

[श्री कब्रार जाल मुक्ता]

हो सकता है, तो यह देश के लिए, सब के लिए, इधर या उधर बैठने वाले सदस्यों के लिए—हम सब के लिए, धर्म की बात है। मैं योही महोदय से कहूँगा कि वह इस घटना की जाँच करायें :

13.02 hrs.

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

The Lok Sabha reassembled after Lunch at six minutes past Fourteen of the Clock.

[SHRI D. N. TIWARY in the Chair]

GENERAL BUDGET, 1978-79— GENERAL DISCUSSION

MR. CHAIRMAN: Now we take up General Discussion on the Budget (General) for 1978.

Mr. C. Subramamam.

SHRI C. SUBRAMANIAM (Palani): Mr. Chairman, Sir, I would like to thank the Chair and the House for, once again, giving me the privilege of initiating the budget debate.

When the hon. Finance Minister presented the Budget, I congratulated him. Today I want to tell him that that felicitation is subject to many major reservation.

The Janata Government has been in position now for a year, within a few days, it will be completing one year. Therefore, when we consider the Budget the Budget figures, more than anything else, we have to look into the management of the economy by the Janata Government and how the economy has behaved in general. One advantage—a major advantage—which the Janata Government had to begin with was that the objective economic factors were largely favourable for a dynamic growth. For that I do not depend upon my statement. I depend upon what the Finance Minister has stated in his Economic Survey; he has stated:

"The most notable feature of the economic situation in 1977-78 was the absence of any serious constraint on economic growth. In the past, shortages of food and foreign exchange have been the two major factors which have acted as a brake on economic growth. The current year began with stocks of food-grains of 18 million tonnes which rose to 20 million tonnes by the end of June, 1977."

Of course, if I say that they inherited this from us, they would protest, therefore, I would not rub it into them. But this is a fact.

Sometimes it has been stated that we were short of rupee resources. In my view, this is not a proper understanding of the economic and financial situation. As a matter of fact, if we look into the figures with regard to deposits in banks, etc., we will find that on the whole savings have exceeded investment. Therefore, there was no lack of rupee resources also. Rupee resources were available.

With all these favourable factors, what has been the performance of the economy? Before going into the figures I would like to refer to the general assessment which the economic review makes with regard to the functioning of the economy.

Dealing with industrial production, this is now it is summarised:

"Over a very large spectrum of industries, however, production changes have been confined in rather narrow limits" (other points also have been made earlier) "So that the general impression is more one of relative stagnation than of sustained progress".

This is the over-all assessment given in the Economic Review. This is with regard to current production during the year. The future depends upon how the investment climate has been and how the investment has been made. For that also I would rely on the statement made by the Hon. Fin-

ance Minister in the Economic Survey. This is the sentence on which I rely:

"As has been noted elsewhere in the Survey, a number of factors have led to slower growth of industrial production. Investment in the organised sector also is not showing any signs of a great recovery".

The only modification I would make is to remove the word 'great' so as to read "Investment in the organised sector also is not showing any signs of recovery". This is the assessment made in the Economic Survey.

Now let us go into some figures which they have given in the Economic Survey and also in the Budget Speech with regard to the growth factor. They have claimed that "On the indicators available" (not the facts available) "we are likely to have a 5 per cent growth during this year". This is based on, first of all, an estimate or a guesstimate of agricultural production. The figure given out in the Economic Survey and also in the budget Speech is that foodgrains production will reach a level of 121 million tons. In the speech of the President it was indicated that it was roughly 118 million tons. It has been claimed by the Finance Minister that this is due to the Janata policy—this increase. I would respectfully submit that, particularly in agriculture, if you build up irrigation potential—Mr. Chairman, you don't get results immediately you should know better—certainly. As a matter of fact, if we get results even next year, we should thank ourselves. Therefore, what is operating today is—if I could personalise it a little bit—it is only the Jagjivan Ram effect still operating: the Barnala effect is still to manifest itself.

AN HON. MEMBER: The Congress Jagjivan Ram.

SHRI C. SUBRAMANIAM: Yes, it is the Congress Jagjivan Ram, not the Janata Jagjivan Ram.

I would respectfully submit that when I had the privilege of launching

what is now termed as the 'green revolution' in 1964-65. I made the bold claim that within ten years we would not only become self-sufficient but that I would not be surprised if we would be thinking in terms of exporting. Today there was a question—we do not know whether the Finance Minister was listening to it or not—with regard to export of food-grains to other countries. That is the situation we had reached. But in this, if we have any complacency that it will be continuously increasing, we would be in a fool's paradise. With all the claims that have been made, even if I take it that 120 million tons is the figure, that is the production which had already been reached in 1975-76. And with favourable monsoon conditions and weather conditions you are claiming that you would reach—we do not know whether you would reach it but I wish you will reach it—120 million tons. In this area we have got to be careful because there is always some feeling—and I am quite aware of it—in the finance Ministry that agriculture is subject to weather conditions and we should do everything to see that weather conditions do not affect agricultural production. We should be Gods to do it! Because, if you take any country in the world today—the most advanced countries in agriculture—they are effected by the weather conditions, with all the developments that have taken place there. Therefore, we have to plan on the basis that we would have favourable production during favourable weather conditions and when adverse weather conditions prevail, the production would fall down. That is why, a bufferstock operation has become necessary everywhere and we are glad to find that we have a bufferstock even after distributing on a large scale on our distribution system of 17 million tonnes. Therefore, as far as the agriculture is concerned, it is not any special claim which the Janata Government could make that after an adverse year during the last year, this year there is a spurt in production

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reaching 1975-76 level even according to the claim.

Coming to the industrial production as such, it is claimed that they would have a five percent increase during the year on the basis of comparing the figures of industrial production during the period of April to October this year to the corresponding period during the last year. But if you see the curve of industrial production in the Economic Survey, you will find that after October, there was a big spurt of industrial production during the last year. Have we seen this spurt this year? After all, we are towards the end of March. My friend here tells me that in November the production was less than the previous year, leave alone five per cent increase, I do not think, things have improved after November. Therefore, taking what is called the indicators, the figures upto October, to claim that we would reach a figure of five per cent industrial production and on that basis taking agricultural production at 121 million tonnes of foodgrains and continued increase of industrial production and to claim that we would have on the whole a 5 per cent increase in GNP is all right for presentation purposes in the budget, but the reality while we would wish that it should not only be 5 per cent, but a little more, is that it is going to be a little more disappointing. Why has this state come about particularly in regard to industrial production? Various reasons have been given here but the most important is the state of industrial relations that exist in the country today. My hon. friend, the Minister incharge of Labour is not here; he has always been claiming that the industrial relations are no worse than before but the figures given in the Economic Survey show that if we compare the figures during April to September this year and last year, the mandays lost this year are eleven million, whereas it was only six million mandays during last year.

Apart from this, there is a climate of uncertainty; a climate of violence is prevailing everywhere. Why has this come about? It is necessary to look into it why such a situation has come about that there is almost a general discontent prevailing all over the country, among all sections of the community, all sectors of the community. This is mainly because of the extravagant promises made by the Janata Party in its manifesto. Expectations have been raised in respect of everybody, whether he be a capitalist or a labour-organized labour or unorganized labour—farmer, small farmers, landless labour and everybody that they would get into a millennium. These were the extravagant promises made and unfortunately, we are becoming the victims of these extravagant promises, the nation is becoming a victim of these extravagant promises. I could very well understand these promises being made in the election manifesto, particularly when they were not sure that they were coming to power. But the day has come now and time has arrived now to appoint a committee, if not a commission, to find out, out of these promises made which are realistic, which could be implemented, which are the promises which would benefit the nation as a whole and which would be harmful to the nation if implemented. There are certain promises which, in my view, if implemented, would become harmful. Therefore, it is necessary to make an assessment and come out and tell the nation and the country. 'No doubt we have made some promises but that was at a time when we did not expect to come to power. Now we realise the realities. These are the things which can be implemented and these are the things which cannot be implemented, particularly within the short time available to us.' Unless this is done, I am afraid there is going to be a continued agitation for the fulfilment of the various promises that have been made and that agitational atmosphere will not be conducive to economic growth. On

the other hand, that is one of the major factors that would stand in the way of our economic progress.

I think just before the Budget I read a speech of the hon. Finance Minister talking to the economic correspondents even from foreign countries. He said, 'I really do not know why in spite of the incentives that have been given, there has been no climate for more investment in the industry' and he wanted them to analyse and, if possible, give him the reasons. The reasons are not for to seek. We may give any number of incentives. But there is confusion with regard to Government industrial policy and nobody knows what is going to be ultimately the industrial policy of this government. So, naturally, there is bound to be hesitation with regard to investment in any area. It was said what can be produced in cottage industry will not be allowed to be produced in small scale sector and what is possible of production by small scale industry will not be allowed to go to medium industry and what can be produced in medium industry....

AN HON. MEMBER: Please see the Minister of State, Shri Satish Agrawal.

SHRI C. SUBRAMANIAM: He is meditating. What can be produced in the medium industry will not be allowed to be produced in the large scale industry. This sort of confusion, without knowing the implications of it, has led to all this. Even now do we see any light? Take, for example, the allocation, the central allocations. There is a major difference of opinion between the important Cabinet Ministers to-day, not within the Cabinet meetings, but it is being aired openly in the various public utterances. The Finance Minister thinks a cheap money policy will be conducive to investment, but immediately comes a very important Planning Commission Member condemning this cheap money policy. Where are we? Is there any co-ordination between the thinking of the Planning Commission and the

Finance Ministry or each is functioning in its own way? This is freedom and perhaps the Planning Commission Member may follow the example of the Prime Minister and say 'Not as Planning Commission Member I said it, but that is my individual opinion.' This is the utter confusion in addition to the industrial unrest. This confusion in the industrial policy and the confusion in the economic development as a whole is the deterrent to any new investments taking place. This is the general picture that has come about and unless these deficiencies and defects are removed, to hope for a better future will be only wishing for the moon. That is my respectful submission. We are all interested in your success, Mr Finance Minister. We are not here to see that you fail. We want the Janata Government Joginder Singh 3991 LS 8x10x14 5-4 to succeed. But how will you succeed if you are going to operate on this basis? You are going to be in position for five years. I hope so and if within five years you damage the whole economy, then it will take us at least half a century or a quarter of a century to repair that damage. That is why we are all interested that this government functions successfully. Therefore, it is necessary to remove these confusions which are existing today. Otherwise, it will lead to all sorts of further troubles and not only further stagnation but also deterioration in the economy as a whole. This is what I would like to place before the House. Therefore, this is the sort of economic growth which they have been able to achieve with all the favourable factors operating in the economy, even to begin with.

Then, let us look at the other factor about which the Janata Government has been laying great emphasis—employment. What does the survey say? What is the climate for economy? After playing with some figures, they say 'We cannot say that the position has deteriorated.' This is the climate you are making after all, for greater employment.

