
KHAPARDE) : I beg to move for leave
to introduce a Bill further to amend the
Drugs and Cosmetics Act, 1940.

MR. SPEAKER : The question is :

"That leave be granted to introduce a
Bill further to amend the Drugs and
Cosmetics Act, 1940."

The motion was adopted.

KUMARI SAROJ KHAPARDE :
introduce the Bill.

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December, 1986.

MOTION RE : GENERAL ECONOMIC
SITUATION IN THE COUNTRY—Contd.

(English)

MR. SPEAKER : We will now take up
Item No. 20. Shri Sathe.

THE MINISTER OF ENERGY (SHRI
VASANT SATHE) : Sir, with your per-
mission, I would like to intervene in this
debate on Economic Situation because
references have been made to public sector.
If resource mobilisation has to take place in
this country, it will be agreed that public
sector can really contribute substantially.

PROF. MADHU DANDAVATE
(Rajapur) : Central intervention in the
economic situation !

SHRI VASANT SATHE : Intervention
is required.

At the outset, I would like to say that
I am not approaching this question with an
attitude of scoring a debating point. In fact,
it is my humble submission that we here in
Parliament, in both the Houses, have been
delegated with responsibility by the entire
people of India. 750 million people have
entrusted a responsibility to just 750 and
odd people in Parliament to create a
situation where the living conditions of our
people will be changed for the better. This
is a great responsibility and in fact it is our
duty. Just less than a thousand people can
do so much to change the destiny of 75
crores of our fellow brethren. Therefore,
our responsibility is very great.

It is also my submission that if we
consider the natural resources with which
our Motherland is endowed, as also the
human resources, the talent that we have,
we can convert our manpower into
tremendous asset to generate wealth from
our natural resources. It is with this attitude
that I want to approach this subject, and
not with an attitude of trying to either run
down or belittle somebody or as I said score
any debating point. Entire ethos of count-
ry is based on *Samatva*, harmony, the idea
going together. The word 'Sam' in Sanskrit
in fact sums up our entire culture and

[Shri Vasant Sathe]

spirit of our heritage. That is why you find written in our halls that famous upanishadic saying :

*Sam Gachhdhvam Sam Vadadhavam Sam
Wo ManaSsi Jantam,
Samano Mantra Samitih Samani,
Samanam Manah Sah Chittmesham,
Samani Va Aakooti Samona Hridayani Vah,
Samanastu Wo Mano Yatha Vah Susahasti.*

This is the whole culture and spirit and it is in this...

(Interruptions)

SHRI S. JAIPAL REDDY : Is it a discussion on spiritual matter ?

SHRI RAM SINGH YADAV : This is concerning economic situation.

SHRI S. JAIPAL REDDY : It creates great confusion.

(Interruptions)

SHRI RAM SINGH YADAV : This is a socio-economic concern.

(Interruptions)

SHRI S. JAIPAL REDDY : Whenever we say economically, we tend to become spiritual.

MR. DEPUTY-SPEAKER : Even if we are interested in economic development, we can also speak about spiritualism. So it follows.

SHRI VASANT SATHE : Sir, I would only like to quote while we are on this subject Jawaharlal Nehru's speech given to Lucknow Congress in 1936.

SHRI NARAYAN CHOUBEY : Now we are in 1986.

SHRI VASANT SATHE : You hear those words, how relevant they are today...

(Interruptions)

[Translation]

SHRI NARAYAN CHOUBEY (Midnapore) : Tata 'Samana' Birla 'Samana', Labour 'Samana', 'Kuli Samana'. All 'Samana', Tata, Birla, all Samana which means the Tatas, the Birlas and the Labour—all are equal :

[English]

SHRI VASANT SATHE : Sir I quote from Page 20 of this Book Jawaharlal Nehru's India Independence and Social Revolution.

"We have been witness of many a miracle in this old and battered land of ours and yet our very success has been followed by failure and dissolution. Temporary failure has little significance when the aim is high and the struggle bound to be a long one. It is but the incentive to further effort. Often it teaches us more than if a victory easily won and becomes a prelude to a greater success. But we profit by it only if we learn his lesson and search our minds for an explanation of that failure but only by constant self-questioning, individual and nation can we keep on the right path and easy and unthinking confidence is almost as bad as a weak submission to helpless dejection."

Sir, therefore, it is time for us in this House, let us take stock of our achievements and where, if at all have we gone wrong or where we could have done more or can do more. And it is here, I want to submit that, if you take the Public sector in this country, given this rich resource of coal what should be the economics ? Given the rich resource of iron-ore what should be the economics ? Should we have more coal production in this country ? What was the object of nationalisation ? We nationalised coal so that exploitation of workers may be stopped. We nationalised coal so that we could produce coal more scientifically and on much larger scale, at much more lower cost so that the people could have fuel not only for heating purpose but also fuel for converting coal into energy and electricity.

Sir : when we nationalized coal in 1972-73, the entire investment in the coal Sector was about Rs. 50 crores. We were producing about 77 million tonnes of coal. After nationalisation, in just 12 years, we have invested Rs. 6,000 crores. Whose money? Public money. If public money has been invested in this sector, will you not expect any cost-benefit to arise out of it? That is my question.

We were employing 5½ lakhs of people at that time. Today, we are employing 7½ lakhs. The output manshift in under-ground mines, when we nationalized, was 0.54 tonne per worker. Today, in an underground mine, after mechanization and modernization, after having put in so much money towards them, the OMS has come down to 0.52 tonne. That means about half a tonne. Let us understand this. If we say that socialism can be achieved by providing maximum employment in coal mines, let, this House decide.....This House is the master.....(Interruptions)

SHRI NARAYAN CHOUBEY : Mr. Sathe, will you mind my asking a question....
(Interruptions)

SHRI DATTA SAMANT : *rose*

MR. DEPUTY-SPEAKER : Why are you interfering? He has a right to speak. When I give you time, you can speak—at that time. No. If you want to speak, I will allow you time; at that time you can say anything. Not now. No.
(Interruptions)

Mr. Datta Samant, please take your seat. You contradict him when I give you time. No. Why are you interfering now? Nothing will go on record. I will not allow it. (Interruptions)**

He is not the Minister who is replying. Mr Sathe is just intervening. That is all. The Minister concerned is there to reply to everything.

(Interruptions)**

MR. DEPUTY-SPEAKER : I cannot understand why the Members are interfering. No; nothing will go on record.

(Interruptions)**

SHRI VASANT SATHE : I began by saying that this debate should not be a party-wise debate, but that it should cut across party lines. Actually, the whole Parliament must think about this. If I am wrong, you can point out, but I am just placing certain realities.....(Interruptions)

MR. DEPUTY-SPEAKER : When your time comes, you can speak. I will give you also chance to speak. This is not the way.

SHRI NARAYAN CHOUBEY : Overtly and covertly this is an attack on the working class.

MR. DEPUTY-SPEAKER : There is a time for this. Mr Choubey and Mr Datta Samant, your names are there. There will be time for you to speak. I am going to call you to speak. At that time, you can say what you want to say. Why are you interfering now? No.....

SHRI S. JAIPAL REDDY : I am on a point of order, Sir.

MR DEPUTY-SPEAKER : Under what rule? Don't make a statement in the name of using the privilege of raising a point of order. What is the rule that he has violated? You quote that rule.

SHRI S. JAIPAL REDDY : Under the Constitution, all the Ministers are collectively responsible to the Government. Is Mr Sathe speaking as a Minister or as a Member?

SHRI DEPUTY-SPEAKER : It is not a point of order. There is no point of order. What is the point of order in this—I do not understand.

SHRI VASANT SATHE : I have spent my life in the trade union movement ; and I do not need any certificate from anybody to say that I am anti-labour or pro-labour.

I am on this point : in this country, what was our objective ? It was to generate maximum employment. How can maximum employment be generated, unless the infrastructure is increased ? Unless we have more of steel production, unless we have more of power and energy for agriculture, for the landless people to have even small scale industries in villages, unless we generate more, how is it possible ?

I will give you a small example.

If one million tonnes of steel is produced, it creates employment for 2 1/2 lakh People, We are today in public sector producing 5.6 million tonnes of steel. So, we are generating employment for about 12 lakh People. Instead, as Jawaharlal Nehru had envisaged when we started Durgapur, that by the turn of the century, we would be producing 100 million tonnes of steel, that is not a dream or an impossible task, because in this very period,—China today is producing 50 million tonnes of steel. I am not going to give an example of Japan or Russia or other countries who are ahead. Korea Japan do not have iron ore in the country— They import iron ore ; they import limestone ; they import coking coal and yet produce steel more than 100 million tonnes in Japan. What I am trying to say is that here is a country with rich natural resources, iron ore which is one of the best, limestone, coking coal, everything why could we not have converted this iron ore into steel and produced more steel ? Will not we ask this question to ourselves ? *(Interruptions)*

SHRI PIYUS TIRAKY : Who revented you from goings all these things ?

SHRI VASANT SATHE : I am not blaming the working class. *(Interruptions)*

SHRI NARAYAN CHOUBEY : The government has slashed down the steel production ; steel was not being sold.

SHRI VASANT SATHE : I am talking of the entire work culture. If management responsible ? The management should be held responsible and becountable. But the question is how will it become accountable ?

The entire concept of public sector was a step ands establishing a socialist society with a demantic framework. *(Interruptions)*

AN HON. MEMBER : Is a slogan.

SHRI VASANT SATHE : For every economic activity—we are talking the interest of the working-class.

AN HON. MEMBER : Why they do not want !

SHRI VASANT SATHE : Woh they do not want. That is the real truth, least in public sector how can there be employer an employees relation ship.

AN HON. MEMBER : Are you speaking in favour of private sector ?

SHRI VASANT SATHE : I am speaking in support of public sector how to main public sector more efficient. In public sector there is no employer and there is no employee ; even a Managing Director or a Chairman is also an employee ; last employee is also an employee last worker. Why should we not adopt at least in a public sector a total participatory work culture ?

AN HON. MEMBER : Why don't you have it ?

SHRI VASANT SATHE : We have it. *(Interruption.)*

SHRI NARAYAN CHOUBEY : He could not implement the programmes of his own department. *(Interruptions)*

SHRI VASANT SATHE : He wants that public sector should become a citadel of vested interests.—Without production more wages and less work. This is the slogan. That is why output manshift is the lowest in coal, lowest in steel and wage is on

an average Rs. 100 per day. We, as a nation, unless seriously apply our mind to this question, it is not possible to do it : and that is how I gave an example of socialist countries, capitalist countries, every country that you can think of. You are not living in an land ; you cannot adopt a frag in the well approach and say that I am all and I don't have to think of the world ; you have to think of the world. Your cost of production in steel today is Rs. 8000 a tonne. Why ? In a plant, you see the economy. It is applicable to all. See the economy. It is applicable to all. If you say that the Government is rasponsible, I will say, "Yes. The Government is rasponsible. But are you also supporting it ?"

(Interruptions)

I have given these figures. In a plant where 14,500 workers in the same technology as in Rourkela produce in South Korea at Pohang, 10 million tonnes of steel. How many ? 14,500, I told. I said, iron ore and everything is imported and they produce at a cost of Rs. 3,000 a tonne.

SHRI VISHNU MODI : They have modern technology.

SHRI VASANT SATHE : We have the same technology and how many people do we employ in one plant ? In one plant to produce two million tonnes 30 000, to produce three million tonnes 60,000 and to produce 5.6 million tonnes. — I want this House to bear with me and understand this you are spending public money and what are we doing ? — one lakh and twentyfive thousand people to produce 5.6 million tonnes of steel From where will you generate the resources — I want to know this

SHRI VISHNU MODI : It is all obsolete technology.

SHRI VASANT SATHE : Obsolete technology ? If you do not improve technology, how can you have more production now in our country ? Even now, our working class friends, and trade union friends, what do they say ? Employ more. Employ more in the steel mill itself. You

start Visakhapatnam, you say there also you must employ to produce 3.4 million tonnes of steel, 40,000 people. If this is the demand, and if that is the socialism according to us, 'Woe be tide' ! We will ruin this country. This is my submission.

