

Zainul Basher, Shri

NOES

Balanandan, Shri E.

Basu, Shri Chitta

Biswas, Shri Ajoy

Chakraborty, Shri Satyasadhan

Choudhury, Shri Saifuddin

Dandavate, Prof. Madhu

Dandavate, Shrimati Pramila

Das, Shri R. P.

Fernandes, Shri George

Ghosh, Shri Niren

Giri, Shri Sudhir

Gupta, Shri Indrajit

Hasda, Shri Matilal

Jatiya, Shri Satyanarayan

Madhukar, Shri Kamla Mishra

Maitra, Shri Sunil

Mhalgi, Shri R. K.

Misra, Shri Satyagopal

Mukherjee, Shri Samar

Negi, Shri T. S.

Pandit, Dr. Vasant Kumar

Paswan, Shri Ram Villas

Rajda, Shri Ratansinh

Riyan, Shri Baju Ban

Saha, Shri Ajit Kumar

Sen, Shri Sunil

Shastri, Shri Ramavatar

Shejwalkar, Shri N. K.

Vajpayee, Shri Atal Bihari

Varma, Shri Ravindra

Verma, Shri Phool Chand

Verma, Shri R. L. P.

MR. DEPUTY-SPEAKER: Subject to correction, the result †† of the division is:

AYES: 116: NOES: 32.

††The following Members also recorded their votes:

AYES: Sarvshri Laxman Karma, P. Rajagopal Naidu, Charanjit Singh,

NOSE: Sarvshri A. K. Balan and T. R. Shamanna.

The motion was adopted

MR. DEPUTY-SPEAKER: The Bill is passed.

(Interruptions)

(At this stage, some hon. Members left the House.)

16.51 hrs.

GENERAL BUDGET, 1981-82—GENERAL DISCUSSION—Contd.

MR. DEPUTY-SPEAKER: We shall now take up the general discussion on the General Budget.

SHRI E. BALANANDAN (Mukundapuram): Mr. Deputy-Speaker Sir. There have been broadly two reactions to the Budget among the hon. Members of this House and the people at large. Amongst some there has been a sense of jubilation about the concessions provided in the form of the exemptions and reductions to the middle classes which has been made out to be an essential feature of this year's Budget. Among others there has been a sense of scepticism about the Government's economic policy in general and the Budget in particular—heightened by the Bearer Bonds Scheme the explicit and implicit concessions to the corporate sector and the huge deficits in the Budgets of last year and this year and increasing reliance on foreign capital that has come to characterise our path of development. It is on the basis of this scepticism and the implications thereof that I intend to draw the attention of the Members of this House and the Finance Minister himself.

The Finance Minister has in his speech referred to a transition from a period of "crisis management" to one of growth as forming the background of the budget that he has presented. However, as a prelude to my comments

on the Budget, I would like to argue that neither has the crisis been 'managed'—let alone overcome—nor the prospects for growth appear positive in the light of the Sixth Plan document, the *Economic Survey* and the Budget itself.

The year of crisis is the year 1979-80 is a point on which I could agree with the Finance Minister. But his view that the economy has since been set on the path of "stability and growth" is an issue of which I, and to a large extent to *Economic Survey* itself would strongly disagree. Let us examine the three features of the crisis which the Survey indentifies as most important: (a) The high rate of inflation, (b) stagnation in output and (c) severe stringency on the balance of payments front.

**Inflation:** To start with inflation, the Finance Minister prides himself on the fact that the increases in prices between April, 1980 and January, 1981 was only 13.5 per cent. However, coming in the wake of a 21.4 per cent increase in 1979-80, it amounts to a 37.4 per cent increase in about 21 months. Further, there appears to be no sign of price change in the trend in the immediate future. Prices which ostensibly showed signs of declining towards the end of the calendar year 1980 have resumed a clear upward trend undoubtedly. The hike in administered prices and the massive deficit financing resorted to by the Government in 1980-81 had an important role in generating such a trend. And, a Government that again resorts to such increases in prices and deficit financing can hardly claim to have attempted to contain inflation. I may quote in this connection an article published in the *Hindustan Times* dated 7th March by Shri N. A. Palkivala:

"This favourable picture is presented by taking the figures of inflation on a point to point basis. On the basis of the average index for the ten-month period ending January, 1980, inflation was 15.6 per cent while for the period ending January 1981 it was higher at 18.4 per cent. Upto now the *Economic Survey* always

gave inflation figures on the average index basis. For the first time this year, it has switched over to the point to point basis as an exercise in the widely known art of Window-dressing."