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And then we come to the most important thing—the price situation. How does the price operate? We find conflicting statements being made. The President inaugurated the Governors' Conference. The main theme of the President's Address to the Governors was concern at the price front. The Prime Minister also has been saying this. But, unfortunately, the price has not been controlled. It is still not under control and he has been having a rolling target for this. Six months—he said when he began. Then again March and now it again goes to November. So, it is just a rolling target just like the ever receding horizon. It is going to be like that. But, on the other hand, the Finance Minister is complacent enough to say, 'We have managed the price situation very well and the price, as far as the wholesale price index is concerned, is what it was when we took over.' I want to proceed on the basis that he is correct, that the wholesale price has behaved well and he has managed it, whatever may be the reasons. That may be because of the foreign exchange available to him. Let us not go into it. The wholesale price index has behaved well. But even if the wholesale price index has behaved well, does it benefit the consumer? You have to look at the consumer price index? What has the Economic Survey to say about the consumer prices? I am reading from the Economic Survey. This is very important and I would particularly request the Janata Party Members to listen with some attention:

"The movements in the Consumer Price Index generally follow those in the Wholesale Price Index with a time lag of a few weeks....."

This has been the general behaviour.

"...Moreover, since the former is influenced by controlled prices to a larger extent than the latter, and also includes services in which price changes are infrequent, it is generally more stable than the Wholesale Price Index. This, it appears, is not true for the current year in as

much as, on an average, the All-India Industrial Workers' Consumer Price Index shows a rise of 9.0 per cent during April—December 1977, while the Wholesale Price Index has moved up by only 6.6 per cent. Again, while the Consumer Price Index has advanced by 5.8 per cent between March and December 1977 the wholesale Price Index has registered an increase of less than one per cent."

What does this show? The wholesale price has behaved well but the consumer price has increased. Who is the beneficiary? The trader.....

SHRI SAUGATA ROY (Barrack-pore): The businessman.

SHRI C. SUBRAMANIAM: The trader. To-day when it is claimed that the freedom has been restored—no doubt freedom has been restored—but the main beneficiary of the freedom seems to be the trader, to exploit, to hoard, to profiteer and to black-market. Otherwise, how can such a situation arise?

I do not find my good friend, Shri Mohan Dharia, the Minister in charge of Civil Supplies here. I think he made a very loud pronouncement at Pune, his own city: "Till now I was only a warning Minister. Hereafter I am going to be an Action Minister." But he did know that the traders have more powerful allies in the Janata Government than Mr Mohan Dharia and that is why with impunity while the wholesale price is coming down, the consumer price, the retail price is going up. The Janata lobby is generally interested in the trader and, this is again seen with regard to the abolition of the sales tax. That is the main demand of the traders. Why? Because, they have to maintain accounts; they have to show in the bill what they have charged for each commodity. The Finance Minister after talking to the Chief Minister came to the conclusion that this is not possible. In the party he was forced to say, that they would be further looking into the abolition of the sales-

tax. Is it possible now, particularly when the State Governments are pressing for greater financial autonomy that he would be in a position to abolish sales-tax—particularly after the experience which substituted excise duty for three selected commodities which happened when I was State Finance Minister? Unfortunately the traders' lobby is so strong that now perhaps the consumer price will be equated to the present wholesale price level. Any small increase in the wholesale price index will further push up consumer price. This is the unfortunate situation. The Finance Minister looks at the wholesale price index which does not affect the consumer at all in any way. The President, the Prime Minister and others are looking at the consumer, to the common man who is in a very anomalous situation, who is called upon to pay higher and higher prices, and therefore the money value is shrinking. This is with regard to price situation.

Then, with regard to removal of disparities—whether it be disparities between individuals or between regions—this is no longer any matter of concern. Therefore I do not find any mention whatsoever about the removal of disparities in the Economic Survey. I hope I am wrong; but I have gone through it with great care. I do not see anything in the budget speech anywhere about the removal of disparities. It is something which is no longer so very relevant to the Janata Government.

So, this is the picture and it is in this context that we have to look at the deficit which is developing during the current year. Last year the hon. Minister estimated that it would be Rs. 84 crores deficit and he congratulated himself saying with 17 per cent increase he had only Rs. 84 crores deficit and taunted me by saying, you had much higher deficit. And where is it ending? More than 10 times. And that is the revised estimate. When the final accounts come I do not know what it would reveal. I am sure it will be much more. It always happens.

Sir, this is in spite of the fact that instead of Rs. 1,000 crores of borrowing, Government have indulged in Rs. 1183 crores, Rs. 183 crores more to make up for more than the deficit in the revenue collections. Revenue collection is estimated to be Rs. 100 crores less; borrowing is Rs. 183 crores. It is more than the revenue shortage. If you look into the figures as on 20th January, Rs. 1002 crores have been borrowed from the Reserve Bank. What was the corresponding figure last year? A mere Rs. 63 crores. But here Rs. 1002 crores have been borrowed from the Reserve Bank apart from the borrowing from the commercial banks. This is to cover the deficit—Rs. 1002 crores on 20th January. How it is going to end, I do not know. When we discussed the last Budget, hon. Members from that side said that the Congress Government had squandered away all the resources and handed over a bankrupt economy to them. Sir, who is making it bankrupt now? Our borrowing from the Reserve Bank, which alone is putting the hand into the kitty, was only Rs. 63 crores, but you have taken away Rs. 1002 crores. It is now Rs. 1,002 crores on 20th January; how has it further increased? We should wait and see.

So, this is the way we are accused of squandering away the resources? It is now Rs. 1,002 crores borrowed from the Reserve Bank for covering the deficit which he has put forward. As a matter of fact, I am not frightened by the size of the deficit financing. But it is the basis on which the deficit financing has happened that is frightening to-day. What are the figures in regard to the investment on developmental activities? According to Finance Minister's figure, in his speech in the major areas Rs. 230 crores would be less in investment. This, as it has been estimated, I am given to understand, it is not going to be only Rs. 230 crores. I would be surprised if it does not exceed Rs. 400 crores.

So, having slipped in the area of plan expenditure, you have got a de-

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Rs. 1002 crores. There is no investment but only more and more of consumption expenditure, current expenditure and revenue expenditure. If on that basis you are going to run into that deficit, what would be the effect later on? It is because we handed over a strong and resilient economy, it has withstood all this playing with. Already signs are there that strains would no longer be tolerable. It is against this that you will have to look unto the deficit which has been presented for the coming year also. I have no doubt in mind that the Finance Minister is bold enough to come forward with a deficit of the order of Rs. 900 and odd crores and now it is Rs. 1000 and odd crores next year as against the pronouncement of the Prime Minister that he is against deficit financing whatsoever. This is the anomaly of it; this is the irony of fate. The Prime Minister who declares that he is against the deficit financing has put his stamp for the current deficit financing of nearly Rs. 1,000 crores for the current year and more than Rs. 1000 crores for the coming year. The Prime Minister who wanted to control the use of gold—gold control is to his credit and to the discredit of the Congress for so many reasons—in his regime as Finance Minister. But how for the purpose of somewhat mitigating this deficit financing, wants to sell gold in the free market and also to import gold. This is the irony of the thing. That is why when declarations are made that we would remove unemployment in 10 years, poverty would be removed, is it on par with these declarations with regard to deficit financing, with regard to gold and various other things? Can we take them seriously? And this is where we are.

Another thing which the Finance Minister has mentioned is that this is the budget of the first year of the Sixth Plan. This is a new Janata strategy. What was the necessity to go and scrap the Fifth Five Year Plan so hastily? You ask the Finance Minister

to frame a budget out of nothing within the frame work of the Sixth Five Year Plan. He is not a magician or a juggler. Therefore he has to make the best of all facts, of finances that are available. This is a most unfortunate aspect of it. He himself says that 90 per cent would be for continuing projects and only 10 per cent would be available for the allocation of various other projects and, in that also, priority areas like agriculture about Rs. 280 crores or 450 crores are taken away. What else is he playing with? For the first year of the Sixth Plan, how is he to give new orientation to remove poverty, to remove unemployment and various other things? If this was the fact, why should they have been in a hurry to scrap the Fifth Plan? This is the anomaly of it.

To-day we find all sorts of pronouncements being made with regard to plan priorities, plan allocations etc. Senior Cabinet Ministers are fighting with each other with regard to the allocations. What can the poor Finance Minister do or his expert advisers can do except to throw some figures and let that go for whatever it is worth and hoping God will take care of it. This is the most unfortunate situation. Take the other factors which he has put forward as one of his achievements namely that the State Plan will be much more than the Central Plan for the first time. On the same day, one of the Planning Commission Members has come forward with a statement—it is a very interesting statement.

"Dr. Raj Krishna is bewailing the lack of delivery systems at the State level, which was responsible for hundreds of crores of allotted funds remaining unspent, thereby admitting that increase in plan outlays did not necessarily mean more dynamic growth in favoured sectors."

The Finance Minister is taking credit by saying that I have allocated more for agriculture; I have allocated more for irrigation and I have allocated more for rural development. Unfortunately allocations do not mean imple-

mentation. In our country some times promises are taken for fulfillments. Targets are just taken for achievements. In the same way allocations are also taken for granted that the implementation will be such that the whole of it will be usefully absorbed. But we all know the state of affairs in most of the States today. It is a stagnant administration. It is a paralysed administration, if I may say so. I talk with some knowledge and if under these circumstances you want to wash your hands off by saying that I have allocated the resources to the State governments and if they do not perform it is their fault and you do not find fault with me. It is not the allocation of resources alone which will matter. As the Planning Commission Member has pointed out you have to improve the implementation machinery at various levels. That is the most important aspect. We have learnt the bitter lesson and unless this implementation machinery is tackled and improved whatever allocation of resources you might make it is not going to yield results. It would end in infertile expenditure giving rise to further overall inflationary trends. This is unfortunately the situation. And, therefore, Sir, with regard to the present budget also with these allocation of the resources are we going to achieve—I do not want the Congress ideology or Congress targets to be reached—the targets, objectives and goals of the Janata Party by this sort of budget which has been presented?

Now, Sir, I come to the most objectionable feature in the Budget with regard to taxation. When I took over the Finance Ministry succeeding Mr. Chavan, I had discussions with him also and we came to the conclusion that we have reached a stage where indirect taxation has reached a stage of irrationality. There was no rationale behind the indirect taxes. We have been off and on—according to the occasion to raise more resources—increasing the excise duties. Was there any rationale behind that? No. That is why I want to remind the House that

the Jha Committee on indirect Taxation was appointed by the previous Government and not the present Government. It had submitted an interim report even before the presentation of the last Budget and have now submitted the final report also. What was the philosophy to which we want to arrive at with regard to indirect taxation? Inputs and intermediate goods should not be taxed leading to cascading of costs. If inputs are taxed then the final output bears the burden and it is not one type of output alone. It may lead to various outputs. Without reference to the social relevance with regard to the importance in the economy, those outputs get affected by this loading of the intermediate taxes. So, we wanted to avoid taxing the inputs as far as possible and even if the taxes are put on the inputs it should be given a rebate so that the final added value alone would be available for taxation.

But what is this sort of indirect taxation which has been made now across the board? Somebody has said that it is not only an easy way of doing it but a lazy way of doing the exercise across the board. What has been taxed? Coal, power and the fuel other fuels and petroleum have also come in. This has been just put on everybody who uses any sort of fuel or energy. So, the whole community is affected without any distinction whatsoever. And see the effect of it. I would like to illustrate with one area where one pushes the cost of the other. Take electricity and coal. Coal is required for the purpose of thermal generation. Coal price increases.