SHRI NARAYAN CHOUBEY : Who is responsible ?

DR. DATTA SAMANT : Who is responsible ?

(Interruptions)

SHRI NARAYAN CHOUBEY : We never said it is socialism. It is capitalism pure and simple. We never said.

(Interruptions)

SHRI VASANT SATHE : I am not blaming the workers. I am talking about the system.

(Interruptions)

MR. DEPUTY-SPEAKER : Please order, order.

Why are you all getting up ?

AN HON. MEMBER : How can you develop human resources ?

SHRI VASANT SATHE : Why am I being disturbed like this ?

SHRI S. JAIPAL REDDY : The Minister is speaking on Government's industrial policy. Why do you take so much time ?

SHRI VASANT SATHE : If 50,000 crores are being invested in the public sector and we are generating a net profit of Rs. 528 crores, do you call it economics ? Or resource generation ?

(Interruptions)

SHRI NARAYAN CHOUBEY : We do not call it. We do not call it economics.

(Interruptions)

SHRI S. JAIPAL REDDY : He is mixing up the issue. He is used to run down the public sector. He is trying to run down us.

(*Interruptions*)

MR. DEPUTY-SPEAKER : You can put up your view. Let us continue discussion

(*Interruptions*)

MR. DEPUTY-SPEAKER : He is expressing his views. That is all.

AN HON. MEMBER : He is misleading.

MR. DEPUTY-SPEAKER : How can be mislead? You can argue. You put your views. How can you simply say that he is misleading?

(*Interruptions*)

MR. DEPUTY-SPEAKER : For that, when the time comes you can say. I am giving you an opportunity to speak. I am going on telling that. If you feel that I am not giving you an opportunity, you can speak like that. I am giving you an opportunity for you to speak. You can counter the points then. Why are you going on intervening? Why do you intervene like this? I will call you afterwards.

(*Interruptions*)

DR. DATTA SAMANT : You are not even producing railway wagons. You are giving it to private sector.

(*Interruptions*)

MR. DEPUTY-SPEAKER : He is mentioning his views. He is also a Member of Parliament. Let him speak. After all, he is also a Member of Parliament.

SHRI NARAYAN CHAUBEY : Is it a proper intervention in the economic debate, Sir? He is taking about everything—be universal equality.

*Jal Samana, Sthal Smana,
Vriksh Samana, Pashu Samana,
Kuli Samana, Mazdoor Samana.*

SHRI VASANT SATHE : Some people have such a high level of thinking that they cannot even understand certain things. I cannot help that.

SHRI NARAYAN CHAUBEY : Yes, Sir, it is difficult for us to understand the great leader like Shri Vasant Sathe. I ask him to go through his own book, Sir.

SHRI VASANT SATHE : I am just quoting it. Sir, so much was said about certain articles that were printed, which are a part of my book. Let me quote one para where I have stated : "In our Constitution we adopted a principle of establishing a Sovereign, Socialist, Secular, Democratic Republic in the country. We as a nation are, therefore, committed to the establishment of a socialist democracy. By socialism in a democratic set up, it was envisaged that we would be establishing a casteless and classless society where all men who are born equal, would continue to be treated as equals, where there would be equality of opportunity for all and where there will be no exploitation of man by man." I would like to know if our friends have a better definition of socialism, let them say so. Therefore, to say that I am criticising the object of socialism or I am criticising the concept of public sector, is not only a distortion but is an utter lie and a mischievous lie. I have not, even in one line of my articles, ever stated that we should wind up public sector or we should privatise public sector. All I have said is that we must make our public sector more efficient, more productive so that public sector achieves the commanding heights.

(*Interruptions*)

SHRI HARISH RAWAT : Who will do this?

SHRI VASANT SATHE : We all.

[*Translation*]

SHRI HARISH RAWAT : You tell me how will this be done?

[English]

SHRI VASANT SATHE : I will tell you why I say we all. If you say that only those who are in the Government are responsible, that is an easier way of saying this.... . . .(Interruptions)

SHRI NARAYAN CHAUBEY : We are also responsible. Yqu do something, we will support you.

SHRI VASANT SATHE : As a whole Parliament I want you to consider this and that is what I have pleaded. I am giving an example that one of the major factors for making public sector undertakings in infrastructure industries uneconomical is our instance on over-manning, ten times more, 20 times more over manning, the public sector in the name of social objective. This is one of the major defects. This is what I am trying to plead. Other defects are also there like management defect, accountability All that I have stated.(In'erruptions)

DR. DATTA SAMANT : Sir, these are bogus contracts in Mazgaon Docks. Crores of rupees are swallowed.

SHRI VASANT SATHE : Rest of the things on the economic situation, my friend the Finance Minister will say.

SHRI VISHNU MODI : Sir, at this stage I will just make one submission. If there is a question of buying obsolete technology or comprising on location, the public sector should be consulted.

SHRI VASANT SATHE : Yes, yes, I will do that.

SHRI NARAYAN CHAUBEY : Sir, this economic debate is turning into a public sector debate.(Interruptions)

SHRI S. JAIPAL REDDY: Sir, I am on a point of order. Article 75, sub-clause (3) of the Constitution of India says : "The Council of Ministers shall be collectively responsible to the House and the people.(Interuptions)

MR. DEPUTY SPEAKER : That everybody knows. In the functioning of the House if there has been the violation of any rule, you just tell me. It is no use quoting the Constitution and saying collective responsibility. That is not regarding the running of the House.

(Interruption)

13.00 hrs.

SHRI S. JAIPAL REDDY : The Prime Minister himself stated about the article written by Shri Sathe that he did so in his personal capacity. How can he do that ? Now he is speaking in his personal capacity.

MR. DEPUTY-SPEAKER : No.

SHRI VASANT SATHE : I am speaking as Minister Incharge. I intervene in the debate on economic situation specifically to point out to this House, to you, that if Rs. 30 thousand crores are supposed to be raised in the Seventh Five Year Plan from Public Sector.

DR. CHINTA MOHAN : Rs. 43 thousand crores.

SHRI VASANT SATHE : Rs. 35000 crores.

We have invested Rs. 50,000 crores, as I said. I would only submit unless this House itself seriously applies its mind to this question whether public money to the extent of Rs. 6000 crores in coal, Rs. 5000 crores in steel should be invested only to provide employment twenty times more in public sector units. It is for this House to consider whether we can ever make our public sectors economical ?

(Interruptions)

SHRI VASANT SATHE : The question is whether we can ever generate resources or we will allow the Finance Minister to generate resources. Or we will not generate resources from the public sector, and we would want to keep on giving money.

SHRI PIYUS TIRAKY : He has spoken about human resource development. Please ask him to throw light on the human resource development.

SHRI VASANT SATHE : The only way to develop human resource and to provide employment to our people is to generate much more infrastructure, goods like steel and coal. China is producing 850 million tonnes of coal, 50 million tonnes of steel.

SHRI PIYUS TIRAKY : Why are you failing ?

(Interruptions)

SHRI VASANT SATHE : O.M.S.

SHRI NARAYAN CHOUBEY : China has not put money in Swiss Bank.

(Interruptions)

SHRI VASANT SATHE : 97% produce in underground mining—2.1 tonne per worker. And how much do they earn ? Rs. 11 per tonne per day they earn, so that they earn about Rs. 23 per day to produce two tonnes and how much do we give here ? I have already stated. So, the main point is this. If this House in its wisdom feels that the Finance Minister should go on pumping public money in a bottomless pit and allow no production in the so-called public sector without expecting any generation is what I call 'the holy cow'.

(Interruptions)

What is the holy cow ? Holy cow is a cow which has stopped giving milk, which has become barren, which sits in the middle of the road, which everybody says should be worshipped. Every morning you go and touch its tail and forehead so that your daily routine will be good. Not only one, holy cow, but a group of holy cows sit in the middle of the road, stop traffic of this country. This is what you have reduced public sector units to be because of wrong policy. This is my submission.

SHRI S. JAIPAL REDDY : Who has reduced ?

DR. DATTA SAMANT : Hon. Minister, you mean to say 'workers.' He himself is criticising.

MR. DEPUTY-SPEAKER : Shri Narayan Choubey.

SHRI S. JAIPAL REDDY : I am on a point of order.

MR. DEPUTY-SPEAKER : What is the point of order ?

SHRI S. JAIPAL REDDY : He spoke as a Minister on behalf of the Government. To whom is he pointing the accusing finger ?

SHRI NARAYAN CHOUBEY : (Midnapore) : Sir, before going through the points on which I thought I should speak, I have got to speak a sentence on the very good speech given by our Minister, Shri Vasant Sathe. It is nothing but an overt and covert attack on the public sector. On the abuses which are showered on the public sector, somebody is correct in saying that a debate on the public sector be made in this House and then we should be speaking what we want to speak.

But then, in this old country Hindustan, India, we are very adopt in doing something which we do not want to do and we are very adopt in doing such a thing which we pose we do not want to do. Lord Buddha brought in this country and Brahmins and Aryans could drive out Buddha Dharma out of India. And then, Sir, we made him an *avatara* made him the ninth *avatara* of Hindus. So, obviously Buddhism is no more found in India and Buddha has become an *avatara* only. Similarly, we made the public sector. We want to pose that we are in love with public sector, but what you are saying and doing now, as Mr. Sathe has said, is against the public sector and then public sector should go to dogs. But it is worshipped in papers. *(Interruptions)*

Sir, Mr. V.P. Singh is a very good friend of ours and we have faith in him. In some matters he has been successful in taking out money from the black money owners. So, that credit should go to Mr. V.P. Singh. So, I do not want to say anything which will be unpleasant. But still I beg to submit certain things.

Sir, Rabindranath Tagore has written a very famous novel—a big story—which is called *Khudhi Posan*—Hungry Stone. In that story there is a character of one Mehrauli, who is a little bit disbalanced and he walks on the streets, sometimes stops for a while and shouts.

Sub jhoot hai Tafast jao, sub theek hai Tafast jao

(Go away, everything is false), So, despite everything, whatever our Minister of Finance wants to pose, he says,

Sub theek hai, Tafast jao

(Everything is true, go away.)

Whatever the Opposition speaks regarding economy is *jhoot*. "Sub jhoot hai, Tafast jao"

So, I beg to raise some points which clearly show that this is not the case.

[Translation]

...(Interruptions)...You are ruining the entire country.

[English]

The growth in Agricultural production for the year 1985-86 is one per cent and it is only restoration of 1983-84 production, and during 1982-83 and 1983-84 the growth was 5.1 per cent and now, this year, what will happen we do not know. There was flood, there was drought this year. Production surely won't go to the extent we expected. While speaking on flood, I only want to make one request. In Bengal there were serious floods. Our Government demanded Rs. 272 crores and you have given only Rs. 5 crores. So, you do something for West Bengal. For industrial production in the Seventh Plan we envisaged a growth of 8 per cent, growth of electricity generation is 12.1 per cent, in the mining sector the growth is 13 per cent. But actually in the manufacturing sector the growth is only 6.3 per cent, which was 6.8 per cent in 1984-85. And what is the matter

of concern? The growth in the manufacture of capital goods is even less. It is only 3.5 per cent, whereas the growth of consumer electronic goods is 22.7 per cent. That means, even by this growth of 22.7 per cent of electronic consumer goods, our growth rate is only 6.3 per cent. You can well imagine where this country is being led to. Railways also is an indicator of growth. There has been a huge shortfall in freight traffic in July-August.

MR. DEPUTY-SPEAKER : Please wind up.

SHRI NARAYAN CHOUBEY : What is this, Sir ?

MR. DEPUTY-SPEAKER : I am giving five minutes each to everybody.

SHRI NARAYAN CHOUBEY : Then I will sit down.

MR. DEPUTY-SPEAKER : I will give you two minutes more.

SHRI NARAYAN CHOUBEY : Then give me five minutes more.

MR. DEPUTY-SPEAKER : No, two minutes only.

SHRI NARAYAN CHOUBEY : Sir, there is a heavy shortfall in the railway traffic. In the first quarter of this year it has come down by 1.22 million tonnes. Coal fell by 2.76 million tonnes, raw material for steel fell by 1.26 million tonnes.