On the question of stagnation in output, none can share the Finance Minister's optimistic views. In 1979-80 industrial production was actually lower than the previous year's level by 1.4 per cent. Between April to November of this financial year, industrial production was 1.2 per cent higher than during the corresponding months of 1979-80. In other words, compared to the poor performance of 1979-80, the current year's does not show any sizeable increase. Yes, the Finance Minister has visualised a 4 per cent increase in industrial output this year, the source of which could only be his unfounded optimism. A similar situation prevails on the agricultural front. After a fall of 15.5 per cent in the previous year, output is expected to increase by 19 per cent which implies that this should only slightly exceed the 1978-79 level. Clearly, therefore, the stagnation is still with us.

Finally, the balance of payment problem is more severe today than earlier, with trade deficit of Rs. 2,000 crores, reserves have to be drawn by Rs. 600 crores despite recourse to aid and massive borrowing from IMF. Again, let me quote from the *Hindustan Times* article written by N. A. Palkivala:

"Our foreign exchange reserves are sufficient to finance our present import bill for just five months."

Our balance of payment position is very serious.

17 hrs.

All in all, the basis for the Finance Minister's belief that the crisis has been managed hardly exists at all. And the same is true, we would see, for his view that the growth around the corner, because it is also without any sound foundation.

The drought undoubtedly affected agricultural production in 1979-80. But if the Government had organised an

[Shri E. Balanandan]

efficient public distribution system and utilized the stock of foodgrains, not to mention sugar, the price level could have easily been controlled. In any case, the relationship between the drought in 1979-80 and the slow growth of industrial output in 1980-81, which was a year of good harvest, is not clear at all.

As for the impact of the oil price increase on the balance of payments, the logic of the Finance Minister does not appear to be straight forward, as it is made out to be. The OPEC price hike need not have any impact in our balance of payments, if we adopt measures to curtail consumption and introduce rationing. It is known that a large part of the imported oil constitutes unessential consumption by the rich. If it had been curtailed by rationing, the balance of payments situation would have been better and definitely have not been so severe.

With regard to the infra-structural bottlenecks, the present Government policy is, to a large extent, responsible for it. The bottlenecks are related to the mismanagement of the public sector and the declaration in public investment in infra-structural industries. There appears to be no major improvement in the management front. They are rather ignoring the existing talent in the public sector. For example, the Finance Minister states in para 21 of his speech:

"The urgency of the situation is also such that the Government has decided to supplement our domestic capability by engaging foreign parties on contract, on a production sharing basis..."

The Oil and Natural Gas Commission has the technical know-how to improve the production of oil in the country. But the Government of India did not entrust them with this job. They have invited a French Company, and that too without inviting any quotations. This Company has been invited to come here, and that too on the basis of production-sharing. If they had been given some money, it could not have affected us very much.

But our valuable oil would be shared by this French Oil Company with us. This is how the Government of India is neglecting local talent, which is available in the country, as a result of which our foreign debt is increasing.

Then, the Government is supposed to be a model employer. By adopting an erroneous and adamant attitude in the labour front, they are causing huge losses in production, which is reflected by the developments in the public sector plants in Bangalore. There is a strike going on for the last 77 days in a public sector industry. I need not go into the details of it. How did the strike start? It started because the Government failed to implement the agreement.

It is mentioned in the Economic Survey that labour discipline has to be brought in. How do the Government want to create labour discipline? It is by respecting agreements and implementing contracts or is it by depriving the workers of their legitimate dues? Here we find that the contribution of the workers in the value-added production is annually on the increase, in the public sector as well as in the private sector. But, if you go into the statistics, you will find that the share of the workers is always on the decrease. The value added to production is always on the increase. Then, how can the Government find fault with the workers for the economic crisis in the country?