Therefore, the generation cost of electricity also will go up. Electricity is required for coal production. Therefore when that more expensive electricity is provided to coal, it will further push the coal cost and it will again reflect on the consumer price, and it will go on like a vicious circle. This is another rolling plan of increasing the cost. Energy and fuel are the primary inputs, not even

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intermediary input. The primary input has been taxed all along the line, which is going against the philosophy of the Jha Committee, going against what we wanted to achieve. It was also said that the Jha Committee had also submitted its report and has been accepted in principle. But it has been completely ignored. And what about other taxes? A 5 per cent uniform increase on all the excise duty without reference to the nature of the duty. Whether it is an essential commodity or non-essential commodity, whether it is elite consumption commodity or not, it is 5 per cent increase. You have not applied your mind.

Then another unfortunate thing I did when I was Finance Minister was about item 68. I said "let us have 1 per cent excise duty on all goods which have not come under the excisable category." And I did it for the purpose of even identifying, the feature of production. Even then somebody warned "it is all right you have put one per cent, somebody may come and increase it". I hoped no Finance Minister would do this. But last year it was increased to 2 per cent and this year it has just jumped to 5 per cent. Easiest way. So everything is completed, no application of mind is necessary as to what is essential for the community, what is non-essential for the community, what goes for elite consumption, who have the capacity to pay and what goes for poor man's consumption who has no capacity even for what he is already paying. This is the sort of exercise that has been done.

You go into direct taxation also. You have given up the interest tax hoping that there would be incentives as I have already stated.

Then comes capital gain tax. The hon. Minister had made a change in my proposal in the last budget. Within 8 months he has changed it again. I would like an investigation to be made as to who are the beneficiaries

of the proposal of the Finance Minister. Who are the main beneficiaries? So, this sort of quick changes are going on. How do you expect the economy to gain confidence and go forward? This is where we are and we can discuss endlessly. I am sure many other hon. Members would like to make many more points with regard to this, but I would like to conclude by asking you "with regard to the goals you have got in mind, how you have managed to do it". All of us are interested in the eradication of poverty. And it is not for the first time that the Janata Government has come forward with it. I do claim that we were also engaged in the same task. In 1969, in the presence of Mr. Chavan in the city of Bombay I gave the call "quit, Poverty". That became the 'Garibi Hatao' slogan of 1971 election. But it did not stop at that. I became the Planning Minister and I wanted to give concrete shape to garibi hatao programme. If you look into the approach to the Fifth Plan which was prepared during 1971-72 you would find that we have identified what we mean by poverty. Because it is a relative term. By poverty we meant and we mean even now. (Interruptions). I thought I should not merely criticise but give some positive ideas. The essentials for decent human existence are food, with enough calories, enough protein for decent human growth, then clothing, shelter, health and medical facilities education—these were the basic minimum need which we identified. As far as health and education were concerned, it should be the responsibility of the state to provide and it should come as social consumption and it should be organised by the state. As far as food and cloth were concerned, it should be in private consumption. Everybody should be in a position to get enough cloth and enough food. As far as shelter is concerned, it will be the joint responsibility of the private individual and the state. That is how we tried to proceed and we tried to find out what would be the

materials required for this purpose, what would be the services needed to provide the basic minimum needs to the people and to organise production and services on that basis so that the first priority in production would be the essential consumer goods to meet the basic minimum needs of the people. More production or availability is not going to remove poverty; poverty can be removed only when every individual or family has got purchasing power and it is where the employment programme to provide the needed purchasing power comes. In the approach paper we tried to work out production of various consumer goods and provision of services as also the manpower available at various levels... (Interruptions). The is particularly for the people below the poverty line because the basic minimum needs are being met by the richer section already. It is for those who are below the poverty line. In that connection I should like to congratulate the hon. Finance Minister on one scheme which he has put forward—Operation Flood. Somebody had said that with regard to small scale industries we should follow the example of Japan or Switzerland. No; you need not go to any other country for any model. We have all the models in our own country for any scheme for organising small scale industries, particularly in the rural sector. The Anand Model is the pattern to be followed for decentralised production. It is not left to primitive methods; the individual producer is given then latest technology and scientific information available in cattle breeding in veterinary services, etc. Cattle-feed is supplied; he need not go and search for feed. All that is supplied and he produces the milk if you say that it should be churned as in the old day, it should be a cottage industry, no development would have taken place in Anand. It is taken for central processing; the latest dairying equipment is there. You will find in Anand, Mersana and other places giant factories. All these are owned on a cooperative ba-

sis by the small milk producers. If we take the stand that small is beautiful and therefore, let us do churning of the milk as they did in Krishna's days, then development cannot take place. Therefore it is not enough to be merely small. For small industries this sort of organisation becomes important. Highest management expertise is made available; the highest technicians and the most modern equipment are available, not primitive methods. In the rural sector modern methods should be applied to poultry, fisheries, vegetable growth and other things. Various processing industries should be taken upon this basis. I am sure the Finance Minister is feeling quite happy about it because it is in his home town. Not only that, he is personally interested in this project. I know that. That is why, I am emphasising this point. This is the sort of model that we should build up rather than simply say: "Small scale sector is given priority" and leave it to chance for the expertise to build up small scale industries. It is not building up industries alone which is important, but what is more important is to market the products to maintain quality, standard etc., and make available the management expertise, etc. This is how we should look at our rural problems. Science and technology and the latest techniques of management and marketing should be made available for the purpose of upgrading the rural sector. Then only you can see a prosperous rural sector. It is no use merely slogan mongering like small scale industries, cottage industries. Let us not misquote Gandhiji, let us not misunderstand him, not go back to Gandhian days without understanding that Gandhiji was the most revolutionary going about. He was never static. Today, these are the tasks before us. Therefore, if it is a case of rural development, it is not just rural development on the basis of primitive technology, primitive methods, but it is on the basis of the latest science and technology available decentralised production on the basis

[Shri C. Subramaniam]
of the application of the latest technology. That is what is wanted. This is where science and technology has to play a new role. I am glad that the hon. Finance Minister has emphasised the role of science and technology. But are you creating the temper, the atmosphere for the scientists to function effectively, efficiently and with whole-heartedness? I want to tell this House that there is a great deal of frustration amongst the scientists. The Prime Minister is fortunately 83 years, old. Therefore, he thinks that anybody in the seventies is young enough and a person in sixties is youth for him. But in science it will not work. In politics it may work. In Science, you do require particularly the younger generation, because changes are taking place fast. Therefore, if you put some old fossil as the head of an organisation like National Committee on Science and Technology, certainly you cannot expect enthusiasm amongst the younger generation of scientists. (*Interruptions*). This is what we want, not amateurism like Sanjay Gandhi's. We want professionalism, scientific competence and if that is to be done, the confidence of the scientific community will also have to be restored. It is not merely the allocation of resources, but it is particularly the responsibility of the Prime Minister to restore confidence. It is now claimed that we are third in the world with regard to scientific and technical manpower, not merely in number, but even with regard to quality. We are exporting them to all places. But today, a Phd. is going about asking for a job for Rs. 100. This is the state of affairs because no new investment has come about, no new areas of employment is being created.

This situation will have to be remedied and it requires not merely the effort of the Government, but it also requires the whole-hearted cooperation of this House and the effort of the nation as a whole. Let us hope that we will put forward this national effort so that we may give a new hope.

particularly to the toiling millions, to the suffering millions and the poverty-stricken people, who today form the bulk of the community.

15.00 hrs.

SHRI B. RACHAIAH (Chamarajanagar): Mr. Chairman, Sir, I thank you very much for calling me to speak on the Budget proposals for 1978-79. After hearing the former Finance Minister, I feel diffident to express my views about these Budget proposals because firstly, I come from a village—I am not an expert on financial matters. Never the less, I make bold to pose certain questions. As a villager I pose the questions to the Finance Minister through you, Sir, and through this august House (i) whether the Budget proposals for 1978-79 are going to stabilise the prices and curtail inflationary tendencies, (ii) whether they will reduce the industrial sluggishness and arrest stagnation for further growth, (iii) whether they are growth-oriented and will absorb a large number of unemployed and under-employed people, (iv) whether the poverty can be reduced or at least the disparity between the 'haves' and 'have-nots' can be reduced, (v) whether the new levy will not add more burden to the consumer, (vi) whether the selling of the valuable jewellery and import of gold is conducive to fill the gap in the Budget and (vii) whether the priorities fixed in the Budget are going to bring both the city-dwellers and the villagers closer economically and socially.

Sir, in the Budget estimates I find that the Minister has put he deficit at Rs 1,398 crores. The Prime Minister has always emphasised that he is opposed to deficit financing and the former Finance Minister who preceded me said that he is not afraid of deficit financing. In a growing economy this is necessary, but to what extent the Budget is going to help growth? Is this deficit largely responsible for meeting the administrative expenses and expenditure on non-productive items? I think the Finance Minister

has himself admitted that before placing the Budget Estimates, only a few days back two major decisions were taken—one with regard to the withdrawal of the Compulsory Deposit and also payment of first instalment of increased dearness allowance from 1st January, 1978, and the other with regard to the payment of 8.33 per cent bonus to the workers. I have no hesitation whatsoever in my mind to place before this august House my honest feeling about this bonus and also about increase in dearness allowance. You will have to take into account the conditions of the rest of the people. After all the organised sector forms nearly 5 per cent of the population of this country. When you announce dearness allowance and bonus, naturally there is a price rise in the market. As he himself put it, though there has been a consistency in wholesale prices, in the consumer prices there has been a steep rise, particularly in oilseeds, pulses and other essential commodities. As such the liquid money which is already there in the hands of some unscrupulous people, will add to inflation. And he will not be able to curtail the inflationary tendency and arrest the price rise. Therefore, the rest of the people viz. 95 per cent of the people in the country, for no fault of theirs, have to pay higher prices as a penalty for the action of these people. While fixing the wage structure, the price situation has to be considered. I have, therefore, been urging that a National Wage Board which the Janata Party has always been contemplating, should be set up, so that this disparity between the low-paid and the high-paid is reduced at least to 1:20. The President of our nation has already made a great sacrifice in this matter; and it is for the Ministers—the Prime Minister and others—to follow it. Therefore it is high time for us to realize that in order to wipe out this disparity, we should not treat the organized and unorganized sectors separately. We will have to take the economy as a whole into account. We have to see whether the standards of living of all

the people can be safeguarded by increasing the dearness allowance and remuneration of the organized sector.

Therefore, this is going to increase the inflationary tendency, and increase prices as well.

We are, of course, in a comfortable position, as the hon. Finance Minister said, in the food front—and particularly in regard to rice and wheat. But we are short of pulses and edible oils. He should have imported, for a short period, some items from foreign countries to keep the prices within the reach of the common man. But this will not be helpful for the coming years. We will have to find out whether we can think of short duration crops, with high-yielding varieties.

Agriculture in India has been monsoon-oriented. Wherever there is timely, adequate rain, the farmer takes advantage of it, and with the advances in science and technology, we have been able to achieve green revolution to some extent. We have been able to produce nearly 120 tonnes of foodgrains. We have to thank the farmers for this. But what reward are we giving to the farmer? At the time of harvest, he is not getting the real price for which he has toiled. The middle-man takes advantage of it; and Government is not in a position to take the surplus into its fold. Look at the plight of the sugar-cane growers now. You have heard recently that sugar-cane in UP is being used as fuel, because the grower is not realizing what he has already spent. Therefore when we want to encourage production of food, grain, pulses, edible oils etc. We will have to demarcate certain areas. In the matter of wheat and rice, we have introduced high-yielding varieties. We have been able to achieve real growth in these two sectors.