Then, about liberalisation of import, everybody has spoken. This year itself, the machinery import has grown by Rs. 831 crores, compared to 1984-85. The year in the first six months, there is total negative growth of capital goods. This has led to downgrading of public sector. Who else can speak better than Shri Vasant Sathe in downgrading the public sector? The labour cost as percentage of total cost of steel in 1982 in U.S.A. was 49%; in U.K., it was 30%; Japan 21%; and SAIL, India, it was 20%. I hope, the Minister will take notice of this thing also.

[Shri Narayan Choubey

External debt and balance of payment position is increasing day by day. The debt service will be 23.04% this year; foreign exchange reserve is declining in the first quarter, by Rs. 500 crores. Two months only from now, the decline has become Rs. 1,000 crores and the value of rupee is nothing but 13 to 15 paise. The deficit in balance of payment, the other day, I was told, has come down to some extent from Rs. 7951 crores to now Rs. 7,000 crores. Still it is very huge. Internal loans in the first six months of this current year, we have taken loans to the extent of Rs. 1500 crores more as compared to last year from internal market. Our borrowings for the public sector are increasing. The average rate of interest on Government and public sector borrowings has increased from 6% last year to 11% this year. As far as the return of investment in Government and public sector is concerned, it is only 3%. I agree with you, it is only 3%.

MR. DEPUTY-SPEAKER : Hon. Member's time is up.

SHRI NARAYAN CHOUBEY : About price, you are also suffering. You are giving a party. You must have suffered a lot.

Consumer Price Index in September, 1985 was 619. In September, 1986 it was 676. The inflation rate has gone up from 5.1% last year to 9.2% this year. Even the wholesale price index has grown, thanks to the policy of the Government. Even the RBI report says, the contribution of administered prices to the rise in wholesale price is 35.7%. It is the Government which is responsible for the rise of wholesale price index, to the tune of 35.7%, by increasing the administered prices. Our Government speaks for the people. The maximum number of people are agricultural labourers. I do not want to take your time. Only very recently, 2 days back, a meeting of the Labour Consultative Committee was held, on 3.12.1986. The report says, the statutory minimum wages for the agricultural labourers are lower than the wages fixed by the Government which should be required to bring a man above the poverty line. Even

these wages, the workers do not get. They get bullets if they demand wages. We see this in Kalahandi and other parts of Orissa. You have taken the plan that labour can get work at least 100 days out of 365 days in a year. In that also, we have not been successful. At many places, the workers get work for 50 days or 60 days only, for the whole year. Suppose a worker has worked for 50 days or 60 days for the whole year and the total wages that he gets are divided by 365 days, then the amount will be so less that you cannot buy even a bottle of campa cola or a packet of bidi.

The land reform is given a go-by. How can you generate money inside the country without land reforms? If the country has no internal market, how can you compete with Japan, America, France etc., in foreign markets? So, land reform is a must. I hope that you must take points for implementing land reforms.

Unemployment problem, what to speak of? The Government has spoken for public sector. Is it not the duty of the Government to the unemployed youths? There is colossal unemployment, to the extent of 2.75 crores registered unemployed. Unregistered is more than 7 crores. The other day, the Minister of State has stated that 1,05,000 factories are closed due to lay-off and lock-out because of sickness. Who are responsible for this? Not we. Some Rs. 5000 crores of Government money is blocked there. Today we have the largest number of illiterates of the world. If the rate of illiteracy proceeds in this fashion, 54% of the total illiteracy of the world will be in India by the end of this century. It is known to you.

The largest number of child labour is in India. About black-money, his book says that it is Rs. 80000 crores. We say that it is Rs. 1 lakh crores and the Government says that it is Rs. 40,000 crores.

Now the Swiss Bank things have come. Everybody says that it is only a tip of the ice-berg. In such a situation Indian capital is exported. About new concessions, you may kindly tell us how many concessions you have given. Our policy is going to create islands for elites surrounded by ocean.

of poverty and oceans of misery. All these things that you have done in the last several years to bring out black-money from here and there is going towards that. For the Prime Minister Shri Rajiv Gandhi, it has become a fashion to speak for elites and to speak for electronics, as for Morarjibhai it was a fashion to speak prohibition.

I hope Sir, the Government will look into my points. The policy is to be changed. Without changing the policy you cannot save this country despite your good desire. The road to hell may be paved with good intention, but it is hell after all.

SHRI PIYUS TIRAKY (Alipurduars) :
Mr. Deputy Speaker Sir : Our Finance Minister has a good mind and he has given his best. I would like to equate his achievements to the achievements that our large contingent had at Seoul Asiad. I have some figures. After seeing it you may yourself say whether it is your achievement or failure.

It has been observed that a number of problems have been associated in financing our Five Year Plans, right from the First Five Year Plan. In the First Five Year Plan the deficit financing was to the tune of Rs. 323 crores. The foreign assistance at that time was Rs. 149 crores. In the Second Plan Rs. 954 crores was the deficit financing and the foreign assistance was Rs. 1049 crores. In the Third Plan Rs. 1033 crores was the deficit financing the foreign assistance was Rs. 2443 crores. In the Fourth Plan the deficit financing was Rs. 2060 crores and at the same time the foreign assistance was Rs. 2523 crores. In the Fifth Plan, the deficit financing was Rs. 3560 crores and the foreign assistance was Rs. 5834 crores. In the Sixth Plan we had Rs. 11017 crores deficit financing and we sought foreign assistance to the tune of Rs. 9929 crores. In the 7th Plan Rs. 14,000 crores is the deficit financing and we are asking for foreign assistance of Rs. 18,000 crores. So, this is your economy.

MR. DEPUTY SPEAKER : Try to be brief Sir. The Minister is going to reply at 2 O'clock.

SHRI PIYUS TIRAKY : The problem of debt servicing has become a head-ache for the Government. Debt refers to interest payment on loans and the repayment of the principal capital when it falls due. The payment to be made has grown rapidly from Rs. 323.8 crores in the First Five Year Plan to Rs. 3770 crores in the 5th Plan and Rs. 3626 crores during the first four years of the 6th Plan. According to World Bank estimate the annual repayment would go up from 685 million in 1981-82 to 1645 million in 1985-86. A large share of external assistance has to go towards settlement of old debts and there will be very little for new investment. The ratio of debt servicing to export earnings was as high as 10.6 per cent in 1982-83 which was about 1 per cent in the First Five Year Plan. It had been projected to pick up around 20 per cent in 1987-88.

So, Sir, this is the picture. We have said the public sector to be the main factor for resource mobilisation. We are putting lot of money in it but we are not getting the results as per our expectations. The public sector has to pick up as per our expectation if we are to mobilise the resources.

We have to do three-four things to bring about resource mobilisation. On account of rise in prices and inflation the small savings and public loans which we were getting earlier have become very limited. Only a few affluent are able to have savings.

Now I come to the achievement aspect. After 35 years of planned development nearly 50 per cent of our people, that is, over 683 million live in abject poverty. Our rank is 133 in the list of 148 countries listed as poor countries. This is as per the Reserve Bank Atlas 1986. Where do we find after 40 years of Independence and 35 years of planned development? Our rank is 133 out of 148 countries listed as poor countries.

According to the survey conducted by the Reserve Bank every second person found illiterate in the world is an Indian. So you can understand how you are progressing. India has 42.4 crore illiterate persons out of 82.4 crore illiterate in the world.

[Shri Piyus Tiraky]

The main reason for our not achieving any progress in our economy is that from the very beginning we have adopted mixed economy, namely, private and public sector together. That is the main reason why we are not able to have progress. The system which you are following is totally wrong. The system should be totally reversed and a new system should be developed to bring rapid progress and to march with the other countries in the world.

[Translation]

SHRI RANA VIR SINGH (Kaiserganj): Mr. Deputy Speaker, Sir, today I got an opportunity to listen to long speeches and one pleasant thing which was common in all the speeches was that nobody found fault with our Finance Minister. Everybody has said that he is a nice man and an honest Finance Minister. The country is fortunate to have such a devoted Finance Minister. I want to ask a few questions from those who have expressed disappointment in their speeches. Perhaps, most of them live in the cities. I ask them to look at the villages, from where most of the people come and want to speak in their own languages here. If they happen to visit the village streets, they will themselves hear the villagers admiring the hon. Minister of Finance. They will also find that today every villager is being inspired by two of his achievements. First, a feeling of self-reliance has been instilled in them which was absent hitherto and secondly, they have acquired a feeling of self confidence. This, perhaps, is also a contribution of this policy. The people who have criticized us are the ones in whose regime, the farmers had to sell their sugarcane at a price of Rs. 10 per quintal, as a result of which they had to burn their produce. This proved to be the main cause of their downfall. I want to remind the hon. Minister of Finance of the days when he was the Chief Minister of Uttar Pradesh. At that time he took a right decision and announced a remunerative price of sugarcane for the farmers which left a lasting imprint in the political circles. I want to say that he should continue to pay attention to the farmers in future as well. He has said two things. First, he has said

that agriculture is the backbone of our economy. I would like to ask him two questions. He also comes from the rural area of the same State as I do. He has said that when the production of sugar in the country goes down, we have to import it from other countries which affects our economy. I want to tell the hon. Minister that when I go to the factory gates where sugarcane is weighed, I feel embarrassed. This year, the farmers are going to get a hike of merely one rupee per quintal, whereas our sugarcane production has increased manifold. I would like to tell him that imported sugar is neither sweeter nor cheaper. Therefore, he should see that people's representatives are kept in the Agricultural Prices Commission and other bodies who could make a distinction between wheat and barley, could assess the cost of inputs for sugarcane and know how its production can be increased. I would like to say that Rs. 300 crores are lying in the Cess Fund created for the development, promotion and increased use of sugarcane and its products. I would like to say that the Indian Council of Agricultural Research should carry out research to increase the production of sugarcane.

Secondly, the shortage of oilseeds is a matter of concern to us. We have to import it from other countries. As a result of his better policies, the economy is in good health, the purchasing power of the people has increased and their edible oil in-take has also registered an increase, due to which its shortage is being felt. If the Government wants to increase the production of oilseeds, they must do three things. Firstly, they will have to develop a crop of variety which can be raised after paddy in the crop cycle, as at present we do not have any such variety of oilseeds which can be sown after paddy. Secondly, the Government should create a buffer-stock of oilseeds. When there is an increased production, it goes waste. Therefore, compulsory insurance should be introduced for this purpose. Crop insurance must be introduced in the areas where oilseeds are grown, be it Rajasthan or Uttar Pradesh. Otherwise you cannot promote its cultivation. Shri Vasant Sathe has said whatever he knew, in Sanskrit, Hindi and English but I want to say that we must check wastage in this our land of abundance.

I want to put forward two-three suggestions before you to check wastage. You know everything very well. You have produced barefoot doctors, on which you are spending crores of rupees. They do not have even medicines and people are dying. You must stop this wastage.

Secondly, your village industry has become a white elephant. It is like a huge fort away from the prying eye of the public. We do not know about their activities.

You are unable to provide remunerative prices to the farmers. The F.C.I. spends Rs. 29-30 on the maintenance of each bag of foodgrains. Thousands of wagons of wheat are being pilfered. At least, you should cut down expenses on this score and give farmers their due share so that we can march forward.

So far as your expenses on the Pay Commission are concerned, you say that some additional expenditure will have to be incurred. Secondly, expenditure is being incurred on natural calamities like drought and flood. You should formulate a comprehensive scheme for drought and floods, so that the nation is benefited. Your Meteorological Department is good for nothing. In Uttar Pradesh, a prestigious scheme called Sharada Sahayak scheme or Saryu Canal Scheme has been going on since the time when the hon. Finance Minister was the Chief Minister of that State. Prices are escalating but I do not think that these schemes will be completed even after 3-4 generations. These schemes are monuments of our planning and you should give them due priority so that the money already invested in them could be put to use.

The hon. Minister has mentioned quite often about selling cheap cloth, but so far I am unable to understand for whose benefit this is sold? How can you take decisions, sitting in a room and without knowing the actual positions of the area?