Thus, not only in the Finance Minister's claims that the crisis has been managed is patently abused, but in fact no serious efforts have been made to deal with the causes as reflected in the facile diagnosis of the Government. What about his views that we are moving into a phase of growth? There is no reason to believe that the Planning Commission's prescription of an annual 5.2 per cent growth in domestic production and 3.3 per cent growth in the per capita income would materialise itself. In the last 32 years the domestic production growth average has been only about 3.5 per cent a year and per capita income growth was 1.3 per cent. Unless certain basic changes in policy

and structural reforms like land reforms and nationalisation of monopolies are adopted, there is no reason to expect that this itself could be sustained, let alone achieving a marked upward shift in these figures. Besides, for an export drive (costing the exchequer huge and rising subsidies) in a period of international crisis and increasing protectionism and recommending large scale entry into the Euro-currency market, that is going to enhance our dependence, as such no policy change is visible.

With regard to employment and poverty, the Budget claims that the number of people living below poverty line will be reduced by the Budget; but when it is closely examined, another picture is visible. Even if a growth rate, equal to those seen in the past, is achieved, what does it mean for the rural and urban poor? In 1979-80 there were 151 million standard year persons employed out of a total labour force of 195 million in India. This implies that there were 44 million people unemployed. The Sixth Plan target itself is to employ an additional 185 million persons while the national labour force is likely to go over to 235 millions. Thus the number of unemployed is likely to increase to 50 million in 1985, that is, 6 million more than in the beginning of the Plan. Despite this, the Plan claims to bring down the number of persons below the poverty line from 48.44 per cent in 1979-80 to 30 per cent in 1985-86. From what has been already said, it should be clear that one can expect quite the reverse—the percentage of persons below the poverty line would in all probability increase even in the Plan period.

The so-called concessions given to the middle-income groups, supposedly reflected in the Budget, need to be treated with scepticism. Coming in the wake of the increase in administered prices and along with hikes in customs duties, both of which are bound to have an inflationary impact, the net gains to these sections are bound to be far less than reflected in the money value of the concessions. The actual

level of deficit is bound to be greater than the visualised deficit financing to the tune of Rs. 1539 crores since the latter estimate is based on the assumption of receipts of Rs. 800 crores under the bearer bonds scheme and an improvement in the operating position of public enterprises. Neither of these can be legitimately expected to materialise. Coming in the wake of Rs. 1445 crores deficit in 1980, the inflationary implications of the anticipated deficit of the current budget are explosive.

Finally, the concessions to the middle income groups amounting to Rs. 40 crores hardly compare with the concessions of Rs. 60—70 crores being provided to the private sector through the reduction of surcharge on corporate tax, export subsidies and so on. In fact, substantial benefits are being provided to the domestic and foreign private capital in the name of launching an export drive and they can be expected to exceed the amount mentioned in the budget. These vast differences in the concessions provided reveal the real nature of the Budget and indicates what the concessions in the Budget really aim at.

Along with the concessions provided to private capital, non-development outlay and, in particular, defence expenditure has been hiked. The increase of Rs. 600 crores in defence expenditure has been explained by a reference to the "difficult times". But it is not clear whether the "difficult times" stem from within or outside the country. This increase in outlay will also adversely affect the price front. The outlay on the Central Plan in the first two years amounts to a mere 33 per cent of the total, as opposed to 40 per cent, as it should be, even without adjusting or taking into account the point that the Sixth Plan estimates are at 1979-80 prices. Even for this, in the first two years of the Sixth Plan, nearly 70 per cent of the deficit financing prescribed for the five-year period will be drawn upon. It is now commonplace knowledge that relying on deficit financing for meeting outlay is essentially a means of ensuring forced savings by eroding into the already meagre incomes of the poor and middle classes.

[Shri E. Balanandan]

Thus, even over the little growth that is to be seen, the burden is to be placed on the large masses of people. This renders absurd all the claims of the Central Government of reducing the percentage of people below the poverty line.

In addition to forcing heavy reliance on deficit financing, the refusal to go in for large-scale resource mobilisation through direct taxation of corporate incomes and those of the big landed interests, there is also an increasing reliance on foreign aid and foreign commercial borrowings. Along with the open door policy to foreign investment in the nature of export drive which is going to become all the more imperative with the piling up of debt service obligation, this implies a growing reliance of foreign finance capital which does not go well for the country's independence. Growing reliance on foreign finance capital do not augur well for the independence of the country.

Clearly the philosophy that underlines the Budget is such that it seeks to secure wealth to domestic monopoly and the foreign private capital besides the big landed interests at the expense of the large masses of the urban and rural poor and the middle classes!