The surface water and the underground water will have to be used for the maximisation of production. For this we have a programme for the next five years under which 17

[Shri B. Rachaiah]

lakh hectares will come under irrigation under these two items—one is major and medium irrigation and the other is sub-soil and underground water. Therefore, I feel that increased utilisation of irrigation and the use of high-yielding varieties of seeds, pesticides, insecticides and the great use of fertilizers has been helpful to the farmers in producing the maximum output within the available land.

A lot has to be done in the case of pulses, oil-seeds and other dry crops. Research has to be done in dry farming as it has been done in the case of wheat, rice and other crops especially in the case of millets and pulses. No country is able to supply the requirements of this country in the matter of pulses and oilseeds, because no country is producing as much as we require. So, we have to encourage the research workers to evolve high-yielding varieties. Since dry farming has been neglected all these years, the scientists have to be encouraged to go into this aspect.

It is being stated that there is industrial sluggishness because of lack of growth. In 1975-76 there was 10 per cent increase in industrial growth. Now it has fallen down to 1.6 per cent. Now there is hope that it will increase to 5 per cent. This is attributed to shortage of power and industrial unrest. Are these the only two reasons for industrial sluggishness? Are there no other contributory factors? The old machinery has not been replaced, there is no co-ordination between management and labour and there is shortage of raw materials. All these things have contributed to industrial sluggishness in the country.

Unless there is growth in the agricultural sector, we cannot get the raw materials for industry like cotton, jute or sericulture. Most of the raw materials for the industry come from agriculture. Therefore, in order

to ensure increased growth rate in industry, the primary necessity is to supply the raw materials at a cheaper rate. At the same time, we have to ensure that expenditure is reduced to the minimum and there is economy all round in the public sector undertakings and autonomous bodies so that the cost of production can be brought to the minimum.

There should be growth-oriented industries so that they can absorb a large number of unemployed and under-employed people. Rightly, the Finance Minister has laid emphasis on rural development and he has given priority to irrigation, agriculture and animal husbandry. May suggest, in addition, poultry farming, pig rearing and fisheries? Particularly inland fisheries development also may form part of the scheme so that the rural people who depend on agriculture alone may be able to augment their income.

Therefore, I am happy that he has laid more stress on rural development but I find that in this Budget nothing has been mentioned about the 20-point programme which had been the programme of the Congress from 1947 in one form or another.

SHRI KANWAR LAL GUPTA (Delhi Sadar): What are the 20 points

SHRI B. RACHAIAH: The first is that inflationary tendency has to be curbed. Then, irrigation and production have to be increased, then land reforms. He wants to test my memory. This 20 point programme was particularly meant for the poorer sections. It envisages the giving of sites for the construction of houses for the poorer sections in the rural areas, then implementation of land reforms, providing stationery to students and apprenticeship for employment, giving encouragement to the handloom weavers, a supply of controlled articles to the weaker sections giving the benefit of pension to old

people who are destitute. These are all good schemes which really....

SHRI KANWAR LAL GUPTA: I have counted only ten. What are the others?

SHRI B. RACHAIAH: You are only wasting my time. If you want it, I can give it. You are a very experienced parliamentarian.

Therefore, these points particularly meant for helping the weaker sections in the rural areas have not been given priority here. Except land reforms, the other items have not been given priority. Therefore, I want the hon. Minister to take note of these items without any prejudice because it came from the congress side. It was a programme earlier thought of by our elders for improving the conditions of the poorer sections in the villages. Even the Prime Minister says that there should be no dual society in this country, but only one society, you must bring the poor and the rich nearer. If that is the objective of the Prime Minister, naturally it should be reflected in the Budget.

The Budget further lays stress on agro-industries in the rural areas. For example, local material can be made use of in rural areas, so that the concentration of industries in the cities may be reduced and the inflow to the cities may be arrested, so that the people from the city areas may go to the rural parts and settle themselves there. So conditions should be created in such a way that the educated unemployed people need not be after Government jobs. Why are they after Government jobs? Because they are made more attractive year after year with high salaries. Even a farmers' son who has got 50 or 100 acres does not want to stick to the land, does not want to undergo the drudgery of agriculture. Therefore, I want that in the organised sector salaries should be so curtailed that they are not more attractive, so that there is equitable distribution of wealth in the nation.

The handloom, sericulture and other cottage industries are really those small scale industries which absorb a large number of unemployed persons. Whatever provision has been made in this sector, that must be fully utilised in the current year so that it may not lapse. If there is any additional amount required in this sector, it will certainly help to absorb a large number of unemployed people who are frustrated in the rural areas.

A mention has already been made about animal husbandry by the hon. speaker who preceded me and, therefore, I will not dilate on that.

Next, in what way the taxes have reduced the burden of the common man? Of course, without tax no Government can invest more and there cannot be any growth. But there also we will have to choose the items. As he puts it, the Jha Committee has already recommended that we should not resort to tax on inputs which are going to produce end-products. So this is a deviation from the Report of the Jha Committee. This needs revision. This 2 per cent tax on electricity will ultimately hit the consumers. We have an exception with regard to pumpsets which are going to use electricity. I fully appreciate that point. But the *ad hoc* excise duty will have to be looked into in the light of the discussion that is going to take place in this House so that the necessary relief is given.

There has been a thinking in the Ministry that the sales tax and octroi should be abolished. You have mentioned it in your speech also. The sales tax was introduced when prohibition was introduced in this country. To augment the loss of revenue, the sales tax was introduced. But the prohibition was never introduced fully. Once it was introduced in some part of the country, but that was also scrapped. Now, there is a re-thinking. I am happy that the

[Shri B. Rachatah]

Prime Minister is bent upon it. I do not know whether the Janata Party will support him fully. The weaker sections and those who are addicts will get a lot of relief by the introduction of prohibition. But we will be losing a good amount of money by this step. And if you are going to remove sales tax also, the States will lose heavily. Therefore, there is a demarcation between the States and the Centre of the subjects on which the States are entitled to levy taxes and the subjects on which the Centre has got its hold. Therefore, there will be an encroachment upon the States' autonomy so far as sales tax and octroi are concerned. Unless a dialogue is arranged between the States and the Centre on the issue of decentralisation of power in the matter of finance which will be in the interest of the country, dissipated tendencies may grow in this country and the Centre-State relationship will not be cordial.

The Sixth Finance Commission had also made some formula with regard to allocation of funds. The same formula may please be continued for allocating financial assistance by way of grants or loans irrespective of the fact which party is ruling which States. It will be helpful in maintaining the unity of the country. The Prime Minister has already promised that in giving help to the States they will look to the country in its entirety. I, therefore, appeal to the Minister for Finance to see that he should give assistance to the States not from political point of view but after assessing the requirement of the States. Loans and grants should be given for completing the on-going projects, either electricity industry or irrigation so that the growth is further accelerated and the unemployed persons are absorbed.

As regards the sale of gold, of course, there is one view that the price of gold are rising because the inter-

national market price is at a lower rate and there is a lot of smuggling into the country and the business people are making a lot of money. As Mr. Subramaniam put it, it is an irony of fate that the then Finance Minister (Mr. Desai) who brought the Gold Control Act would have to agree to the sale of gold and also to the sale of valuable jewellery which is a rarity in the country. If it is going to bring down the prices, then it is right. But the index shows that if the gold price goes up, the other prices also, naturally, go up. This will not bring down the other prices. Instead of bringing down the prices, the smugglers will convert their smuggled gold into white one, if I might use that word, and convert it into jewellery and see it. Even then the prices cannot be reduced. Therefore, on a matter of principle, I am not in favour of selling jewellery for the sake of filling the budgetary gap.

In conclusion, I say, the Budget 1978 which has been shown as Rs. 1,396 crores (gross) will have to be reduced by mobilising the internal resources. There are already huge tax arrears. The collection of tax arrears has to be stepped up. The utmost savings in every department of the Government and corporate sector must be resorted to. Unnecessary holding of conferences and sending of delegations have to be reduced to the minimum.

Then, there is one thing more I am told that 49 commissions and several committees have been appointed. It is stated in one section of the press that Rs 900 crores have already been spent on these commissions and committees. The hon. Member, Shri Brahm Prakash, a member of the Janata Party, who is an experienced parliamentarian has warned the Janata Party not to pursue the matter. The people have watched you for one year and they are not going to tolerate this kind of witch hunting. I have read a book written by Mr. A. G. Noorani about the mistakes of the Ministers. But no action

has been taken against them and on the other some of them have been appointed Ministers. These commissions are a waste. It is a wasteful expenditure. Therefore, I also join Shri Brahma Prakash in asking the Government to end this kind of inquiries which are not going to materialise

With these words, I once again pray that the Finance Minister will have enough strength and courage to put the country's economy on a sound footing.

15.30 hrs.

[SHRI M. SATYANARAYAN RAO in the Chair]

श्री कंधर लाल गुप्त (दिल्ली संदर): सभापति जी, मैंने फोरमर फाइनेंस मिनिस्टर का एक घंटे का भाषण सुना, पर दुःख की बात यह है कि वे भाषण दे कर चले गये। अच्छा यह होता कि वे उस का उत्तर भी सुनते। उन्होंने यह कहा कि मैं ने जब बजट आया था, तो फाइनेंस मिनिस्टर को कांग्रेसूलेट किया था लेकिन मेरे कांग्रेसूलेशंस में कुछ रिजर्वेशंस भी थे, शायद वे रिजर्वेशंस सैकेन्ड थाट थे। जो कांग्रेसूलेशन था, वह स्पॉटेनियस था। आज के भाषण में भी वे कल को कह सकते हैं कि मेरे कुछ रिजर्वेशंस हैं।

उन्होंने यह कहा कि जब जनता पार्टी आई थी, तो इस देश में इकोनोमिक फैक्टर्स फैवरएबिल थे और फैवरएबिल फैक्टर्स होने के बाद भी जितनी अच्छी परफार्मेंस होनी चाहिए थी, वह नहीं हुई। उन्होंने हमारी कुछ बातों का समर्थन भी किया, कुछ सुझाव भी दिये और कुछ बातों की मुक्तवाचीनी भी की। वे यहां होते तो मैं उन से पूछता कि 1976-77 में जब वे फाइनेंस मिनिस्टर थे, तो उन्होंने क्या भाषण दिया था। मैं उन सब बातों में जा कर सदन का ज्यादा संभव नहीं लेना चाहता लेकिन उन्होंने

जो वायदे किये थे और वायदा करने के बाद जो नतीजे निकले, वे मैं आप के सामने रखूंगा। मैं तो वास्तव में यह आशा करता था कि उन की स्पीच बहूते हार्ड-हॉर्टिंग स्पीच होगी। अखबारों को मैं ने पढ़ा है और इन्स्ट्रुमेंट्स की कमेंट्स को भी देखा है। जितने भी चेम्बर आफ कामर्स हैं, सब ने इस बजट को त्रिटीसाइज किया है, जितने भी रिच पर्सन्स हैं, पैसे वाले लोग हैं या वेस्टेड इन्ट्रेस्ट्स हैं, उन सब लोगों ने बहूत ज़ोरों से इस बजट की मुखालफत की है और बही आशा मैं अपने दोनों मित्रों से करता था लेकिन मैं यह बता देना चाहता हूँ कि जनता पार्टी का एक रास्ता है। जनता पार्टी ने अपने मैनीफेस्टो में कुछ बातें कहीं हैं, जनता पार्टी ने अपना इन्स्ट्रुमेंटल रेजोलूशन पास किया है, जनता पार्टी ने अपने इकोनोमिक प्रोग्राम की घोषणा की है और उन तीनों आंधारों पर यह बजट बनाया गया है और इसलिए यह बजट एक दिशा देता है। हम ने कभी यह नहीं कहा कि एक साल में हम ने मिराकिल कर दिया, हम ने यह कभी क्लेम नहीं किया कि एक साल के अन्दर सारी पावर्टी खत्म हो गई, सारा अनएम्पलायमेंट खत्म हो गया। यह कभी हम ने क्लेम नहीं किया। हम ने यह क्लेम किया है।

In spite of an unfavourable atmosphere, we have a good performance, reasonably good performance. What is that unfavourable atmosphere, let me explain? When we inherited legacy, what was the price rise during his regime in 1976-77? It was 12 per cent and the money supply was 20 per cent. He promised to have national product and the target was 5 per cent. What was the achievement? The achievement was 1.6 per cent. This was the legacy; these were the factors which we inherited from the previous Government. In spite of all this, what we have achieved this year? I do not say that it is a miracle, but certainly it is a very good beginning of the budget which we have presented before

[श्री कंवर लाल गुप्त]

this House. I must say that it is in the right direction, on a very good beginning I would not call it dynamic; I do not claim it as a dynamic.