Some time back, you had announced that loans would be provided from the banks to the urban poor. You did not put any restriction therein and thus announced a liberal policy which seems to be a royal

gesture. But when I visit my constituency, I find a long queue in the cities. The bank officials do not know whom to give loan and whom not. The bank officials as well as the persons who want to take loans face difficulty in the process. You should adopt a well defined procedure so that they could get loans.

In the end, I want to say only this much that you should see to it that some representatives of the farmers are kept on the Agricultural Prices Commission, so that the people sitting in this commission do not overlook the interest of the farmers. You repeatedly say that India lives in the villages and you also consider the farmers as the backbone of the economy. You have called them the heart of the economy just to please them in the same way as we offer fruits to the 'Nandi' bull. They, no doubt, feel elated by your remarks, but you must try to strengthen them; otherwise the entire scheme of things will be upset.

In the end, I would like to say that the people with conservative out-look consider it their duty to criticize the Government. Let them do their duty. You go ahead with your job in your own way. You have to develop the whole country. The development should not be confined to a particular place, it should be a balanced development for the entire country. Our youth should not be misled by their false slogans. You have to divert their energies towards building India of the future.

[English]

DR. DATTA SAMANT (Bombay South Central): Mr. Deputy-Speaker, Sir, thank you for giving me this opportunity for participating in the debate on the general economic situation in the country. I have been on the waiting list and sitting here for the last two days.

Sir, I wanted to discuss in detail the public sector, but there is not much time at my disposal.

There have been a number of statements from the responsible Ministers and ultimately the blame for all the ills in the industries is

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put on the labour. In this context, I would like to mention that only ten per cent of the labour in this country is organized and that is in the big industries. It is only because of the failures on the part of the Government in not having taken the required action well in time that so many industrial units have become sick. However, they have always been putting the blame squarely on the workers. The Government does not seem to have any love for the workers. If the Government do have any love for the workers, what about the ninety per cent unorganised workers? At least they should have implemented the minimum wages for them. No initiative has come from the Government in that regard.

Coming to the public sector, I am at the moment confining myself to the 123 mills which have been nationalised and taken over by the NTC. Fifty per cent of these units are from the big houses, MRTP houses. When the cow has become old, they have handed over to the Government. It is not that somebody has sucked its milk only, they have sucked its blood also. Several crores of rupees, in fact, as much as Rs. 1500 crores, were advanced to the textile magnates for the modernization of the mills, but they swallowed the money and did not take suitable action. Now, they have handed over the mills to the NTC. What are you going to do when this is the attitude of these big houses? I want to mention one point about your textile policy. When the textile workers were on strike in Bombay, ultimately I was blamed and my name was being mentioned everywhere. But what has the Government done? You did accept that the mills are not doing well...

SHRI VISHWANATH PRATAP SINGH : We were together on this issue some time back, when I was on the Commerce side. The only difference is that you closed the mills and I opened them.

DR. DATTA SAMANT : It is not correct. The Government has accepted, in principle, that the textile mills are not doing well. For importing polyester fibre, you have given a concession of Rs. 131 crores in the last two years. When I raised this issue

in this very House, I was told that it was done with an intention to make cloth available at cheaper rates. But the rates have gone by 5 or 6 per cent. Now you are thinking of withdrawing it.

Then in this Plan soft loans to the extent of Rs. 750 crores with just six to eleven per cent are given to the textile mills. I can mention many mills and the hon. Minister can note down. Century Mills, Morarji Mills, Standard Mills, Bombay Dyeing—altogether 14 mills got more than Rs. 100 crores for modernisation. With this process of modernisation, they can have 10 times more production with just one-third of the present workmen! 13 mills in Bombay have made profits of about Rs. 60 crores. Of course, they will do very well. Now we are talking of modernisation of about 100 mills only. But once the Prime Minister has talked about modernising every thing! We are doing all that at the cost of government money. Those who are cheating the country, those who are supposed to be kept behind the bars, they are being helped by the Government! These big companies are modernising their units with government money and they are throwing out my lakhs of workers from employment. The same thing will be repeated in Kanpur. 14,000 workers will be removed because of this modernisation. Just a handful of textile owners in this country are going to reap profits at the cost of lakhs of poor workers and at the cost of government money. Is it the policy of the Government?

You have given all those import concessions to a few people. But what about cotton? Cotton garments are having a terrific demand. But only a few people who are exporting garments are earning profits. The farmers are not even able to get a good price in spite of having a good crop. The Government will say that they will subsidise it. Ultimately, this is the only thing that is going to the farmers. This is the misfortune of the textile workers and farmers. With your textile policy, only a handful of textile owners of this country will go up. Big mills also should produce janata cloth. You have been giving concessions to these big people all along. Now these concessions should be given to the poor people too.

Sir, I do not want to take much of the time of the House. But I would like to stress three or four points. The hon. Minister has given a lot of figures. He is very honest in giving the figures. Personally he is a very honest man and I appreciate all that. Many members also made a mention about it. But now let us come to the problem of unemployment. In the Seventh Plan, Government has said that 9.2 million jobs will be created. I ask a categorical question. Can you give me the exact figure as to how many jobs have been created in the last two years? You may say that more jobs are being created. On the contrary the number of jobs in the organised sector is going down day by day. We are entering 21st Century. But our economy and our planned expenditure is only going to help traders and private enterprises. Unemployment has reached 2.7 crore limit. In the first plan it was 5.1 in the second it went up to 7.11 and in the third 9.6 and so on. But nobody has cared. During the Janata days, they have planned and discussed and they stated that unemployment would completely be eradicated. That is not done. Out of all those who registered their names in the employment exchanges, not even 5 per cent got jobs all over the States. So employment offices are literally clogged and their number is gradually going up. All this unemployment leads to further problems such as terrorism, regionalism and so on. This is because of the young people who are forced to be out on the streets due to lack of employment, that all these problems are being created.

As regards poverty alleviation programmes, you have sanctioned about 360 crores rupees more. But when it comes to implementation, it is not yielding results. Not even three million, can really benefit from your schemes according to the reports.

I would also like to know about your policy regarding plan expenditure. What is your plan expenditure? Is it your object that only Tatas, Birlas and many other private people should develop their industries with all your help to modernise the industries? I am categorically asking you this question. What is your monitoring system? How are you going to have some control over these things? With 5 per cent

or 10 per cent of the share of the big employers, they are controlling about 90 per cent amount of the average shareholders of the Government. If tomorrow somebody wants to start an industry, 80 per cent to 90 per cent money comes from the Government but subsequently the Government will not have any control whatsoever over this money. Rs. 40,000 crores of blackmoney, which you unearthed, it has gone down the drain. The money is going to Swiss Bank. That is why parallel economy is coming. That is why prices are rising. So what the Government is going to do, that I want to ask. At present 1 lakh units are sick. I do not have the exact figures with me now. Rs. 4000 crores or 8 per cent of the Banks' capital is blocked there. There are about 560 big units and about 1 crore workers are unemployed. 2 per cent of the blame goes to the workers. I think, the hon. Minister must have gone there. He started his speech with the workers. The rest 52 per cent of the blame is due to mismanagement. What the Government is going to do? Last year, we passed a Bill. For the last 20 years, we have been discussing this issue in this House. You have given me only 30 minutes. Till today, the Board is not appointed. In Bombay, practically, everyday, people are closing their industries and coming down to suburbs and again everybody is helping them. I am not against the industry in the villages, but not at the cost of the people who are living in the city and taking more advantage there and exploiting them with all these things. So, I say that this is not the way the Government should adopt in controlling everything. Subsidies are given for fertilizers and food. Last year, I have said that wheat was taken at Rs. 157/-. Rice was taken at Rs. 1.52 from Punjab. About 30 million tonnes of goods was taken out. Transport charges is only Rs. 1.50. Now the hon. Minister is subsidising it by 60 paise. Last year, it was Rs. 1600 crores and this year it is going to be more Rs. 2000 crores. On what cost? Last year more than 50 per cent of the procured wheat and rice was sold to the private people. In Bombay they are selling it at Rs. 4/-. It is a tragedy. At this stage when there is about 27 million tonnes of wheat and rice procurement figure is with you — why prices of wheat and rice are not going down? According to your figure, last year, it had gone up by 6 per cent and this year, it will be 4.2 per cent. I am

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going to ask a question that in spite of such procurement, the farmers did not even get anything. In between, people are taking advantage of it. The Government machinery is not doing anything and ultimately the man who purchases it is exploited to the maximum extent. I can give you a number of examples, where the administration is poor. I have got with me, the figures of my unit. It is a capitalist system. It is a bureaucratic system. The public sector is the corrupt system. Hon. Members are discussing here honestly sitting in the big paradise. What is going on? What are your people doing there? God only know about that. In the NTC, at least 10 Chairmen were dismissed. What have you done for them? We have shouted here regarding that. Therefore, unless we control all these systems and change the approach, I do not think, the figures which I got with me, is going to work or suffice in the future. I have got plenty of figures with me. But you are not giving me time.

SHRI RANA VIR SINGH : I think that the Minister while proposing to withdraw the subsidy from fertilizers will insure that it is not going to affect the farmers. . . .

(Interruptions)

MR. DEPUTY-SPEAKER : No. When the Minister replies, you can raise the question. I already called him.

DR. DATTA SAMANT : Sir, on 27th of this month, the hon. Minister has come out with four notifications for withdrawing all the concessions given to the cars. In that they are going to collect about Rs. 100 crores. The price of flat and all these cars will be raised by Rs. 30,000 to Rs. 40,000 and only Maruti will be benefited because it is a fuel efficient car.

SHRI VISHWANATH PRATAP SINGH : I only heard, you were say and that I have Withdrawn concessions to the farmers.

DR. DATTA SAMANT : You have withdrawn for all. You have withdrawn for Maruti. I am not supporting any car. You have withdrawn the concessions given to

5-6 cars only, continuing with Maruthi. I am not favouring any car manufacturer. Therefore, the prices will go up by about Rs. 30 000 to Rs. 40,000 and Maruthi will remain like that. So, make it uniform for Maruthi too.

SHRI ATISH CHANDRA SINHA (Berhampore) : Mr. Deputy Speaker, Sir, our Energy Minister, Shri Satheji has initiated the very interesting discussion on public sector enterprises. In fact such type of discussions on our public sector enterprises should be held, because it is one of the important centres of our economy, in which we have invested Rs. 45,000 crores.

Sir, I am surprised to find that after investing so much money, we are getting an annual return of only Rs. 800 crores to Rs. 900 crores. We are supposed to generate internal resource. in the Seventh Five Year Plan from the public sector to the tune of Rs. 35,000 crores. If we are generating Rs. 800 to Rs. 900 crores per year, we can at best generate about Rs. 4000 crores in the Seventh Five Year Plan. I do not know how the Finance Minister would get this Rs. 35,000 crores from the public sector which he has planned for the Seventh Five Year Plan, which he has planned for the 7th five year Plan. Therefore, my submission would be that the public sector enterprises should be made profit-making at any cost, because after so much of investment of money. if do not get the proper return, it would be a complete wastage of public money. Therefore, every effort should be made to make them profitable.

Regarding excess labour that Sathe Ji has talked about, that is probably one of the reasons for losses in public sector no doubt about it. But in a country like ours, we cannot afford to chuck them out. There may be some excess labour in the public sector. So, every effort should be made by Government to usefully employ them, if necessary even by increasing the capacity of those plants and also by insisting upon a proper productivity in those plant. For this purpose, a responsible trade unionism is necessary.

I will point out the situation prevailing in West Bengal. Our friends who are the ruling party in West Bengal had been preaching irresponsible trade unionism, before they came to power there in 1977. They were telling the workers, in the name of trade unionism, not to work but to go slow, to resort to pen-down strike etc. But since they came to power in 1977, they have started telling workers to produce more, so that their Government is not put to shame. Naturally, the workers who were told by them for 30 years not to work but to go slow, etc. will not start producing more all of a sudden.