Nothing is more illustrative of the philosophy of the Government than the Bearer Bond Scheme that seeks to legitimise the illegally gotten wealth. This measure is brought forth at a time when the burden to be borne by the masses is at its severest height!

I quote what Mr. Palkhiwala said according to the Hindustan Times:

"The special bearer bonds virtually amount to institutionalising the black-market. That the danger facing the country within the Union Budget is based on Bearer Bonds economics, needs no underlining. Black-market and corruption are patently dangerous but, official and public acceptance of black-market and corruption is positively lethal."

Another point that needs to be made is that this Government failed in dis-

charging its duty of improving the standard of living of the people, is also pursuing a policy of reducing the already meagre incomes of the State Governments.

The Government of India has now decided to take over 5 more items from the States Sales Tax List to the scheme of excise levy by which the State Government may lose large amount of money. The Chief Ministers of West Bengal and Kerala opposed the scheme during the last Chief Ministers' Conference. I request the Finance Minister to see that justice is done.

Every effort is not being made by the Central Government to scuttle the powers of the State Governments and the constitutional provisions which give certain rights to State Governments are being taken away. This attitude has to be given up.

Another point I want to make is that the three State Governments of Kerala, Tripura and West Bengal are being treated on a different footing by the Central Government. I would invite the attention of the Finance Minister to a circular issued by the Home Ministry prescribing a different type of Special Police Verification for those to be employed under Central Government from the States of Kerala, West Bengal and Tripura. They adopt one yardstick for Central Government service for all the States and another yardstick for the States of West Bengal, Kerala and Tripura.

This Budget gives many promises for employment. But, the people from Kerala, West Bengal and Tripura cannot get employment. That is the actual position. That is because they voted another Government into power. In fact, we have a constitutional right to vote any Government to power. That right is being threatened by introducing this kind of verification. This kind of verification means that we cannot find employment under Central Government. If we cannot

get employment, we cannot live. Therefore, our right to life is being taken away.

MR. DEPUTY-SPEAKER: It is only carried by the Kerala Police.

SHRI E. BALANANDAN: Centre has imposed another verification.

MR. DEPUTY-SPEAKER: Police verification is done by the Kerala Police.

SHRI E. BALANANDAN: CBI verification is done by Centre. This procedure is followed only in Kerala and Bengal and Tripura. That means, we are not taken as citizens of the country. We are treated as separate citizens.

With regard to the strike in Bangalore, the Finance Minister said that officially nothing has been informed. I made a statement here. I may read from a letter written to the Prime Minister. With your permission, I quote from the letter to the Prime Minister.

“We demand your Hon'ble self to send Tamilians and Keralites away from Karnataka as the heritage of our beloved Karantaka is at stage, within one week failing which the NSUI will stop water/lights/ration and have a social boycott of these anti-social elements and lock them up in their respective colonies at the cost of our lives.”

This is the statement.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): Who wrote it?

SHRI E. BALANANDAN: Secretary of the NSUI, Karnataka. This is addressed to the Prime Minister. I can give it here.

SHRI R. VENKATARAMAN: Can you take the responsibility for this? Can you say that on your authority? Do you think that it is genuinely written by the organisation which you mentioned?

SHRI E. BALANANDAN: I say that, authentically, it has been written by them, unless they have refuted it. The point I am asking..

SHRI EDUARDO FALEIRO (Mormugao): If you have in mind the ruling Party organisation, it is NSUI (I), just for your information. NSUI is Congress (U) ... (Interruptions)

SHRI E. BALANANDAN: If you deny, I do not want to say that it is there. Denying is all right, but the point is, a member who came from Karnataka has told us personally that the situation in Bangalore is such that the Tamilians' and Malayalees' residences are being surrounded by these people and they are going to be denied water, light and everything, if they are not sent out within seven days. This was issued on 5th. So, this is the situation. Now, I am coming to my last point....

SHRI R. VENKATARAMAN: Government have no such information. Since you have made the allegation, I want it to go on record.

SHRI SAMAR MUKHERJEE (Howrah): But you inquire.

SHRI E. BALANANDAN: I am only stating on the basis of facts. If you deny it, it is all right.