AN HON. MEMBER: What are your achievements?

श्री कंवर लाल गुप्त : सभापति जी, हम ने अपने मनीफेस्टो में तीन बातें कहीं हैं। एक तो यह कहा है कि 10 साल के अन्दर अनएम्प्लायमेंट को हम खत्म करेंगे। दूसरे हम ने कहा कि गरीबों को समाप्त करेंगे और तीसरे हम ने कहा है कि डिस्पेरीटीज को कम करेंगे और हमारा गल्टीमेट गोल यह है कि डिस्पेरीटी को कम कर के 1 और 10 कर दिया जाए।

These are our targets and we have to achieve these targets from this budget; and this is the first year of Janata budget to achieve these targets How will they be achieved let me explain?

सभापति जी, अभी तक प्रायर्टी इन्डस्ट्री का वी जाती थी और अब जबह इन्डस्ट्री की बात होती थी।

There was a talk about industry; whether the levy was more or less; whether the personal taxation was more or less. Beyond that they never thought of anything.

My friend, Mr Pai, has gone. I am quoting him. In the last 30 years, in the public and private sectors, we have spent about Rs. 60,000 crores, and only 15 million persons have been employed in 30 years If this is the picture, can you tell me that this country can ever provide employment to all the unemployed through industrialisation? Therefore, the first priority of the Janata Government is rural development. Let us be clear about it.

इसलिए जो इन्डस्ट्रियलिस्ट्स क्लिमाते हैं, नाराज होते हैं, नुक्ताचीनी करते हैं, वे सब इस बात को नहीं समझते हैं कि जनता पार्टी ने पहले प्रायर्टी एपीकल्बरेल डवलपमेंट की रबी है और इसी के जरिये से हम इन्डस्ट्रियल डवलपमेंट करेंगे। क्योंकि गरीब गांवों में रहते हैं। वे दिल्ली में कनाट प्लेस के पास नहीं रहते, वे पार्लियामेंट के पास नहीं रहते। जब तक गांवों का डवलपमेंट नहीं होता तब तक गरीबी दूर नहीं हो सकती, अनएम्प्लायमेंट की समस्या दूर नहीं हो सकती।

अध्यक्ष महोदय, मेरे मित्र ने कहा कि हमने पांच परसेंट एक्साइज ड्यूटी बढ़ा दी, तीन परसेंट बढ़ा दी। ब्राज सोचने की बात यह नहीं है।

He need not apply his mind at all. It is a Rolling Plan. They say that some Minister is demanding some allocation for one portfolio and another Minister is demanding money for another Ministry; so, it is a 'rolling Government'. Ours may be a 'rolling Government' But how was their Government, I ask them There was no meeting of the Cabinet before the declaration of the Emergency; the next day morning a meeting was called and everybody signed it. If ours is a 'Rolling Plan', theirs was a 'crawling plan'. What did they do? They used to crawl in respect of every thing; whether there was a provision in the Budget or not, whether there was allocation or not, if she asked them to purchase planes, they had to purchase the planes; nobody could challenge whether the planes should be purchased or not, whether there was allocation or not whether there was provision or not;

The lady said 'Purchase them', and they had to purchase. Therefore, theirs was a 'crawling plan'.

अध्यक्ष महोदय, इस बजट को जो लोग क्रिटिसाइज करते हैं वे या तो वेस्टेड इन्ट्रिस्ट्स हैं या स्टेटसबोइस्ट्स हैं जो इस देश को ऐसा ही बनाना चाहते हैं।

those who want to see that the disparities remain the poor may remain poor and the rich may become richer.

दो तरह के लोग ही इस बजट को सपोर्ट कर सकते हैं। जो चाहते हैं कि गरीबी दूर हो, जो चाहते हैं कि डिस्पैरिटीज खत्म हों, जो चाहते हैं कि इनएम्प्लॉयमेंट समाप्त हो, वे इस बजट का स्वागत ही करेंगे। जिन लोगों के लिए यह बजट है उन लोगों के पास जवान नहीं है। जवान उन्हें मिली है जो बड़े बड़े ब्रह्मचारों के मालिक हैं, जो बड़े बड़े इंडस्ट्रियलिस्ट्स हैं। छोटे लोग तो ब्रह्मचारों के मालिक नहीं हैं। इसलिए ब्रह्मचारों में इस बजट का स्वागत नहीं हो रहा है। जिनके लिए यह बजट है, वे लांग बोलते नहीं हैं। वे बोले थे 1977 में और अब उनके लिए बोलेगी जनता गवर्नमेंट। इसी कारण से जनता सरकार यह बजट लायी है। यह बजट एक सही दिशा में अच्छी बिगिनग है।

मैंने पहले कहा कि क्या मोटिव है, क्या चाहते हैं।

We want to hit at the root. How do we want to hit at the root? There is recession, a lack of demand; production is there but there is nobody to purchase. How is demand to be created? We will have more taxes. we will have resource mobilisation. Having more taxes is the first thing. Then, we will spend it properly and efficiently. We will provide employment, create purchasing capacity and create demand and then the production will also automatically follow.

SHRI O. V. ALAGESAN (Arkonam): Very simple philosophy.

श्री कंवर लाल गुप्त : यह जो बजट रखा गया है इसको प्रगर ठीक तरह से इम्प्लेमेंट किया जाए तो बहुत फायदा हो सकता है। इम्प्लेमेंटेशन की तरफ आपको ध्यान देना होगा। ऐसा आपने किया तो यह एक बहुत अच्छी शुरुआत होगी। तब तीस साल से जो एड हाक बजट आए हैं उससे हट कर एक दिशा को पकड़ने वाला यह बजट कहा जाएगा और यह देश को आगे ले जाने वाला बजट साबित होगा।

अब मैं रिसेसर्स मोबिलाइजेशन की तरफ आता हूँ। श्री सुब्रह्मण्यम साहब ने कहा कि टैक्स लगा दिए हैं, पांच परसेंट कोयले, बिजली आदि पर लगा दिया है।

But did he suggest any alternative?

SHRI O. V. ALAGESAN: Why should he?

SHRI KANWARLAL GUPTA: At least, when you criticise, you know that Government cannot function without resources; you need resources. What are those resources. If you don't want this one, you have another. Let us know what that is. Did you not increase the tax on kerosene and petrol? Let me understand that.

हम इस बात में विश्वास करते हैं कि ज्यादा से ज्यादा मोबिलाइजेशन रिसेसर्स का होना चाहिये। हमने अपने मैनिफेस्टो में भी इसके बारे में जो कुछ कहा है उसको पढ़ कर सुना देना चाहता हूँ :

"Taxation policy must simultaneously act with distribution of justice and must take into consideration the capacity to pay".

अब हम टैक्स किस पर लगाएंगे ? उस पर लगाएंगे जिसके पास पे करने की कैपेसिटी हो।

SHRI P. RAJAGOPAL NAIDU (Chittoor): What about indirect taxation?

SHRI KANWAR LAL GUPTA: I am coming to both direct taxation and indirect taxation.

What was the total revenue of this Government in 1976-77? It was 53.82 crores. Only about 54 crores. In such a vast country with 600 million people, can you do something with Rs. 54 crores? Nothing. What have we done? Our resources are 528.96 crores, I agree that taxes are more, and it is intentional—because that is the way. We want to divert money from those who have it to those who do not have it. It is very clear

हमने जो टैक्स लगाए हैं वे जानबूझ कर 528 करोड़ के लगाए हैं और नए रिसोर्सिस को मोबिलाइज करने के लिए लगाए हैं। ये प्रेन्टीकली दम गूना ज्यादा है उससे जो आपका आखिरी बजट था।

Now, what is the position? When we took over what was the position in this country? There were a hundred million people with 25 paise per capita income per day. That was the position of about ten crores of people. That is the achievement of your Government in the last thirty years. And then there are 1.18 lakh villages where there is no drinking water. There are problems of tribal areas. Crores of people are unemployed. After all, you have to solve all these problems. We are committed to these people and our commitment is total. We cannot go back. If we want to go back, perhaps we will meet the same fate as my friends there met in the last election. Therefore, we are very conscious about it.

हमने जो आउटले किया है वह टोटल आउटले 17 परसेंट से ज्यादा है पहले से। अब कि 11 हजार 649 करोड़ है, जब कि पिछले साल 9,960 करोड़ ६० था। जब तक पैसा नहीं होगा आप लोगों पर खर्च

नहीं कर सकते। पैसा लेने के लिये आप जब तक टैक्स नहीं लगावेंगे तब तक आप उनका काम नहीं कर सकते।

I say, it is a reasonably good budget in a good direction, but it is not a dynamic budget. Had I been the Finance Minister—I am not—I would have levied a poverty cess from each and every body. Let us distribute poverty. I would have levied two thousand crores a year for five years continuously. I would guarantee drinking water to each and every village within three years. I would guarantee essential commodities to each and everybody within five years. As I said, this levy, by direct or indirect taxes, of Rs 2000 crores per year is required for that purpose and only then it would have been a dynamic budget. You may fail or succeed in that, that is a different question. I am not an economist, I am a layman.