So, this is the kind of irresponsible trade unionism which is going on in our country. So long as trade unionism in our country is not responsible, they can not increase productivity and present losses of the public sector undertakings. If workers think that this is a place where they can stay on and on without giving productivity because the job security is more than 100%, it will be a sad state of affairs. I would request the hon. Minister to consider this serious problem, because a lot of industries are getting closed down in West Bengal. It is a very big problem there. So, we are asking the Ministry to open the closed private sector factories, so that there is no unemployment.

At the same time, an atmosphere will have to be created not only in West Bengal but throughout India, wherein the responsibility of the workers in public sector enterprises, as also private sector ones, is understood by them. They will have to understand this, and produce more, in order to save these public enterprises which play a very vital role in our country, where we have invested not less than Rs. 45,000 crores.

Secondly, I would like to make another point: unfortunately, nobody has pointed this out in the august House so far. According to me it is a very important problem, viz. the population explosion. As you know, the rate of growth of our economy is about 5%. Sometimes, if there is a good monsoon, this rate may jump up to about 6%; nevertheless it normally hovers around 5%. But the population also is increasing at the rate of 3% every year. We are adding a

population of the whole of Australia every year, in India, where the land area is much less than that of Australia. If we allow this to happen, if we allow the whole population of Australia to be added to the entire population each year, no matter how much we go on for economic development, even if we double the economic development, growth rate of development from 5 per cent to 10 per cent, I am sure nothing will happen. As a child, I used to watch it. Probably everybody had done it. On a slippery pole a monkey was trying to go up in one hour two fit. and in the second hour he was coming down two fit. That has become more or less a situation today in India. However, we try to progress today, however much our hon. Minister and Prime Minister are trying to alleviate the misery and Poverty in our country, which has really come down, but, nevertheless, the results are not spectacular. A lot of poverty still remains to be removed. Therefore, I would request that every effort should be made so that our population control takes every serious turn and everybody takes it seriously so that we can bring down the rate of population growth from 3 per cent to 1 per cent.

I am happy to know that the rate of inflation has gone down in 1983-84 from 8.9 per cent to 3.8 per cent in 1985-86. But even then in our country you will well appreciate that much of the prices of essential commodities depend upon whether we have a good rainy season or not; if we have a good rainy season, more or less everything seems to be O K; but if we do not have a good rainy season, then everything is in trouble and the prices shoot up like anything. The main reason for that is that although we have invested a lot of money in irrigation, good benefits of irrigation are not yet obtainable and much of the water that comes from the irrigation facility that we have installed is wasted and more areas, I know, are flooded regularly and no flood control measures are taken. So, I, would request the hon. Minister to see that irrigation projects yield a maximum return and wherever we have not yet been able to go with irrigation water or we have not been able to prevent floods, we should take these projects immediately because thereby we shall be saving a lot of country's precious foodgrains,

SHRI M. R. SAIKIA (Nowgong) : At the time of presenting the statement in the House, Hon. Finance Minister expressed satisfaction over the economy and also simultaneously expressed anxiety for certain problems such as increase in government expenditure, increase in non-plan expenditure and trade deficits. Over and above that, there is a growing problem of unemployment and inflation. If there is really a growth of economy, then why it has not created more and more resources to uplift poor section of people and pull them to the gainful employment. At the same time, we have found that lakhs and lakhs of People have been thrown out of employment by declaring thousands and thousands of industrial units as sick units. What we find in rural areas is that thousands and thousands of unemloyed youths are running from Pillar to Post in search of employment. May I ask the hon. Minister that if there is a real growth of the economy, then why these problems are there? Is it not a wastage of our national assets because human beings are treated as national assets.

Our economy depends on the development of agriculture because 80 per cent of our population depends on agriculture, and for the development of agriculture, we should project our national resources such as land, forests, water, etc. If we fail to protect our national resource, then there will be no scop for agricultural and industrial development because development of agriculture alone will lead to the development of industries. Therefore, we should develop our agriculture and in this respect I would like to submit that efforts should be made for creation of more and more irrigation potentials. But what we have fund is that there are some impediments such as delay in acquisition of land, slow progress of work and non-availability of Power. Power is the backbone of both the sectors—agriculture and industry. Unless we generate more and more power, there will be no development of industry and agriculture. Therefore, we should encourage private sector to participate in generation of more and more power.

In the industrial sphere, there are improvements in industrial products. But there are some areas for further improvement

and expansion such as cement, sugar, milk, cloth, motor vehicles, shipping industries and fertilizers.

We have been facing the problem of balance of payment. This year the government has been able to manage the balance of payment position because of lowering down the prices of oil and fertilizers in the international market but this is purely a temporary phenomenon ; it will not continue for all times to come. Therefore, steps should be taken to increase the volume of export and to reduce the volume of import. We import more and more capital goods for our industry. I would like to stress for giving more and more facilities to our indigenous industries so that our indigenous industries can manufacture such capital goods and reduce the burden of payment of foreign exchange. Again Sir an agriculture depends upon monsoon, which is not regular. For instance, this year, we, the People of India, have been experiencing severe drought and devastating floods throughout the country. Therefore, we should take some steps for the construction of more and more irrigation works so that the country would not suffer from want of water and floods

The people in the rural areas are suffering like anything. Therefore, my I ask the Finance Minister whether these are not the indicators about the state of our economy? If there is any rapid growth of our economy why these things are there? Why is there unemployment? Why is there inflation in our country? Because, 80 per cent of our people normally depend on agriculture and agriculture depends on what? On the monsoons.

If the monsoon properly comes they can raise their crops and cultivate them and also raise the commercial crops and increase agricultural production. If the monsoon fails there are no crops. This year the people, all over India have been experiencing floods, severe floods and droughts. Throughout the country floods and drought are there. Therefore we should take steps to construct more and irrigation works so that the country would not suffer for want of water and from heavy floods.

We have to protect all our natural resources and forests. If we fail to give them proper protection then again the agricultural production suffers. And then industrial production also will suffer because our industries depend upon agriculture. Therefore, my submission is that we should make an attempt to create more and more irrigation potential and develop agriculture. And in this respect we find that there is some difficulty, and I want the honourable Finance Minister to think over those difficulties. For instance in matters about land acquisition there is lot of delay. Not much progress has been made in this respect. At the same time people are suffering due to inadequate supply of power. Power is the most essential ingredient for industry and for agriculture also.

The private sector industries should be encouraged to participate in the national development in order to increase the power supply also. In the steel industry also we find that there is lot of scope for improvement. All the key industries and products such as cement, sugar, motor vehicles can be produced in the private sector. We should be able to provide adequate quantity of power to them for this. I want more and more emphasis to be laid on generation of power.

Lastly, in the matter of balance of payments the Government of India could have managed it but because of lower prices in the oil sector and petroleum products the people continue to suffer. Therefore, it is high time that we lay emphasis on industries to protect the workers working there.

I would like to mention about the volume of exports also. The volume of exports in the foreign market has been declining. That is because of the lack of quality of goods. Therefore, we should improve the quality of our products and ensure that there is an increasing volume of exports to foreign countries.

With these words I conclude.

[Translation]

SHRI C. JANGA REDDY (Hanamkonda): Mr. Deputy Speaker, Sir, I have been allotted only two minutes' time; what can I speak in two minutes? However speaking in general terms, I want to say that all the hon. Members have spoken on agriculture. If there are good rains, we do better on food and economic front, but when we receive poor rains, the situation is just the reverse. This clearly shows that the development efforts of the Central Government entirely depend on agriculture.

Sometime back we had floods in Andhra Pradesh which caused tremendous loss. We must think about such contingencies. Besides, I want to tell you that all the agro-based industries are gradually becoming insolvent. Oil industry and Rice Industry are the major industries which depend entirely on agriculture. These days, they are incurring losses.

14.00 hrs.

Because if it involves loss, then none will buy groundnut and if jute industry sinks, then none will buy jute. We have seen that the price of cotton this year is somewhat remunerative as we have entered into agreements to export cotton and I congratulate the hon. Minister for this achievement.

I would like to request the hon. Minister that the farmer must get a remunerative price for his produce. At present, the industries using paddy and groundnut are in a miserable condition. We should think over this issue. Sometimes we import groundnut oil. It should be produced here instead of being imported. We should encourage our farmers to achieve this goal. You should find out as to what crops can be produced in different areas of different States. Similarly, instead of importing sugar, the farmers here should be paid remunerative price for sugarcane and encouraged to increase its production. A Comprehensive scheme should be chalked out for the production of pulses.

[Shri C. Janga Reddy]

Previously, we had permitted the import of P.V.C. granules at a duty rate of 30 per cent, but later on it was discontinued. We should import P. V. C. granules only after assessing as to how much we need, how many industries are based on it and what is the quantum of local production.

The P.V.C. granules based H.D.P. bags industry and jute industry both are incurring losses because of lack of coordination between the two. We shall have to issue licences only after a due consideration. The H.D.P. bags industry is suffering losses even after an investment of crores of rupees. Therefore, I request you to pay attention to this issue... *(Interruptions)*

[English]

MR. DEPUTY-SPEAKER : Please wind up...

(Interruptions)

MR. DEPUTY-SPEAKER : No, no Please stop now...

(Interruptions)

MR. DEPUTY-SPEAKER : Nothing will go on record now...

*(Interruptions)***

MR. DEPUTY-SPEAKER : Take your seat now.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) Sir, I would like to propose that this House sit after the Half-an-Hour discussion this evening so that we can continue with and complete all the legislative business that is existing on today's agenda.

SOME HON. MEMBERS : Yes, yes. We have already agreed.

SHRIMATI SHEILA DIKSHIT : Thank you. I would also like to inform the Members that we will be offering a kind invitation for dinner.

MR. DEPUTY-SPEAKER : Now the hon. Minister of Finance.

DR. CHINTA MOHAN : Sir, I have given my name also. It is an injustice to me. - You said you will allow me for two minutes. Please allow me at least two minutes. He can wait for five minutes, Sir. . . .*(Interruptions)*

MR. DEPUTY-SPEAKER : No, no. If there is any clarification, you can seek. . .

(Interruptions)

DR. CHINTA MOHAN : It is a lot of injustice to me, Sir. I am asking only for two minutes. We have discussed here for two days, three days. . . .*(Interruptions)*

MR. DEPUTY-SPEAKER : Two minutes only I am giving you.

DR. CHINTA MOHAN : Thank you, Sir, for giving me this opportunity. . . .*(Interruptions)*

SHRI SOMNATH CHATTERJEE : I have also pleaded your case.

DR. CHINTA MOHAN : I thank Shri Chatterjee also.

Sir, I admire the personnel integrity and honest of the Minister and at the same time, I am not able to appreciate the rosy painting that he has given about the economy today. He said that he is going to improve the growth rate by about five per cent. I am not able to appreciate it, I do not know how he is going to justify it. In the last discussion on economic situation he had said that the discussion from the Opposition side is very empty. But I would now say that his judgement is going to be totally empty.

I would not like to go deep into that but I would like to quote retain things from the public sector which is directly under the control of the Finance Minister.

**Not recorded.

Sometime back when I raised a starred question, the Minister of State for Banking said—he is not able to give a clear picture about the activities that are going on in the banking sector. In the national interest I would like to quote some activities which are going on in the banking sector which has become a big sector, major thrust of the Seventh Five Year Plan economy is dependent on it to-day.

1983-85 bank fraud cases—

Panjab National Bank	— 865
Canara Bank	— 514
Bank of Baroda	— 483
Bank of India	— 478
I. O. B.	— 316
Syndicate	— 311

There are so many examples to quote. But the hon. Minister, a responsible Minister just now was quoting that the public sector has failed due to the workers problem. He was blaming the poor organised sector who are half naked and are not able to fill their belives fully. At the same time I would say that it is a day light dacoity of the masters to-day. The public sector is failing. We cannot achieve socialism just by slogans.

Mahatama Gandhi has given so many policies initiated by Pandit Jawaharlal Nehru pursued by Shri V. P. Singh, and Rajiv Gandhiji. But he is going as a man of slogans.

Now I come to the tax structure. You appointed Mathai Commission in 1954. You have raised tax by 10% and than 34% and in 1984 you have raised to 17%. You are having so much of amnesty scheme and you are squeezing the industry and getting all the money. I appreciate your tax collection and all that and with a limited amount of tax you cannot improve economy.