Finally, one word about the levy imposed by the Finance Minister on the newsprint. The amount which is going to earn by way of this is something like Rs. 21 crores. What is the intention of the Government on this? Perhaps, by this, they want to scuttle the public opinion, public criticism, public voice. I demand that, immediately, without any discussion, the first sentence that the Finance Minister should say is that he is withdrawing this excise levy imposed on the newsprint....

SHRI R. VENKATARAMAN: Do you know that the Kerala Government has asked us to levy a tax on advertisements in newspapers and pass it on under article 269?

**SHRI E. BALANANDAN:** You can talk with them on that. I am only saying about this levy on newsprint. I want this to be withdrawn. If you want the public criticism and public opinion to be hushed up or crippled by this kind of measures, it is not fair.

With these words, I totally oppose this Budget.

**SHRI K. BRAHMANANDA REDDY** (Narasaraopet): Mr. Deputy-Speaker, Sir, generally I am not fond of hearing my own voice for long....

**PROF. MADHU DANDAVATE** (Rajapur): But we are fond of.

**SHRI K. BRAHMANANDA REDDY:** Therefore, I shall be brief and will conclude before I hear the jarring sound of your bell.

To create an attitude of receptivity, if I may say so, in the mind of the Finance Minister, let me pay my compliments—of course, well deserved—for the several tax reliefs which he has mentioned in his speech. They appear to me to be a sort of a deft exercise at maintaining a good rapport with the vocal public which he has initiated last year during his budget. It is good so far as it goes. I do not know and I suppose it would be needless also to recount the various reliefs he has mentioned in his Budget, but suffice it to say that they are well-taken, they help the middle-class and they promote savings and investment.

Fortunately, Sir, I am not an economist. I do not claim to be one. But I am a political being with some experience of and observation of men and matters in the entire country. In my opinion, taxation theories of any variety, divorced from a given social context, would not be completely in place and particularly, to an India of this dimension and this diversity. Therefore, just as any political system, however good it may be in any particular country of any particular size, it cannot be transplanted *in toto* on any other country without reference to the social structure, the economic condi-

tions of the people, the tradition, habits and particularly, the genius of the people as they may not be very relevant. Therefore, I would suggest that whatever economic policies or fiscal policies that might be considered and announced from time to time, must have relevance to the context of the Indian society. That is my first observation.

Sometimes, we, in our country, including all political parties do indulge in some political gymnastics and try to oversimplify matters as just in the case of the political system people quote it—Parliamentary *versus* Presidential system. It is not so simple as such. There are factors which are very good in a parliamentary system which can be adopted with advantage and there are also some things which are good in the Presidential system. Presidential system is not at all one variety. There are various good things in a parliamentary system equally as in a presidential system which can be put into service of the political system of India. Another area is the electoral system which needs some kind of a reform on which there is a consensus.

Sir, the other day we saw the announcement of the Jha Commission. Of course, it is well-known that Mr. Jha is a world-renowned economist and he has practical experience of administration of several decades both at the Centre and also in the State as Governor. If I may make some remarks, Mr. Finance Minister, I only make them so that it may be worthy of your notice. Now, luckily, a clarification has been issued by Mr. Jha himself which partially removed our misgivings. The fact that he makes a direct recommendation to the Prime Minister, is probably, an indication that whatever his recommendations may be, they will not gather dust as the other previous Commission's recommendations are gathering.

Therefore, I hope whatever periodical recommendations the Jha Commission may make with regard to our procedure, with regard to income-tax or with regard to any matter of conse-

quence, so far as the economy and the general public administration system is concerned, they will receive not only the attention of the Finance Ministry but also the particular attention of our Prime Minister so that early decisions can be taken and implemented.

I was mentioning to you privately before that our general administration is ever-expanding and ever-increasing. If I may say so, it is expanding like the proverbial Hanuman's tail. Of course, it is our inheritance; we inherited a system from the British. The system in general administration is one with which we have some connection—it is more regulatory in nature. 90 per cent of them involve in more regulatory procedures. I wish they have some promotional activities as well. I am, therefore, submitting it to you that it is not only in the Centre but it is also so in the States. There it is worse. They are expanding. If you are in favour of employment-orientation policy, it would be a short-sighted policy.