अगर इन लोगों की किस्मत को ठीक करना है, अगर इनके पेट में रोटी पहुंचानी है, जो ट्राइबल एरियाज में 6 करोड़ लोग रहने हैं जिसमें हमारी माना-बहने अपनी इच्छत ढाकने के लिये पत्तो का इस्तेमाल करती है उनको अगर कपडा देना है तो 100, 200 करोड़ से काम नहीं चलेगा। Mere adjustment here and there would not do at all. This is all tinkering, let us be dynamic enough

इसलिये मैंने कहा कि पहली बार हमारे वित्त मंत्री जी ने पहले से 10 गुना रिसोर्सिज को मोबिलाइज किया है। शुरुआत की है। मैं चाहूंगा कि अगली बार और भी डायनेमिक बजट आप बनायें।

अब यह कहते हैं कि टैक्स किम पर लगाया? अब डायरेक्ट टैक्स तो हमने ज्यादा बढ़ाया नहीं। आपने 1976-77 में,

माननीय मुख्यमन्त्री चले गये, वह पहले वित्त मंत्री थे जिन्होंने डायरेक्ट टैक्स का रेट रिड्यूस किया। किसको फायदा पहुँचाया? क्या ऐसे बालों को नहीं पहुँचाया? इसलिये यह पहला मौका है जब कि हमने उनको कुछ रिलीफ नहीं दिया इसलिये वह हमसे नाराज हैं। थोड़ा सा सी०बी०एस० बढ़ा दिया। और हमने कहा पेट्रोल, सिगरेट और चीनी के दाम बढ़ गये। ठीक है। आखिर क्यों पेट्रोल के दाम आपने नहीं बढ़ाये? पेट्रोल के दाम नवम्बर 1973 में 1 रु० बढ़ाया था यह इसलिये कि पीछे दाम बढ़ गये। लेकिन पीछे 1 रु० लिटर नहीं बढ़ा था, बल्कि 17, 18 पैसे बढ़ा था। बाकी आपने झूटी बढ़ाई और उसके बाद 1975-76 और 1976-77 में 10 पैसे लिटर फिर बढ़ाया। अगर हम 10, 11 पैसे बढ़ाते हैं तो गरीबों पर टैक्स लगता है। और अगर आप बढ़ाते हैं तो अमीरों पर टैक्स लगता है।

इन्दिग जो की गरीबी और अमीरी की परिभाषा और समाजवाद की भाषा उनकी अपनी है—हने भगवान उनसे दूर हो रखें।

इसी तरह में सिग्रेट की बात है। क्या आपने 1974-75 में सिग्रेट के दाम नहीं बढ़ाये और क्या आपने चाय के दाम नहीं बढ़ाये। जिन आइटम्स पर हमारी सरकार ने दाम बढ़ाये हैं उनमें से कौन सी ऐसी चीज है जिस पर आपने दाम नहीं बढ़ाये थे। आपके डेफिसिट बढ़ाने के बाद चीजों के दाम 12 परसेंट ज्यादा बढ़ गए थे लेकिन पिछले साल करीब 975 करोड़ की डेफिसिट थी तो क्या उमी स्पीड ने दाम बढ़े जिम स्पीड से आपके समय में दाम बढ़ रहे थे? हमने मनी सप्लाई को कंट्रोल किया, जो प्राइसेज बढ़ रही थीं उनकी स्पीड को कंट्रोल किया। बेंटर डिस्ट्रिब्यूशन, बेंटर एकोनामी, बेंटर मशीनरी से इसको कंट्रोल किया। हमने करेंसी को कंट्रोल किया। इस तरह से हमने अच्छे रिजल्ट्स दिखाये। अब भी मैं अपने

भाइयों को विश्वास दिलाना चाहता हूँ, जिन्होंने कहा है कि हेवी डेफिसिट फायनेंसिंग से प्राइसेज बढ़ेंगी कि प्राइसेज नहीं बढ़ेंगी बल्कि प्राइसेज और भी कम होंगी। रूरल एरियाज में डिमाण्ड बढ़ेगी, प्रोडक्शन जनरेट होगा, डिमाण्ड जनरेट होमी और देश भागे बढ़ेंगी, मैं एकापामिक्स नहीं पढ़ा हूँ, बहुत थोड़ा पढ़ा हूँ।

Deficit financing is not always bad. It is bad sometimes but not always bad.

What about coal and electricity? Electricity is exempted so far as agriculture is concerned. So far as you and I are concerned, how does it make any difference? After all, for those who are naked, cannot you give something out of your pocket? Are you ashamed of it? One should not be ashamed of it. Therefore I say, if you take out something from my pocket so that somebody may be provided with some cloth, I will gladly accept it.

एक बात मैं मंत्री जी से कहना चाहूंगा। यह जो बिजली और कोयले की बात है, दो पैसे जो आपने बढ़ाया है, कोल इण्डस्ट्री के नेशनलाईजेशन के बाद इनकी सरकार ने कोयले के दाम कितने बढ़ा दिये थे?

If you run the industry efficiently, I am sure there will not be any need of having this 2 paise tax. Similarly there is loss in transmission of electricity. Why is this loss? Why is this theft? Can you not stop it? Can you not have an efficient machinery for it? If you do it, I don't think there is any need of all these things. You can avoid taxation to the tune of Rs. 58 crores on that. Why is no tax levied on rich farmers? I know it is a State subject. There is a deficit of Rs. 58 crores. No State Government is prepared to levy tax on such rich farmers. Everybody is afraid of them—whether it be the Janata party or Congress party or non-congress party or the Communist party. Why should you be sad in your speech about their

[Shri Kanwar Lal Gupta]

over-draft? You should be firm and firm only.

We should not bow. We see every-day that there is a deficit financing and deficit in every State. What would it do ultimately? When they come before you, don't bow but say that they meet their demands from their own resources. I strongly feel that rich farmers should be taxed.

कैपिटल गेन्ज टैक्स के बारे में भी एक बात कहना चाहता हूँ। आप ने यह बहुत अच्छा किया है कि कैपिटल गेन्ज टैक्स पर कुछ पाबन्दियाँ लगाई हैं, लेकिन आप ने इस में इतना ही किया है कि एमेट्रस के सैलज से जो पैसा प्रायेगा, यदि उस को नई कम्पनियों में लगायेगे, तब राहत मिलेगी। मेरा ख्याल है कि नई कम्पनियों के अन्दर कोई भी अपना पैसा ज्यादा नहीं लगाता, इस लिये यदि हम चाहते हैं कि देश का इण्डस्ट्रियल प्रोडक्शन बढ़े, तो जो पुरानी कम्पनियाँ हैं उन में भी पैसा लगाने में एकजम्पशन मिलनी चाहिये, लेकिन इस के लिये आप कोई लिमिट लगा दें।

I think the limit may be Rs. 10 lakhs or 15 lakhs and not beyond that.

अगर कैपिटल गेन होता है, तो उस के ऊपर टैक्स लगना चाहिये। इसलिये मेरा ख्याल है कि इस को फिर से रिव्यू किया जाना चाहिये।

सुब्रह्मण्यम साहब ने इण्डस्ट्रीज के बारे में भी कुछ जिक्र किया था। मैं भी इस के बारे में कुछ कहना चाहता हूँ। जैसा मैंने कहा था—एप्रीकल्चरल डेवलपमेंट इस साल में हमारा 490 करोड़ बढ़ गया है, अब एप्रीकल्चर का खर्चा 1754 करोड़ रुपए हो गया है—इस से एम्प्लायमेंट बढ़ेगी, परचेजिंग कंपैसिटी बढ़ेगी, डिमाण्ड बढ़ेगी और आखिर में प्रोडक्शन भी बढ़ेगी। दूसरी चीज जो इस बजट में इण्डस्ट्रीज को बढ़ाने के लिए की गई है और जिस का जिक्र नहीं किया गया है—हम ने बैंकों से कहा है कि वे अपने रेट-आफ-इंटरेस्ट को रिड्यूस करें।

इस का फर्क भी पड़ना चाहिये और सरकार को देखना चाहिये कि इस का असर होता है या नहीं। मेरा ख्याल है कि—

In crease in duty will have only a marginal effect on industries.

17 परसेंट ले-आउट ज्यादा होने से प्रोडक्शन बढ़ेगा और इम्पोर्ट्स के लिब्रलाइज होने का प्रभाव भी इस पर पड़ेगा। इम्पोर्ट लिब्रलाइज होने से हमारी इण्डस्ट्रीज को ज्यादा फायदा होना चाहिये। सुब्रह्मण्यम साहब कह रहे थे कि अब तो इन के पास फूड का स्टॉक भी बहुत ज्यादा है और फारन-एक्सचेंज रिजर्व भी काफी है, फिर इन की परफार्मेंस खराब क्यों है? मैं पूछना चाहता हूँ—जब 1976-77 में आप ने बजट पेश किया था—

What was the stock and what was the amount of foreign reserve?

मैं समझता हूँ कुछ कम था, शायद इतना ही होगा, थोड़ा-बहुत ही फर्क होगा। लेकिन उस के बाद—

What was your performance in 1976-77 and what is our performance in 1977-78? You compare the two. I am with you that these factors are mainly on your own efforts. I concede that.

SHRI B. RACHAIAH: You survive only on this, but not in South.

SHRI KANWAR LAL GUPTA: I am coming to the South.

सभापति महोदय, जनता पार्टी का कहना है कि स्माल स्केल इण्डस्ट्रीज को भी बढ़ावा मिलना चाहिये। लेकिन मैं ऐसा महसूस करता हूँ कि जितने कन्सेशन स्माल स्केल इण्डस्ट्रीज को मिलने चाहिये थे, उनसे इस बजट में नहीं मिले हैं। मैं चाहता हूँ कि मंत्री महोदय इस की तरफ ध्यान दें। एक चीज आप ने की है—5 लाख तक की टर्न-ओवर को लेवी से एक्जम्प्ट किया है, यह अच्छी बात है और इस का अच्छा

प्रभाव पड़ेगा । लेकिन जहाँ टर्न थ्रोवर ज्यादा है, मान लीजिए किसी का टर्न थ्रोवर 15 लाख रुपये का है, वहाँ इस को मिस-यूज किया जा सकता है । वह बीच में दीवार बनाकर उस की तीन कैबिनेटियाँ बना देगा—इस तरह से जो हमारा परपज है, वह पूरा नहीं होगा ।

16 hrs.

एक चीज हम में बहुत अच्छी है कि आप ने आईटम्स की संख्या बढ़ा दी है । अब आप ने हम में 500 आईटम्स कर दी हैं, जब कि पहले शायद 200 आईटम्स ही हम में स्माल-स्कैल सेक्टर को वापसी लाभ होगा । आप ने एलोकेशन भी बढ़ा दिया है—145 करोड़ से बढ़ा कर 219 करोड़ कर दिया है, साथ ही रेट-आफ-इन्टेरेस्ट भी रिड्यूस कर दिया है—इस का बहुत अच्छा असर पड़ेगा । लेकिन फिर भी मैं यह महसूस करना हूँ कि जितना एम्फेसिस हमारा स्माल स्केल इण्डस्ट्रीज पर है, उम के हिसाब में जितना रिन्फोर्स इन को मिलना चाहिये, उतना—मेरे विचार में—नहीं है । मैं माननीय मंत्री जी में कहूँगा कि वे इस पर फिर से विचार करें । एक मुझाब मेरा यह है कि इन्डस्ट्रियल प्रॉब को हम को बढ़ाना पड़ेगा । जो कुछ भी इन्डस्ट्रियल प्रॉब हुई है, वह 1976-77 में कुछ ज्यादा है लेकिन 1975-76 में कम है । इसलिए हम को बढ़ान की ओर माननीय मंत्री जी को ध्यान देना चाहिए ।

एक चीज मैं यह भी कहना चाहता हूँ कि हमारी पार्टी का जो मिशन है, उस को अभी तक हम लोगों को ठीक तरह से समझा नहीं पाए है । लोगों में एक तरह की मिम-अन्डरस्टैंडिंग उस के बारे में है और कुछ लोग मिसअन्डरस्टैंडिंग पैदा करने में तत्पर हैं और कुछ हम लोगों को उतना समझा भी नहीं पाए है जितना समझाना चाहिए था, जितना उन को इस बारे में एजुकेट करना

चाहिए था । ऐसा हम अभी तक नहीं कर पाए हैं ।

After all you will agree with me that every sector—whether it is a big House, small sector or multi-national—has its own role to play. We have to tell them frankly as to what are their areas. Similarly, Government should guide the small industry. Do not put the multi nations in the vacuum.