Now I come to the expenditure part of it. I would like to say you said that you will reduce expenditure by 5%. I do not know. Have you got report from inter-departmental Ministry. I will give you an example here. (*Interruptions*) Defence-Budget, you all said in your projection geo-physical,

political changes. You have to increase the Defence Budget. I would like to say in a city of my State you have got Defence Research Laboratory. There you have spent so many crores of rupees. You got so much of material. You spent so much and so many people are working there. But if you do not have a scientist there, I do not know how you are going to run Defence laboratory. Is it not a wasteful expenditure? I would ask the Minister to comment upon this.

I now come to subsidy. You are giving so much sbusidy for the fertilisers. But the fertilisers are not reaching the farmers in time. For rabi season you are giving it. At such a late time.

SHRI RAM SINGH YADAV : You do not know you please talk of some other thing. Do not say that the farmers are not getting fertilisers.

DR. CHINTA MOHAN : Agricultural production—0.9 crores (*Interruptions*) Coming to the Ministry of Commerce, this Ministry has become Ministry of deficit. You are not able to increase exports and you are going to the Soviet Russia. You are keeping it as a trade secret. People outside are saying that export is limited to some sections of the people. I happened to meet an expcrtter day before yesterday. He said that export is being totally exploited by North Block. I do not know how exporters can increase their export. If you want I will give you an example of deficit. (*Interruptions*) 1984-85, you have said Rs. 3130 crores. This deficit has gon upto Rs. 6500 crores.

(*Interruptions*)

Though you have said it is Rs. 5000 crores, it is more than Rs. 7000 crores. Plan is accepted with total deficit budget—Seventh Five Year Plan. Rs. 14000 crores is going to be more than Rs. 30,000 crores.

Coming to the balance of payment. . .

MR. DEPUTY-SPEAKER : You have already taken five minutes. You may conclude. You may ask questions as clarifications which I will allow.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : First let me thank the hon. Members for their comments, suggestions, critical comments, because that also gives warning and to be alert on certain direction and aspects. And they have been well meaning and it is in that spirit that I take the critical comments also, and I am also grateful for whatever appreciative compliments have been given.

Madhav Reddiji yesterday mentioned about the deficit financing of Rs. 5000 crores drawing from the paper that we have submitted for 1987-88, and he has said that it is too large. I would request him only one thing. I have given the full paper. Now, with a different deficit if you could give me a different document, I would be very willing and happy to receive it and see whether we can make amendments on this.

AN HON. MEMBER : Yes, Sir, we should make suggestions.

(Interruptions)

SHRI VISHWANATH PRATAP SINGH : This is what precisely the interaction I look forward to and very seriously, Sir, because till now the budget-making process virtually was a closed affair. On 28th February the Finance Minister came and read it out the hon. Members debated it made suggestions, and while in tax matters some relief may be given, some change may be made on administered prices or something, so far as the macro-management of the economy is concerned—how much revenue to be raised, how much borrowing, how much deficit, now much contribution for public sector and how much non-plan expenditure—this macro-management was almost a closed affair so far as the hon. Members and the Parliament are concerned and after the interaction of various Ministries, when the document was prepared and presented in February, there was hardly any scope to change the macro parameters. A very serious effort has been made for the first time we come to the House to involve the House and the hon. Members in the very process of budget-making. That is why we have come with this document of 1987-88 and I would look forward towards the suggestions of the hon.

Members and if the deficit is large then, Madhav Reddiji, I will request you to reduce deficit and then work out other figures to see how they work out because it is an organic whole. It is not one variable which one can debate. It is the whole fabric that we have to take into account. If we change the deficit, what will be the effect on other parameters? And if the approach to the budget is like that, there will be very meaningful debate and interaction and so far as the economic issue are concerned, of course no economic issue can be divorced from politics, but certainly it can be divorced from partisan approach and that has been my effort in this House, when economic issue of the country have to come, to take it as a national issue and thereby listen to all the aspects and where there is need for correction or amendments, certainly we are open to it, we do not stand on our ego on that and also try to convey what our perspective is and it is in that spirit I would take this. In fact I will be writing to you, the hon. Members, giving you a separate sheet where you can keep your own copy and send one to me and I will go through each one of them. I cannot announce a prize on that, but my prize will be that I will be benefited, I will acknowledge it in the House saying that this is the improvement this hon. Member has contributed to this, this has been an improvement upon the suggestion I put, and I might accept it.

SHRI SOMNATH CHATTERJEE : The Member will be budgeted !

SHRI VISHWANATH PRATAP SINGH : He will be on the assets side of my balance sheet. So, this is what I look forward to.

The other thing is that I also want to make it as a convention, not only this year, because these figures will change. These are annuals, but the convention is there, the convention of involving of the House and the Members in the budget-making process. This is the convention I want to lay and this is what I am looking forward to give much more importance to it than to the individual things.

[Translations]

SHRI NARAYAN CHOUBEY : It would change; when you relinquish the charge and someone else takes over.

[English]

SHRI VISAWANATH PRATAP SINGH : That is precisely, Choubeyji, we as individuals come and go, but conventions remain and they continue, and they are much more powerful than any one individual here or there, that is a passing phase.

[Translation]

SHRI BALKAVI BAIRAGI (Mandsaur): Raja Sahib, you are thrusting a great responsibility on the shoulders of opposition.

[English]

DR. CHINTA MOHAN : A day will come for a change.

SHRI VISHWANATH PRATAP SINGH : The other thing that has come out boldly is that our commitment to development is undiluted. This document squarely proves that in 1987-88, we are going to commit to the Plan 22% of the outlay in real terms in 1984-85 prices. Already in two years, we have done far more than 40%, about 41% in real terms, in 1984-85 prices. In the Sixth Plan, we could do about 28% to 29% in the first two years in real term. So, I think, all the prophecies—that—now there is a resource crunch, there is a long-term fiscal policy, tax rates have been frozen, Government hand had been tight, it cannot fund the Plan—now having fulfilled it for three years and solidly the proof being before you, I think, all the prophecies, I would not make any comment, but at least who made these prophecies should be honest enough to revise them.

14.16. hrs.

(SHRI BASAVARAJESWARI—
in the Chair.)

SHRI MADHAV REDDI : They were only fears.

SHRI VISHWANATH PRATAP SINGH : Well, those fears can be shed. I am very happy that Shri Madhav Reddi who is sitting on that side, occupying the first seat can say that his fears are shed and he is now confident. I think, it is something with which we are very happy about it,

SHRI C. MADHAV REDDI : Fears are shed to some extent.

SHRI NARAYAN CHOUBEY : Shri Madhav Reddi does not say, fears are shed. Past fears are shed. Future fears may come.

SHRI VISHWANATH PRATAP SINGH : Well, I cannot reform a habit. But at least after facing the facts, what amends they have done, I take cognizance of them.

The other point was made just now by Shri Ranavirji about the agricultural sector. One thing more, I want to say. Again that is related to tax policy and also ideological approach which has been debated. About the tax kitty, well, it was worked out and I assure that during the Plan period, we will be able to raise Rs. 9300 crores more; to the Central kitty, it will be about Rs. 7500 crores or so, more than the Plan. And that is one thing the soundness of our tax policy and long-term fiscal policy is. Coming to agriculture, I am taking this first. There are, of course, many points. But, I think this is the central theme of our economy. We cannot understand Indian economy unless we understand the rural economy and the forces therein. It has been the hub of our strength, hub of our self-reliance. It was with the farmer and our land reform together, the essential ingredients, that we could come to self-sufficiency.

Sugar again was another test of the farmer. Last year, when we were debating this here, sugar was very bitter for me. Even in the Central Hall, perhaps I could not walk because sugar price was so high. In my own Party, perhaps today the debate is not so much about it.

SHRI NARAYAN CHOUBEY : In home ?

SHRI VISHWANATH PRATAP SINGH : I must have time to have a little more debate there.

SHRI RANA VIR SINGH : Keep it a secret. Don't divulge that information.

SHRI VISHWANATH PRATAP SINGH : My openness is limited to Budget, not discourses in the home.

But let us recollect again. We announced 2-year sugarcane price policy. We announced to the farmer a price hike of two and a half rupees and assured him another 50 paise for the next year; and again one rupee this year. And our sugar import, compared to 1984-85 has dropped by 75%. Last year, if I spent about Rs. 600 crores, today I will be spending about Rs. 150 crores, or so. This is the strength that we have. I am sure in edible oil also, though we will have to go through a bitter period of a little rise on the edible front, but given the right inputs and also technology to the farmer—something which Shri Rana Vir Singhji meant that with seeds and variety and all that, we can make a breakthrough—and the incentives, this dependence on imported edible oil where Rs. 1,000 crores of money goes out, can be saved and can go to much more other useful things that we purchase. But just like in industrial self-reliance, of course, for capital goods—Shri Somnathji here pleaded also—foreign capital goods are cheaper. We have also started to build our self-reliance in capital goods and indigenous industry. We did not allow cheaper capital goods to just flood in. We had a little of our own machinery but we will buy.

In oil seeds also, we have to go through a difficult period and let us not lose nerves. I am sure in a few years time, the farmer will make this country self-reliant in edible oil and that is what we want.

The other point that is made which is necessary to be understood is that in edible oil, previously the oil was being released regularly same quantity every month. Now

we have changed it. When the farmer is to sell and when there is a flush season for it, at that time, we are reducing the release of edible oil. So, farmer gets his price. But when it is a lean period, when he has sold and gone to the trade and at that time, the trade wants to exploit the situation by hoarding and at that time we are going to release more edible oil to bring down the price. We have done this anti-cyclical arrangement from last year. It has worked well. We are going to continue with it.

So far cess fund in regard sugarcane R&D.....(Interruptions). I told Dr. G. S. Dhillon that if he comes up with any proposal, we will immediately agree. About sugarcane prices, may I remind, that he mentioned one rupee that has been given this year ?

SHRI RANA VIR SINGH : In Uttar Pradesh, you had lot of it but when you had become Finance Minister of India, it is only one rupee.

MR. CHAIRMAN : Don't interrupt. Don't intervene in the matter. Let the hon. Minister say.

SHRI VISHWANATH PRATAP SINGH : Just observe this figure. From 1980-81 to 1984-85, in five years, sugarcane price was raised from Rs. 13/- to Rs. 14/-, one rupee more. In 1985-86, Rs. 2½ in the first dose, then, 50 paise in the next dose and then one rupee in the next dose, Rs. 4/- in all.

[*Translation*]

SHRI RANA VIR SINGH (Kaiserganj) : But you have not bothered to see the amount spent on production.

[*English*]

SHRI VISHWANATH PRATAP SINGH : Now you shifted your ground. Same way, on wheat also, Rs. 5/- in 1985-86 and again Rs. 5/- in 1986-87. So, we are taking care of that and I do not think there is any need for worry.

The insurance scheme was introduced last year. We are assessing it and certainly it will be priority area of oilseeds when we think of further extension to other crops.

The other area of subsidy and that has been raised by hon. Members is whether it will affect the farmers or not. What we are looking for is subsidies. We are trying to cut overhead costs. For instance, in food, many hon. Members said and Shri Bhagatji has taken initiative quite a bit and has succeeded in concrete results in certain areas. We are looking further into it as to how we can reduce over-heads. If we buy at about 162 from the farmer and sell it at 190 to the consumer and subsidise with so much money ..

(Interruptions)

So, how can we reduce the over-heads and thereby reduce the subsidy? It is the same way in fertilizers also. What we are looking at is that can we look into the various heads of the fertilizers subsidy and could reduce those heads whether in transport or other items; last year we could reduce Rs. 300 crores on fertilizers' transport. So, by reducing these heads, we can reduce it.

But one thing that also should be understood is that virtually we have held fertilizer prices—even after last year's little increase; it was what was virtually five years back. While inflation in the country is taking place at 5, 7 per cent the price of fertilizers is being kept low one commodity we are holding, irrespective of whatever be the inflation but the burden of higher cost will be reflected somewhere—either in the budget or from somewhere else; It is for Hon. Members to suggest as to how to manage this situation and how to handle this situation.