Therefore, I would suggest that you will please have a look into it. If you go on ever-expanding in the general administration services which does not contribute one per cent growth or if you do not take proper steps—I am not talking here of retrenchment—to keep it under control, then, I am afraid, Mr. Finance Minister, you will have to groan under their weight with the periodical increases in the Dearness Allowance etc., etc. Therefore, I hope this matter which has received the attention of the Jha Commission as well is not less important. If you see the proliferation in the States particularly—not only the Centre—you will find that several institutions have grown from day-to-day. Their functions are also overlapping. This is a thing where you will certainly be compelled to reduce them and to cut your expenditure in that regard.

Sir, the Income-tax Reform is a thing about which we have agreed not once but twice, thrice or so; every Finance Minister has agreed and all

sections of the people have agreed that the Income-tax Act or the rules and procedures are like a labyrinth, made of details, with regard to rules, concessions, penalties, this and that. They are not giving you more revenue. They may mean only harassment. I may tell you one thing what was your income-tax in 1957? What is your income-tax to-day? Has it grown with the inflation to the size that the exercise and customs have grown? There are several categories of people—I do not want to mention their names and I do not also want to mention their categories because they will be angry with me. Take professionals like lawyers, doctors, businessmen, artists etc. If you want a man to pay Rs. 70 out of Rs. 100, he will only try to shirk. It is obvious. Therefore, I would like that after the receipt of the Jha Commission's recommendations, you will go into the matter. I am telling you that even if you take some risk, you will not lose any revenue. But, at the same time, you will make the people more moral and you will enable them to contribute to the exchequer in a much better way.

Sir, I congratulate you on your splitting up the LIC whatever my other friends may feel. It has grown in size beyond control. Likewise I would say you split up FCI. Whether you split it up into three or four is a matter of your concern and judgement but it should be split up. You know what waste it means. There are losses in transit, storage, long haulage and what not. Are you not giving 400 to 500 crores subsidy to FCI? Why do you do that? If it becomes necessary certainly you give some subsidy but you cannot subsidise wasteful expenditure or unnecessary expenditure. That is not subsidy. That is bonus. Therefore, I would request you along with your Agriculture Minister, who is well-meaning and knowledgeable person about agriculture to look into this matter and see whether it is not worthwhile saying his subsidy. Further, if I can plead for Mr. Pandey, the Railway Minister, there is unnecessary long haulage from Kerala to Punjab, from



[Shri K. Brahmananda Reddy]  
Punjab to Bhubneshwar. Why all this! It is a strain on the railways. I was submitting to the Railway Minister yesterday that even if necessary by cutting down a few passenger trains you must make the railways more freight oriented. They must be able to carry more goods particularly perishable goods for which people take lot of pains to grow and are not able to send them to consumption centres. Therefore, I would request you to look into this.

Sir, as all of us are agreed the base of our growth is coal, energy and transport. Of course, you are investing lot of money on energy. You should do that. I do not grudge. But are we getting the return? I am glad and I congratulate the Ministers concerned and the Cabinet Committee which is considering about these three matters for having brought 6 per cent to 7 per cent improvement in the situation. It is very good. It is a step in the right direction. I congratulate them. But have we taken sufficient steps to watch power station—station by station—and see whether they are properly maintained and whether the technical defects are timely removed and whether some technological advances are necessary. Unless you keep a continuous watch over the functioning of the power stations one by one you will not be able to develop in any big way so as to create a very good impression on industrial and agricultural growth fronts. So far as coal is concerned I am glad that some improvement has taken place. For that I congratulate you. But, at the same time, it is widely rumoured—I wish it is not correct—that about 40 to 45 thousand labour are there on the pay-roll in Bihar belt, without doing any mining work. They not only do not do any mining work but they create all sorts of law and order problems there and Mr. Pandey must be knowing about it. I would say that the State Government is not able to deal with the situation. Sir, I am not against any State Government because my roots are in a State Government. Bihar

Government whether it is manned by Mr. Mishra or Mr. Pandey or Mr. Brahmananda Reddy for instance, will not be able to manage the situation. I would suggest to you that a striking central force may be deployed there to deal with this particular issue; and without time-lag, without training, I want competent trained defence retired personnel to be employed there for a few years to deal with this situation effectively so that coal improvement can be assured.