मेरा खयाल यह है कि हम ने प्रस्ताव तो पास कर दिया है लेकिन अभी तक पूरी तरह से गाइडेड नहीं दी है, पूरी तरह से उन को एजुकेट नहीं किया है । हम ने प्लान बना कर उन को यह नहीं बताया है कि स्माल सेक्टर में किन किन चीजों को लेगे, कौन कौन सी रिधात मिलेगी, इलेक्ट्रिसिटी मिलेगी, जमीन मिलेगी और बिग बिजनेस हाउसेज को किम किम सेक्टर में जाना चाहिए और मल्टी-नेशनल कम्पनीज का एग्जिटा माफ आपरेशन क्या होगा । जब तक किलयर-बट उन को इन सब बातों के बारे में नहीं बताया जाएगा, तब तक मुझे लगता है कि इन्डस्ट्रियल प्रॉब लंबे में आगे नहीं बढ़ेगा । मेरा कहना यह है

We have to hit both. The basis is agriculture but we cannot ignore industry. It is said that Janata Party is opposed to industry. It is wrong. We do not want to ignore industry. We want growth both in industry as well as in agriculture and we want the target of growth should be 10 per cent so that we can provide employment to many people in the coming five to ten years.

Sir, last year on account of slackness in industrial growth there was shortfall of revenue from direct and indirect taxes to the tune of Rs. 176 crores. So, we have to recover that. It is a must. We cannot ignore it. I agree with some hon'ble Members that on account of blanket increase to 5 per cent there may be certain cases

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where it will lead to hardship I think you should consider those cases. You must have received some representations. You may apply your mind on that and see that no industry becomes sick and give due concessions to those which are in dire need and see that the growth of industry also increases with agriculture

एक चीज मैं बैंक लोनस के बारे में कहना चाहता हूँ। बैंकों की जो क्रेडिट की पालिसी है, वह भी कुछ थोड़ी ठीक करनी चाहिए। अभी उनकी इन्वील्टेड डी हर्ड है। अगर वे इसी तरीके से चलने लगे तो अच्छा नहीं होगा। उनको आपके गाइडलाइस देनी चाहिए।

रिमोमें सोविनाइजेशन के साथ साथ मैं एक चीज पूरा कहना चाहूंगा कि हमारा जो पब्लिक सेक्टर है इसमें प्रगति करीब करना लगा हुआ है। मैं यह जानता हूँ कि पहले से इन में इन्वैल्टेड आयी है लेकिन इनमें अगर ज्यादा इन्वैल्टेड की जरूरत है। अगर उनकी मशीनरी को टाइटन कर दिया जाए तो इनमें हमें अगर अधिक मनाफा मिल सकता है। इस सेक्टर में कार्बन, फ़ूय, इलेक्ट्रिसिटी में बड़ा फ़ाइल है, मिसल-प्रॉप्रियेशन है। पिछले साल मैं करोड़ों रुपय का फ़ाइल पब्लिक सेक्टर में हुआ है। इस सब का रोका जाना चाहिए। अगर हम पब्लिक सेक्टर को एक्टिवेट मशीनरी प्रोवाइड कर देना मैं मंजूरता हूँ कि इनमें हम दो सी करोड़ रुपया सालाना और ले सकते हैं जो कि इन्वैल्टेड पर खर्च किया जा सकता है।

मवाल कोलन प्रोवीजन का नहीं है, अगर रिजर्व में सोविनाइजेशन कर दे लेकिन वह ठीक जगह पर खर्च न हो, ठीक तरीके से खर्च न हो तो जो पिजल्स आने चाहिए

वह नहीं आयेंगे। इसलिए मैं चाहता हूँ कि इस चीज को भी देखा जाए।

हमने पहली बार रूरल डवलपमेंट पर 40.29 परसेंट खर्च करने का प्रावधान किया है।

In the last 30 years, how much have you spent on the development of agriculture. For instance, take Village and Small Scale Industries for 1976-77, it was Rs. 950 crores and now it is Rs. 219 crores. For rural roads, for 1976-77, it was Rs 53 crores and now it is Rs 115 crores. For rural water supply, it was Rs 65 crores for 1976-77 and now it is Rs 165 crores. For tribal areas, it was Rs. 93 crores in 1976-77 and now it is Rs. 159.0 crores. So, on the whole, we are spending much more, perhaps the maximum

अभी तक हमारी केवल 25 परसेंट जमीन डरीगैटिड है। इस साल की फसल के बारे में मंत्री महोदय ने कहा और जिसके बारे में सुब्रह्मण्यम साहब क्रिटिमाइज कर रहे थे कि उसका क्रेडिट आप अपने ऊपर ले रहे हैं। मेरे पास श्री सुब्रह्मण्यम की स्पीच भी है। (अध्यक्ष) यह ठीक है कि वेदण ठीक रहा, यह बात मैं मंजूरता हूँ। मैं अपने माननीय मंत्री महोदय में यह जरूर कहना चाहता हूँ कि जब वे इस चीज का क्रेडिट ले तो भगवान का धन्यवाद जरूर करें। हमारे पास 25 परसेंट लेण्ड ही डरीगैटिड है उस पर भी ग्रान्ट केन प्रोग्राम की क्या हालत बनी हुई है। थोड़ा केन ज्यादा पैदा हो गया, उसको उठाना मुश्किल है। 50पी० में देखिये कितनी बड़ी हालत है। वहां आपको कुछ करना पड़ेगा। आपने इसके लिए जो इमेन्टिव दिया है, उसके लिए मैं आपका धन्यवाद करता हूँ। आपने कजमशन आफ फर्टिलाइजर बढ़ा दिया है और बहुत सारी चीजे बढ़ा दी हैं

लेकिन सब से बड़ा धन्यवाद माननीय मंत्री महोदय का भगवान को देना चाहिए।

Now, I would like throw some light on dairy development. I think this is the most important thing so far as this budget is concerned. If it is implemented properly, like the one in Gujarat and other places—I have seen in Gujarat the dairy development—it can provide jobs to about four million people. But this depends on the State Governments. So, there should be proper co-ordination between the State Governments and the Central Government and you should have a watch on them as to whether money is properly spent or not.

स्माल फार्मर्स के बारे में, डिजायर्ड डेवलपमेंट के बारे में बहुत अधिक डिटेल्स में मैं नहीं जाना चाहता।

मैं यह कहना चाहता हूँ कि हमने जो यह बजट पेश किया है, इसमें हमने दिखा दी है कि हम गावों को आगे ले जाना चाहते हैं। मैं कहूँगा कि बजट को ठीक तरह से इम्प्लेमेंट किया जाना चाहिए और उनके साथ साथ ग्र.प. अर्पना मशीनरी को भी थोड़ा टाइटन करें। ऐसा आपने नहीं किया तो मैं कहूँगा कि यह एक डेजरन बजट साबित होगा।

Last year what happened? In your own speech you stated that about 275 crores were not spent which you received by way of external assistance. Similarly Rs. 230 crores were not spent on account of some other reason. If those Rs. 500 crores have been spent, there would have been more employment. Merely providing for bigger outlay and merely having good schemes will not do; implementation is the important factor and for this you should have coordination between the Centre and the State.

I do not think that heavy deficit financing will increase prices; there was deficit to the tune of Rs. 950 crores last year but the wholesale price index did not show any price increase.

I agree that in consumer prices there was some increase. If you see the index for November, December, January and February there is not much of an increase; it is practically the same; even consumers prices in the last three months are practically the same. Can you quote any country in the world economy where price has not gone up? Hardly a few. We have controlled the prices and so I want to congratulate the Finance Minister. I do not see how prices can increase. We have taken many steps; we have food stocks; we have foreign reserves; we have decided to sell gold to the tune of Rs. 500 crores; it will reduce deficit financing. In 1963 when steps were taken about gold control, was it not a cabinet decision? Shri Subramaniam hinted at this point. Was it a personal decision of Shri Morarji Desai. After 1963 there were 6 or 7 times changes. Why do you not withdraw this order at the time when Mr. Morarji Desai was not in the Cabinet?

मैं मांग करता हूँ कि जिन हालात में आपने गोल्ड कंट्रोल आर्डर लागू किया था वं बदल गए हैं, वैसे इकोनॉमिक हालात अब नहीं रहे हैं। इस वास्ते आपको शर्म नहीं करनी चाहिये, फाल्स प्रेस्टीज पर खड़े नहीं रहना चाहिए। और इस गोल्ड कंट्रोल आर्डर को बिदड़ा कर लेना चाहिए पूरी तरह से। जो आंकड़े मेरे पास हैं उनके अनुसार 2 लाख 53 लाख गोल्ड स्मिथ देश में हैं। इसको वापिस लेने से सात आठ लाख और लोगों को एम्प्लायमेंट मिलेगा। इस तरह से कुल 1 मिलियन से ज्यादा लोगों को रोजगार मिल जाएगा। यह मैं इमाले भो कह रहा हूँ कि आपने जेवरात का एकमपोर्ट करने की बात भी कही है। साथ ही उनका जो कर्जा बचा हुआ है उसको भी आप माफ कर दें। और बिना हैजीटेशन के इस आर्डर को हम वापिस लेते हैं, ऐसा आप कह दें। गोल्ड बेचने से हमारा डेफिट कम होगा। साथ ही स्मगलिंग भी

[Shri Kanwar Lal Gupta]

कम होगा और रोजगार के अवसर भी बढ़ेंगे।

घोबर ड्राफ्ट्स के मामले में आपको स्टेट्स के प्रति फर्म होना चाहिये। पब्लिक नैक्टर में एकोमेसी बढानी चाहिए। नान प्लान एक्सपेंडीचर जो 118 करोड़ बढ़ गया है इसको भी थोड़ा आपको कम करना चाहिए। साथ ही सेल टैक्स को आपको एबालिश करना चाहिए। इंडायरेक्ट वे में नहीं बल्कि डायरेक्ट वे में आपको कटौत चाहिए कि इनकम टैक्स की लिमिट को दस हजार किया जाता है। इस साल आपको पचास लाख लोगों को एम्प्लायमेंट देने का टारगेट बनाना चाहिये और इसको आपको 31 मार्च, 1979 तक अचीव करना चाहिये।

इंडस्ट्रियल सेक्टर के अन्दर लेबर अनरेन्ट भी है। आप कहते तो है कि आप मजदूरी करोगे लेकिन हो नहीं रही है। उसके लिए भी आप थोड़ी सख्ती करे। केवल स्टेटमेंट देने में सख्ती नहीं होगी। आपको कुछ सख्त कानून बनाने पड़ेंगे ताकि एम्प्लायमेंटेशन न हो। आपको यह देखना पड़ेगा कि इंडस्ट्रियल प्रोब न हके।

कुछ सदस्यों ने कहा कि साउथ में लोगो ने जनता पार्टी को रिजेक्ट कर दिया है। आसाम में हम जीते हैं, और भी एक, दो स्टेट्स में जीते हैं, और केवल दो स्टेट्स में हम हारे हैं। इसमें यह न ममक्ष लीजिए कि आप यहा पर आ गये। जल्दी आशा न बनाइये। मैं यह जरूर मानूंगा कि आपका बेस जो बिल्कुल ही खत्म हो गया था वह बन गया।

It is an eye-opener to Janata Party The public demands a better performance from you than what has been done now. I agree I hope that the Government will see to it that a better performance is given in future. Otherwise, our future is dark. There is absolutely no doubt about it.