The other thing which Shri Madhav Reddi mentioned yesterday—more in a general way—was of deficit financing. An hon. Member just now mentioned of the deficits in various things.....

(Interruptions)

He said, the deficit has been growing. Now, the deficit growth is just like—as somebody says that when the economy grows, it also grows. It is the same way, in what proportion it is growing. If a child grows, its shirt will also grow. Otherwise, if you try to fit the same shirt of three years' old; either he cannot work or the shirt will tear. We cannot put the same deficit of four years back and try to run the economy up-to-date.

(Interruptions)

SHRI C. MADHAV REDDI (Adilabad):
RBI credit should also be there.

SHRI VISHWANATH PRATAP SINGH: I would like to say that from next year, we will reflect the net RBI credit also because that is economic deficit. Let us be honest. We will not only show the budget deficit, but we will show the RBI net credit also. Let the country know the whole economic situation and have faith that we can manage the economy better. Let me share real difficulties with the people and with the House.

In 1979-80, the deficit was Rs 2427 crores. In 1985-86, the deficit was Rs. 4490 crores. According to your logic, the deficit is lower than the deficit of Rs. 2427 crores because the Rs. 2427 crores deficit in 1979-80 was 2.26 per cent of the GDP, while Rs. 4490 crores deficit is only 1.91 per cent of the GDP. So, this is smaller deficit. Also, Rs. 2427 crores deficit in 1979-80 was 13.1 per cent of the total expenditure in the budget; whereas Rs. 4490 crores deficit is only 8.3 per cent of the total expenditure. So, the Rs. 4490 is smaller than Rs 2427 as a deficit.

SHRI SOMNATH CHATTERJEE
(Bolpur): So simple!

SHRI VISHWANATH PRATAP SINGH: Yes, it is. . .

SHRI VIR SEN (Khurja): So clear also. . .

(Interruptions)

SHRI VISHWANATH PRATAP SINGH : That is a solid economic reason. That is the rationale how we assess it.

SHRI SOMNATH CHATTERJEE : Economics is not logic.

(Interruptions)

SHRI VISHWANATH PRATAP SINGH : But logic has to be economically used.

Shri Madhav Reddi raised the point of amnesty scheme ; the other Members also raised it. He has said that the raids have been stopped. It is not that we have gone on a holiday, Mr. Madhav Reddi, just because some amnesty schemes have been announced. I do not have to give all this proof because already many Members have given me encouragement in the sense that at least on this count they have said that the Government has taken firm action. All that I want to point out is that, if you see the seizures and tax-evasion detected of customs or excise or tariff or under all other laws, in 1984 it was—I am leaving out the decimals—Rs. 200 crores and in 1985 it was Rs. 608 crores—three times more. And it is not that the number of raids has increased. The number of raids, in fact, has fallen from 89,000 to 80,000. That means, the big fish are caught more. The quality of the raids has improved. With lesser number, we are getting three times more, namely, Rs 600 crores from detection of tax evasion and seizures. I need not quote the figures now ; some time in Question Hour I will show how the number of arrests under COFEPOSA and all that has gone up. The element in the amnesty scheme is that there has been no tax concession ; there is no compromise in the share which is of the country with any person who comes for amnesty. In other schemes, you have to pay back, for example, the Bearer Bond, with interest. Here we are not paying back ; we are keeping it. All that we are saying is this : if you bring evidence against yourself which I would have first to collect and prove in court, if you are saving me from that trouble, then I am just not putting you in jail ; but I am going to take all my money. This is not a perpetual policy. The dates have been announced and the terminal dates are known.

For once you become soft and say : "Alright ; if you want to mend your way, we are giving a chance, and if you really mend your way, certainly we will take all our dues but will not put you behind the bars ; we will allow you to change but not after that date". Also there is a necessity because when we started it last year, there was a big hullabaloo in the press, "The system has been like this ; now all of a sudden we are being caught ; how can we do ?" That sort of thing was there. . . .

[Translation]

SHRI NARAYAN CHOUBEY : Why did you not catch them earlier, why are you catching them now ?

[English]

SHRI VISHWANATH PRATAP SINGH : After this date, I can strongly say, "Well, I have given you time ; your time is over ; if you have not corrected yourself, you have taken the risk of it and you have to face the consequences". It is very clear

[Translation]

SHRI RAM NAGINA MISHRA : The newspapers report everyday that so many raids are being conducted. But what measures are you adopting to check the very rich people here who are transferring huge amounts to Switzerland ?

SHRI VISHWANATH PRATAP SINGH : It has already been discussed at length in the House and if you take up this matter now, it will consume much time of the House. The Government will take all possible steps at its command and will make all-out efforts to check the outflow of money.

[English]

SHRI SOMNATH RATH : I think, there will be no further extension of time.
(Interruptions)

MR. CHAIRMAN : Let him continue,

SHRI VISHWANATH PRATAP SINGH: I have expressed myself on that point. Let me come to the substantive parts of the debate. Otherwise, we will get diverted. Each point is worthy of consideration in a separate discussion, I understand; but we will lose the main track.

Another point was made on cars and electronics, that much is being said, but the luxury items are being promoted. So far car is concerned, the bigger cars we have not allowed, we have reduced it.

Dr. Datta Samant is not here. I was very much surprised when he had on one count pleaded for the public sector and said you are doing everything for the private sector and you are running down the public sector; but when it came to favouring Maruti vis-a-vis other private sectors, he said that you are doing a wrong thing. At least he should allow us with a bias to help the public sector.

SHRI NARAYAN CHOUBEY : He is scoring a point only.

AN HON. MEMBER : It is a good point.

SHRI VISHWANATH PRATAP SINGH: Anyway, we will go into the details. I am having a discussion with the Industry Minister today.

SHRI SOMNATH CHATTERJEE : What is the indigenous content of a Maruti car? How much are you importing for the manufacture of Maruti car?

SHRI VISHWANATH PRATAP SINGH: That point is well taken. There is foreign exchange outgo. We somehow want to connect it. That is why Commerce Ministry is also looking into this matter. We are thinking that in the Company Law we can we bring an amendment where the companies will have to show their foreign exchange earning in the Balance Sheet itself. When it comes for new licencing etc., that point could come into consideration. So, there is a pressure on the Houses no use foreign exchange that they earn foreign exchange. In this way we are trying to connect it up.

SHRI SOMNATH CHATTERJEE : I asked a question in this very session what is the amount of foreign exchange that is being utilised by this automobile companies. The answer is that statistics are not available.

SHRI VISHWANATH PRATAP SINGH: I share your concern Somnathji.

SHRI SOMNATH CHATTERJEE : The projected indigenisation has not been done.

SHRI VISHWANATH PRATAP SINGH: I don't think we have difference of opinion on this point. When there is a foreign-exchange outgo, it is all right to start with. But indigenisation should take place and in a genuine form, not putting some label of another Indian Company and they import and supply to Maruti and Maruti saying that they have indigenised because an Indian Company is supplying while that Indian Company is importing. We are looking into it, we are putting this X ray—not that we want to put a cover on it—it should be X-rayed and the genuine indigenisation should take place. That is the only way.

This is precisely the point even in Electronics also. It is not the electronics itself, but we should look to indigenisation. It is a labour intensive area. The whole information explosion that has taken place in the world, we should not be left behind. But the point is that as we go, we have to indigenise and bring our domestic capacity.

A point was raised about Banks. Chinta Mohanji raised a point about banks and the functioning of the banking system. May I say, one thing should be appreciated that we started with 8000 branches and now it is 52000 branches? The rural branches were only 2000 roughly. Now we have about 3000 rural branches. See the tremendous expansion that has taken place. So, in this expansion I don't say that there are no loopholes or lacunae. When you have such a fast growth without giving any time for consolidating, weaknesses do crop in and I don't want to cover it up.

[Shri Vishwanath Pratap Singh]

Even if you see the deposit growth, initially before nationalisation, it was Rs. 4600 crores. Now it is about Rs. 93000 crores. That is the expansion of this banking system. The expansion that has taken place, we hardly had an idea of it.

DR. CHINTA MOHAN : How much amount is involved in the different activities of the banks ?

SHRI VISHWANATH PRATAP SINGH: I would say about the performance of the banks in the last Year, 1985. The deposit growth was coming down from 1982 to 1984, it was a declining curve. From about 17.6 per cent it came down to 17.3 per cent. That was the decline. It has shot up to 18.5 per cent in one year. That is the improvement that we could do in the year 1985. At the same time the gross profit which was negative in 1984, viz., minus 10.6 per cent last year we could increase the profit to 32 per cent.

The target for direct finance to agriculture is 15 per cent. It was below target in 1984. It was hardly about 13 per cent. In 1985 we could bring it to 14 per cent and in March 1986 we have raised it beyond 15 per cent, that is, beyond the target.

DR. CHINTA MOHAN : What about the bank credits to the small scale sector ?

SHRI VISHWANATH PRATAP SINGH: As regards priority sector advances for the poorer sections, I do not deny there are leakages and lacunae. The target for the weaker sections was 40 per cent. In 1983-84 only 38 per cent could be achieved. In 1985 itself we crossed the target and it was about 41 per cent. In March 1986 it is about 42 per cent. So here also it is above target. This is priority sector advances which include small scale sector.

For the weaker sections 10 per cent is the target and it was about 9.5 per cent in March 1985. In March 1986 we have been able to achieve more than 10 per cent.

Hon. Members has expressed that in the distribution of the loans to the poorer sections the representatives of the people should be involved. It was raised in the House during the Question Hour. We are considering to adopt some steps in DRD and other committees. In some States, Collector is the Chairman. So MPs naturally rightfully do not attend such meetings where an official is the Chairman. We are thinking and I will have inter-action with the Rural Development Minister that peoples' representatives could chair those committees and they could do so by rotation and the official can be Secretary to the Committee. This is one arrangement we are considering and I will talk to my colleague the Rural Development Minister.

Secondly, Sir, when Indiraji nationalised the banks she dedicated these resources to the people. Now how could this inter-action be increased ? So we have asked all the banks and all the branch managers—I will request the hon. Members if the branch managers are not acting—accordingly in their constituency then they should bring it to our notice—that on 15th of every month they should allot a certain amount of time to meet the customers themselves. They should try to remove their grievances and should not continue to sit in their rooms and get applications and take action. They should also go out and meet people in the villages, the beneficiaries and others and see how really the things are happening in the field. Not only the Branch Manager, I have also asked the officers of the Banking Department in the Finance Ministry that they should make surprise checks on the 15th of every month ; they should go out in the field and find out what actually is happening.

At the same time, for dispersal of loan, we have asked them to fix two days in every month so that the dispersal is made regularly and undue delays are not there.

At the same time, the procedure will also have to be improved. Now, the procedure is—Village Level Worker, BDO, DRDA, Veterinary Surgeon, Branch Manager. Then, whether the State have given their part of the subsidy, whether that is deposited in the Central Bank, and then it goes to the branch from that bank. It is not only a three-legged race, but a six-legged race. We are doing something how to undo that.

Shri Mahajan yesterday mentioned about the housing for the poor. We have the Indira Vikas Yojana and Rs. 125 crores were allotted for providing housing to the scheduled castes and scheduled tribes. We will continue this housing scheme for the poor, and that will be taken care of.

Shri Bholanath Sen mentioned about subsidies. I have already dealt with this matter.

Shri Somnath Chatterjee raised the point of capital goods industry. I think that is a vital point and I do not want to make any debating points. But I agree that the capital goods industry is the hub of self-reliance in our strategy and we will keep it healthy and see it grows. On that perception there is no deference of opinion. Last year we reduced the project duty to 45 per cent, this year we have raised it to 55 per cent and if need be, we are ready to go ahead more. I have no compunction. We will have to keep our capital goods industry alive, but at the same time we have to modernise it. If we do not modernise it, it would be mummifying obsolescence. If the technology remains old, we keep on holding to it. It would be a fossilized economy of the past. That would be just running some museum where we go and see the animals of the past. We have to strike a balance between the two. In this process we cannot go so far that we kill our capital goods industry and at the same time, we cannot protect it to the extent of 300 or 400 per cent that it does not move at all. We have not to strain it, but train it and go ahead, and also take care of it.