Therefore, Sir, I would suggest all importance to be given to these three areas which are very vital to our economy. We may talk of a hundred things. But unless these three things are improved you cannot make a dent on the growth of industrial and agricultural production. Sir, a 20-per cent increase in the Plan outlay is very impressive. I certainly feel enthused about it. But I would say that it all depends on how implementation at the Central level and State level takes place. We should not merely be satisfied simply by allotting financial resources. We should always be careful about the physical targets if we want really to see that the beneficiaries to whom these projects are intended really receive those benefits in proper measure. Otherwise, Sir, we would only be indulging in wishful thinking and not doing any real growth work. I want strict and periodical monitoring of profits big or small either in the or States.

Now I come to Price. It is your effort, the Government's effort to make constant effort, to keep the Prices at a reasonable level. I use the word 'reasonable' advisedly. World inflationary pressures have their own impact on our economy. You cannot avoid them. You are raising the prices of petroleum; you increase the prices of coal, steel and so on. These certainly add to the inflationary tendencies. It should be your constant effort to watch and keep them under reasonable check; it should be at reasonable levels within the capacity of the growing public; otherwise things will go out of control.

Secondly, I would say, I do not know how your wholesale price index is computed. In fact, I do not know it. But I can tell you this, from the experience of womenfolk in the countryside as in our own family, we know that wholesale price index has got no relation to the retail price. The retail price in an urban area has no relation to what a trader does in a rural area. Therefore I would suggest that you have a random sample survey for that. In these urban areas and rural areas we must know how the trade is behaving. If you have such a sample survey you will be able to know that. I tell you, Sir, I thank the Finance Minister very much for not increasing the excise revenue. It is not as direct taxes. But I will say that if you make an excise levy on any number of items and if you want to make Rs. 500 or Rs. 600 or Rs. 700 crores, you make it and I have no objection. But the point is that you make a well-thought out excise levy and have a levy on them for three years without tampering with them often unless you observe in experience that a distortion has arisen or an item has escaped your notice. Otherwise what you will find is when you raise it you get two paise, the trader gets three paise and I am burdened with five paise. It is the trader who rules the roost who makes the most. I do not want to criticise the 1979 budget but, if I may say so, for a paltry sum of Rs. 15 or Rs. 20 crores. levy on some items had been increased which you had slashed in your last year's budget. On this a psychology of inflation has been created. As you know, Sir, before every impending budget, you will find the traders putting up the prices, you will find the stocks going underground. Therefore, my submission to you is that it is very good that you have resisted the temptation to do what you should not do. I congratulate you for this. I, therefore, request you to keep this in mind and make a levy on whatever items you want. Of course, you may keep it for 2 or 3 years. Let not others

take the benefit. Government would be getting only a partial benefit. In a democracy, what is needed is the public well-being and the public satisfaction. It is not with the statistics and figures that you can satisfy them. It is what my villager feels in this village, what the urban dweller feels in the urban area, what a man living in slum area feels and what a man on the road feels. That is the criteria in any democratic political system which should always be kept in mind.

Now, I want to say a word about the farmers. I am a farmer and I am proud to be one, though not a big one. Mr. Venkataraman is also a farmer and many of us are farmers. The farmers have problems. In a democracy, peaceful demonstrations, even peaceful agitations are possible or even permissible to only highlight an issue. Now, if my friends, the leaders in the opposition think that they can, invited or uninvited, exploit the genuine difficulties of these farmers for political advantage. I am only sorry to say that it is misplaced judgement.

PROF. MADHU DANDAVATE: Are you referring to the 'kisan rally'?

SHRI K. BRAHMANANDA REDDY: I am coming to that. I certainly welcome the kisan rally from two points of view, not that it is merely an impressive, that two million people gathered from all over the country, but to dispel the impression which is sought to be created by the Opposition that the Congress (I) is against the farmers. Whether it is five, eight or ten crores, or whether it from your pocket or from my pocket is not the question. If it is so, then all democracy is a waste. I substantiate this for two reasons. One is to dispel the impression which is sought to be created unnecessarily. It is a mirage for them. Even today they are pleading for LIC workers. I have no objection to that, but if they think that all the 1.25 lakh workers are behind them. I think, they will be living in some paradise which is not neces-

[Shri K. Brahmananda Reddy]

sarily desirable. The point is that Shrimati Indira Gandhi, as the Prime Minister, wanted to put the record straight. She only wanted to tell the general public what the Congress party's attitude had been not only after Independence, but all along even before independence. If some of my young friends want to read, let them read Pandit Jawaharlal Nehru's autobiography. There are hundreds of pages which contain the agrarian problems that those Congress leaders took up and thought of those people. The Congress history is that and the backbone of the Congress party today is the villagers and the farmers.

AN MON. MEMBER: You have neglected them.

SHRI K. BRAMANANDA REDDY: We have not I am only saying that you are creating distortions. You are only confined to a small particular group of so-called industrial workers, in which we are also interested. But if you want to raise the level, or well-being of 40 or 50 per cent of the poverty stricken people, or people below the poverty line, the point is that when you consider any such thing in country, you have to view the entire society and the structure it has. It may be that as a clerk, one should get Rs. 2,000/-, but can a country of our size and with all the poverty, with so many beggars afford is the question. It is not what you deserve. An M.P. may deserve Rs. 10,000/- per month, but can we afford it? What this country can afford in the context of the particular conditions of the society we are living in is the pertinent question.

I am a farmer; I am against this haphazard and panicky decisions that are being taken by the State Governments. I want the Central Government to think and lay a broad general policy with some modifications, keeping in mind the conditions of each State for remunerative prices, for lessening the excise duties

for giving at cheaper rates the fertilizers and the pesticides and also, in particular, a low-interest production oriented loans for a few months. If I am sowing something in June, you give me a loan for seven months till I grow that crop and sell it and pay you off. We are an agricultural country. Unless our agricultural production grows and the farmers enabled to grow more, we will be in hellish trouble. This year, because of the seasonal conditions and efforts of the farmers, you are in a position to put before us a reasonably good budget, but if something happens there, the whole thing will be topsy-turvy. I have said in the Planning Committee once and I say here also that a country of this size, with its agriculture and very active farmers not only in Punjab, Andhra, Madras etc. but everywhere, except probably Bihar, can do what you want, provided you give them the incentives. Why should you import more than a thousand crores worth of pulses and edible oils? As an agricultural country, where we best of our agriculture, it is derogatory to our self-respect. Therefore, you put a plan of action before them for a couple of years and I am sure the farmers in the entire country—small, big and medium—will rise to the occasion and produce the necessary output. The world is going to be short of food in the next decade and you will be in a position to send some outside and earn sufficient foreign exchange.

I do not hold Japan as a model for all things. But I would certainly say, if Japan is on the top of the world today in the industrial growth, it is because of the collective workers' participation with interest in production and productivity. Giant America is kneeling before Japan.

Now, what is national wealth? It is not our statistics. It is not money; it is not annas, rupees, pies. Our national wealth is how the people in a

country bend their energies collectively to exploit the natural resources by their hard labour and discipline. It is that alone that will save this country or any other country. It is not annas, pies or a few billions or trillions. It is this where all of us should bend our energies together as a nation. And therefore, I will end by saying, Sir, while congratulating you for several things that have been done, while suggesting to you several things that you may like to bear in mind, let us all remember that hard work and discipline alone is needed. After all, self-discipline which is particularly in our tradition is in our blood. If it is self-discipline, wonderful. There is nothing like it. If there is no self-discipline, the only other discipline is organised fear.

AN HON. MEMBER: Organised fear, i.e. Emergency?

SHRI K. BRAHMANANDA REDDY: I am not talking of Emergency. Why are you bothered too much of Emergency?

Organised fear is to instil in you a sense of discipline to do the right thing.

18 hrs.

Now, Sir, I have only one other point to make. You have mentioned

luckily; last year you avoided it. You have mentioned Family Welfare. I have no objection to Family Welfare which Janata Government introduced in. I have no objection. But, in my view, welfare is a general term. It includes everything. Therefore, without meaning any disrespect to the Government that has used that word, I would again request you to come back to the word 'planning', because you pin-point. It is Family Planning which is wanted. You pin-point it. I have no children. Therefore, I would say in the end. "The slogan must be: One or None."

#### BUSINESS ADVISORY COMMITTEE

##### THIRTEENTH REPORT

THE MINISTER OF PARLIAMENTARY AFFAIRS AND WORKS AND HOUSING (SHRI BHISHMA NARAIN SINGH): Sir, I beg to present the Thirteenth Report of the Business Advisory Committee.

MR. DEPUTY SPEAKER: The House now stands adjourned till tomorrow.

18.01 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, March 10, 1981/Phalguna 19, 1902 (Saka).*