Now, I come to the point that Shri Somnath Chatterjee made, that the States are not being given sufficient funds..... (Interruptions). So far as State transfers are concerned, there is no better representative for States than myself here in the Central Government. Against the budgetary estimates of last year, we have given Rs. 764 crores more to the State by better tax collection. Out of every Rs. 100 that I collect, Rs. 51 go to the States.

(Interruptions)

Growth is 45 per cent. I give you the data here and you give me compliments also. But with all this growth of direct taxes, it does not help reducing my deficit. 85 per cent of it goes to the States. So, I labour and sweat for States. Why are you worried about it?

SHRI SOMNATH CHATTERJEE :
What about the special deposit scheme? The provident fund is not being deposited and the States are being deprived of the money.

SHRI VISHWANATH PRATAP SINGH : I will be coming to that. What I am saying is that out of the total kitty of Rs. 774 crores if I get the net resource transferred, the total comes to Rs. 4300 crores more than the Budget estimates to the States.

SHRI SOMNATH CHATTERJEE :
Go to the Maharashtra Chief Minister. He will also ask for money.

SHRI VISHWANATH PRATAP SINGH : I will come to the point of provident fund and States being affected by the interest rates being raised on the provident fund and all that. One thing, you should not forget. You must also have been arguing that we deposit the employees' money in low interest-giving funds and just like bonded labour, this is bonded money and so on.

SHRI SOMNATH CHATTERJEE :
That does not mean that you put it in the special deposit only. The State Governments do not get a share in this money. The object is not to pay them more money.

SHRI VISHWANATH PRATAP SINGH :
No, no. The object is to pay them more money. My problem is this. When I disagree, there is a problem; when I agree, even then there is a problem!

(Interruptions)

[Shri Vishwanath Pratap Singh]

We have to realise that the problems of the centre and the States are the same. Centre and States, it is the same entity. We are responsible not only to Centre, but to States as well. We are responsible to both Central and State Plans. The plan of the country has to be fulfilled. Now we have come out with 'Indira Vikas Patra'. This is a new instrument which gives 20 per cent simple interest; in five years the amount will double. And the States will get two-thirds out of this money. There is no more attractive instrument yet to be afloat, which I have given to the State Government. That takes care of your point.

SHRI SOMNATH CHATTERJEE : What about consignment tax. Say something Sir. Try to do something.

SHRI VISHWANATH PRATAP SINGH: About consignment tax, I wrote to the Chief Ministers. There are some basic inputs like iron ore crude petroleum bauxite, coal, etc. On these items, there should be a common regime in the country. If every State is to have a different regime on basic inputs, the whole economy will have its impact. Suppose in a hospital there is a patient. One senior doctor comes and gives him an injection. Then another junior doctor comes and gives him another injection. What will happen? It may be two separate injections, but the system is the same; it is the same patient who has to receive these injections. Whether the Centre gives or the State gives, it is the same economy which is being injected. Here we have to cooperate. I wrote to the Chief Ministers that exemption power should be with both the Centre and the State. But the Chief Ministers have not agreed to it. So, there is a stalemate. There is need for more dialogue on this aspect.

SHRI SOMNATH CHATTERJEE : Is there any chance of calling for a meeting?

SHRI VISHWANATH PRATAP SINGH: I did say that there is need for dialogue. We will have a dialogue with them.

Then Shri V. C. Jain mentioned about drought in Rajasthan. We are meeting the Members of Parliament from Rajasthan tomorrow. So, I need not say anything further on it.

SHRI RAM SINGH YADAV : Sir, the situation is equally bad in Uttar Pradesh too.

SHRI VISHWANATH PRATAP SINGH: I want to say one thing about droughts and floods. In the Sixth Plan, we spent about Rs. 2000 crores. In the very first two years, we have exhausted the same amount. Now, we have to assess this strength of the treasury when it is pitted against God. How much can you fight with the God?

SHRI NARAYAN CHOUBEY : So you say, war against God.

MR. CHAIRMAN : Only five minutes left. Let him conclude.

SHRI VISHWANATH PRATAP SINGH: Sorry. Madam, I am trying to meet the points of the hon. Members.

(Interruptions)

MR. CHAIRMAN : In between, don't ask questions.

SHRI NARAYAN CHOUBEY : She has come to your rescue.

SHRI ATAUR RAHMAN : You are giving to every State, except Assam.

SHRI VISHWANATH PRATAP SINGH: The other point which was made was about inflation. I am coming to some of the important points. I cannot go to every point. So about inflation, one thing should be understood. Till now, it has been a style that Opposition Members and everyone ask from the Government, why this has happened. And the Government starts answering on everything, whether it is within its powers or not. So, I want to frankly say what the Government can do and what it cannot do. The Government honestly say that it cannot do this.

So far as the management of price is concerned, Government has got 3-4 instruments and for that Government is responsible and should be answerable. One is money supply and the other is indirect taxation of commodities. The third is the administered price.

SHRI NARAYAN CHOUBEY : We are all increasing it.

(Interruptions)

SHRI VISHWANATH PRATAP SINGH: You mean that we are answerable. So I am not debating that. So far as the effect of these areas are concerned. 'Yes'. It is the Government's money. But there is a vast area in the Wholesale Price Index and the Consumer Price Index and that is the agricultural produce. More than 50 per cent of the Consumer Price Index and the Wholesale Price Index is of the agricultural products wheat. In that area, production is by and large dependent on the crop, the rains. This year, potato crop has not come up to expectations and last year, it may be tomato. I can produce more cloth. But I cannot produce tomato and potato. No Government can produce it, in any factory.

SHRI SOMNATH CHATTERJEE : Vishwanath Pratap and Vishwanath down there.....

SHRI VISHWANATH PRATAP SINGH: That is different.

SHRI NARAYAN CHOUBEY : What about unemployment problems ?

SHRI VISHWANATH PRATAP SINGH: So what are your options ? You just say what can the Government do ? So spend foreign exchange to import it from some country where tomato and potato is produced.

[Translation]

SHRI NARAYAN CHOUBEY : For God's sake, don't do so.

SHRI VISHWANATH PRATAP SINGH: We will not do it we shall remain without potato and tomato but will not spend foreign exchange on these items.

[English]

SHRI BALKAVI BAIRAGI : He is naughty grand father from Bengal.

SHRI VISHWANATH PRATAP SINGH: The other thing is the dynamics of our growing economy. While the value of Rupee has declined, the per capita income has gone up. Before, the War, during the British times, there was relative price stability. In one rupee, one could buy 16 kg. of wheat. That does not mean that the people were better-off.

[Translation]

SHRI NARAYAN CHOUBEY : Who has pleaded for it ?

[English]

SHRI VISHWANATH PRATAP SINGH: You should understand that.

SHRI NARAYAN CHOUBEY : You understand that.

SHRI VISHWANATH PRATAP SINGH: You understand that and don't say it. You understand that very well, but you don't say it. You present it in a form. You are not talking here, but you are talking beyond the wall. That is why you are addressing.

SHRI NARAYAN CHOUBEY : You kindly speak of unemployment problem because your time is ticking away.

(Interruptions)

SHRI VISHWANATH PRATAP SINGH: So, per capita income has grown in spite of whatever you say on the value of the rupee. In 1950-51, the index was 100 and it has become 165 in 1984-85. So let us in the dynamics of our growing economy, we should understand, that inflation does not necessarily reduce the purchasing power.

[Shri Vishwanath Pratap Singh]

Purchasing power can still increase, if the income distribution goes there with those who have got to get more money.

15.00 hrs.

Now coming to employment ; this is a very vital issue, and in this employment strategy, again the agriculture sector has to play the major role.

MR. CHAIRMAN : Mr. Minister, how much more time do you want ? I will have to extend the time for you.

SHRI Y. S. MAHAJAN : Let him finish.

MR. CHAIRMAN : At 3 O'clock we have to start the Private Members' Business.

SHRI VISHWANATH PRATAP SINGH: I will finish within five minutes.

MR. CHAIRMAN : I will extend the time by five minutes.

SHRI VISHWANATH PRATAP SINGH: In the agriculture sector, out of 4.70 crores that will be absorbed in the 7th Plan, 1.80 crores will be absorbed there.

[Translation]

SHRI NARAYAN CHOUBEY : For how many days in a year ?

[English]

MR. CHAIRMAN : Please...let him continue. Don't interrupt. *(Interruptions)*

SHRI VISHWANATH PRATAP SINGH: So, it is given impetus. Here, what I want to say is that basically we have to give impetus to agriculture, for our employment problem. Manufacturing will absorb only 66 lakhs.

SHRI NARAYAN CHOUBEY : Do you mean to say that industrial sector will get less importance ? That is what it means. *(Interruptions)*

SHRI VISHWANATH PRATAP SINGH: No ; what I am saying is that in our strategy, we cannot forget the agriculture sector. We have to maximize on the industrial sector also. But let us not be under an illusion, that only the industrial sector is going to serve the employment problem, and not the agricultural sector.

One last word on the public sector. That is the one thing on which I will use my time now. Public Sector is the cardinal point of our economy. There is no debate on that.

SHRI SOMNATH CHATTERJEE
Do you agree with Mr. Sathe ?

SHRI VISHWANATH PRATAP SINGH: What Mr. Sathe was trying to emphasize was that we have to make it more efficient, and that there are problems in it. That is all. *(Interruptions)* It has shown performance. This year, electricity, railways and coal have shown improvement.

SHRI ATAUR RAHMAN (Barpeta) : I am a new member of this Parliament. But when I see this sort of interruptions, I feel very sorry as I would like to hear also.

SHRI VISHWANATH PRATAP SINGH: No ; it is a welcome interruption. I do not mind it.

SHRI SOMNATH CHATTERJEE : Interruption is all right ; disturbance is bad.

SHRI VISHWANATH PRATAP SINGH: I am not disturbed by both.

MR. CHAIRMAN : There is very frequent interruption.

SHRI VISHWANATH PRATAP SINGH: We have to improve the performance of the public sector ; and I also see the workers' participation at the managerial level. Their participation at a level higher than the floor and shop levels, is necessary for the improvement of the public sector. I see it very clearly.

In a mixed economy, apart from its role in the economy, I see the public sector as a bulwark against total take-over by the private sector. This is a very important political point which I want to make, viz. public sector is a bulwark against total take-over by the private sector, not only of economy, but also of politics. Therefore, public sector is politically also very necessary.

SHRI NARAYAN CHOUBEY
Furthermore, it should also be capital-high.

SHRI VISHWANATH PRATAP SINGH:
I have said that already, Mr. Choubey. But this aspect is not only in respect of economy; it has a political significance also, and we should recognize the political significance of the public sector. I have had some taste of trying to fight the power of money. I know if they had the whole say, how much inroads they can build. If Government does not have the strength of the public sector, and the whole economy was in their hands, on what ground we could fight them? I know the strength of their network. I think it is, therefore, necessary to save the political system. Politically it is necessary. Of course, we have to make it efficient, and it has to contribute to the resources. We have to take the labour into confidence. On this, I think, there is no difference of opinion.

I think Mr. Sathe was also trying to make the point that there were some problems there.

MR. CHAIRMAN: We will now take up Private Members' Business. Shri R.P. Suman.

15.04 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

Twenty-Eighth Report

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

"That this House do agree with the Twenty-eighth Report of the Committee on Private Members' Bills and Resolutions presented to the House on 3rd December, 1986."

MR. CHAIRMAN: The question is :

"That this House do agree with the Twenty-eighth Report of the Committee on Private Members' Bills and Resolutions presented to the House on 3rd December, 1986."

The motion was adopted.

15.05 hrs.

CONSTITUTION (AMENDMENT) BILL 1986*

(Insertion of New Articles 23A, 23B and 23C)

[English]

PROF. MADHU DANDAVATE (Rajapur): I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. CHAIRMAN: The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

PROF. MADHU DANDAVATE: I introduce the Bill.

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