इसलिए आप अगर आंध्र और कर्नाटक की बात के कर के सोचेंगे तो गलत है। जब आपका राज्य सारे देश में से गया था तो सेन्टर में भी आपका राज्य था और सारी स्टेट्स में भी आप ही राज्य करते थे। मैं पूछता हूँ कि वह राज्य कहा गया? 1977 के जनरल चुनाव के पहले आप ही का राज्य था सारे देश पर, यहा तक कि अखबार और अदालतों पर आपका अधिकार था, कोई बोल नहीं सकता था। स्प्रातिंग राज्य आपका था। अगर वह खत्म हो सकता है तो यह तो दो स्टेट्स है। लेकिन हमारा घर ठीक होना चाहिए। हमारा परफोरमेंस ठीक होना चाहिए।

If we can see the writing on the wall, I think we can have good performance

With these words, I support this Budget.

SHRI DINEN BHATTACHARYA (Serampore): Mr. Chairman, Sir, I have heard the speeches of the Members from Congress (I) and the Congress, as well as Mr. Kanwar Lal Gupta of the Janata Party, who is a veteran speaker. But I must say without any apology that the Janata Government has totally belied the hopes and expectations of the people, which were created on the eve of 1977 election. So many assurances and promises were given that the growth rate will increase to seven per cent, unemployment will be removed and that the land reform will be strictly implemented and the prices will be stabilised (Interruptions) I am coming to that. I started with this because, I wanted to highlight the failures first.

SHRI KANWAR LAL GUPTA: By hiding the other thing?

SHRI DINEN BHATTACHARYA: I was not hiding anything. I had placed everything clear. Can you deny that you gave the assurance that you will stabilise the prices? Just now,

Mr. Kanwar Lal Gupta said that there is no increase in the prices I will invite him to visit Delhi market and then say that there is no increase in the price of daily necessities and the commodities which the common people use.

SHRIMATI PARVATHI KRISHNAN (Coimbatore): He has not visited the market in the past. He is not a market-goer. How can he see the difference?

SHRI DINEN BHATTACHARYA: In the last Budget, while placing it, Mr. Patel said that it was not his budget because originally the Budget was prepared by the predecessor Government of Shrimati Indira Gandhi. This time at least he does not have the excuse and his Budget will only place the economy in the grip of further crisis and hit the common man below the belt.

Sir, the Finance Minister tried to give a rosy picture of the economic situation in this country. However, the realities of the economic life cannot be concealed by the verbose language used by him.

The Economic Survey presented to the Parliament by the Finance Minister admits that the per capita availability of cotton cloth in the country in the year 1955-56 was 14.4 metres per head. This was, of course much below the target of 18 yards per head visualised by the National Planning Committee. Since then 20 years have passed, but what is the progress? In 1976-77, the per capita availability of cotton cloth came down to 11.4 metres. Why is this figure coming down like this? The Janata Government alone is not responsible for this. It is a legacy of the past.

Coming to the pulses which are commonly used by the ordinary people, their availability has also come down. I am speaking of the availability. The actual consumption will be lesser than the availability figure.

SHRI KANWAR LAL GUPTA: This figure relates to 1975-76.

SHRI DINEN BHATTACHARYA: I am telling him that so far as the crop is concerned, it is of 1976-77 and not 1975-76. So, you have got to bear the brunt in 1977 also.

SHRI KANWAR LAL GUPTA: We were in jail in 1977.

SHRI DINEN BHATTACHARYA: In 1977 there were elections. So, how could you be in the jail?

SHRI KANWAR LAL GUPTA: I mean 1976-77.

SHRI DINEN BHATTACHARYA: Even in spite of the availability, the consumption figure is far less and that is why Mr. Kanwar Lal Gupta has also agreed and others will also agree and Mr. Patel will also agree that the purchasing power of the people has been eroded. So, in the cotton mills which have been given so many concessions by the previous Government and by this Government also, stocks are being accumulated. The ordinary people do not have the purchasing power and so there is a crisis in the textile mills. Mills after mills are being closed. More surprising to me is the other complacency seen in the Finance Minister's speech. I want to tell him categorically that he may gloat over the performance of his Ministry during the last year, but the facts clearly show that there are no signs of the economy coming out of the crisis. His economic policies are essentially the same as those of Shrimati Indira Gandhi. She also depended on foreign loans, she also depended on indirect taxation, and this Government also is depending on the foreign loans and excise duty on the ordinary people's necessities. And the same process is being adopted by this Janata Government. I am warning this Government that if they do not basically change the economic policy which they assured the people, then the future is very bleak for them also.

[Shri Dinen Bhattacharya]

The Finance Minister has stated that he has checked inflation. I will simply give some figures. Since the new Government has assumed power, the money supply in the first 10 months has increased by Rs. 3,250 crores without making appreciable increases in the overall production. The money supply with the public, at the beginning of 1978, stood at twice the figure in 1972, which clearly shows that there is no change in inflation. On the contrary, the inflationary policies are continuing with more vigour. And the deficit budget will further open the floodgates of inflation. The Prime Minister had repeatedly claimed that he was against deficit financing. He repeatedly claimed that when he was the Finance Minister, he did not have deficit financing. Our economy is now getting the largest dose of deficit financing. There is every possibility that these measures will further push up the prices of essential commodities and add to the profitability of the capitalists and traders.

According to estimates, the wholesale prices have registered an increase of 6.6 per cent during the current year; and since 1975-76, this is the largest increase. During the first nine months of the new Government, the wholesale prices of food articles have increased by 13 per cent, of pulses by 50 per cent, fruits and vegetables by 21.1 per cent and condiments and spices by 23.6 per cent. There is no need to speak about the edible oils and mustard oil, whose prices increased to an extent which cannot be imagined in any way.

It has been claimed that this budget is a rural-oriented one, and that the rural people will be benefitted. But who are the rural people who will be benefitted? Are they not kulaks who will be benefitted? (Interruptions) You have to take a census in the villages; and then you will find that very few persons will be benefitted by the injection of their money. They have raised the

provision for the rural economy from Rs. 490 crores to Rs. 1754 crores. But is it not a fact that this budget has not mentioned a single word regarding land reform? Why is it that they forget about it? It was also said that they will implement land reform in the truest sense of the term; but I don't find anything mentioned about land reform in this budget. If the Government has got the slightest desire to have any bias in favour of the rural poor, they would have increased the wages of the agricultural labourers substantially and introduced genuine land reform, so that land could be distributed amongst the poor people.

Further, since the Janata Government came to power, not a single step has been taken to introduce any measure to improve the methods of land reform. The Janata Party has virtually put all land reform measures in cold storage—which, I think, is one of the major violations of the pledges given to the electorate on the eve of the last general elections in 1977. Government will never be able to find adequate internal market, unless it implements land reforms and unless the standard of living of the rural people really improves. If the purchasing power of the ordinary, poor peasants is not augmented by Government taking some effective measures, the market will gradually shrink more and more; and there will be accumulation of stocks, not only in textile mills, but in other mills also. The mills will be closed and then there is no point in repenting on that occasion.

Similarly, the emphasis on giving encouragement to the small-scale sector is extremely deceptive. Is the Government really serious about protecting the small-scale industries from the competitive production of the big business houses? Even after one year rule by the Janata Party, there are lakhs of handloom weavers remaining idle in Tamil Nadu, Andhra Pradesh, Karnataka, Bihar, West Bengal and other States. In every State you will

find that lakhs and lakhs of handloom weavers are on the brink of starvation. There is no guaranteed supply of yarn to them at cheap rates. They are at the mercy of the village money-lenders and the big sharks who are dealing in yarn trade. This is the biggest small-scale industry in the country and this is the pitiable condition of that industry. Shri Gupta was saying that it is a good thing that protection has been given and emphasis has been given to the small-scale industries. What is the use of all this protection if the handloom sector is still suffering in this country?

Take the bidi industry. Lakhs and lakhs of people are earning their livelihood by making bidi. What is their condition today? It is pitiable. Then, take the case of those who make cigars or match boxes. They are in dol-drum. Or, take the case of small-scale plastic industry or the hosiery units, which we have in thousands in Calcutta. Most of them are already closed or on the point of closure. Whether it is Janata or no-Janata, Government should see that help is rendered to the small-scale factories which are suffering for the last thirty years under the Congress regime. Let them not suffer any more under the Janata Government. They gave all sorts of promises and that is why the people voted for the Janata candidates. These promises should not remain mere lip promises. Government should take note of the difficulties of these people and try to remove them. Budget promises to try to develop the small-scale industries as ancillary industries. This will be a source of cheap intermediary goods for big business. I know so many big industries which are using the small-scale industries and getting all the advantages from the Government for themselves. Mr. Damani may corroborate me if he is true to his profession.

Government's talk of taking measures against monopolies have also proved to be a futile exercise. The concentration of economic power in

the hands of the big industrial houses continued like anything during the Congress regime, and it is still continuing. Nobody can deny it. The latest figure is not available, but indications clearly show that the share of the monopoly companies in the over-all economy continues to grow as it did in Indira's raj. So, in view of this, the Janata Government's pledge of decentralisation of economic power has no meaning so far as the people are concerned.

The Budget proposes to ensure supply of credit from the banks by introducing a reduction in lending rates. Since the lion's share in the bank credit is being appropriated by the big business houses, the reduction in the lending rate will benefit these big business houses only, and the effects of this concession will in no way be passed on to the consumers, but will only add to the profitability of the industrial houses. After all, the big business houses are very much there. Though here and there there may be some criticism of the Budget by them in this or that paper, they are very happy with this Budget.

Though the Janata Party's election manifesto emphasizes decentralisation of the economy, the Government is clinging to more and more economic power. The State finances are extremely crippled. As somebody has mentioned already, they are not able to meet the requirements of the Government. No State Government in the country is in a position to take over a closed mill without the assistance of the Central Government. This morning there was a question on a pharmaceutical concern in Calcutta. The West Bengal Government has been repeatedly requesting the Central Government to take it over, but the Central Government is not showing any intention of taking over that unit. No State Government can undertake plans today without the clearance of the top brass of the Planning Commission.

[Shri Dinen Bhattacharya]

I recently read a press interview by Neelam Sanjiva Reddy. When he was Chief Minister in Andhra Pradesh, he wanted to construct a bridge, but he could not do it on his own. He had to depend on the Central Government, and the Central Government was not in any way eager to give him that sanction.

So, for everything the State Government has to depend on the mercy of the Central Government. In the circumstances, the federal structure of our country has been reduced to a farce, and the Central Government has acquired for itself authoritarian powers, which was the legacy of the Congress Government led by Shrimati Indira Gandhi. The West Bengal Government have, therefore, raised the issue and they are asking for basic changes needed in the Centre-State financial relations. Apart from other things, there should be thorough change in the financial relations. You and the whole House will be astonished to know that this Government is taking loan from the International Monetary Fund and the World Bank at the rate of interest not even at one per cent but they are charging from the State Governments more than 8 to 9 per cent. So, in this way, they are cheating the people of the States. Now the Janata Party has come to power. They must realise the gaps that were maintained intentionally by the Indira Government. Now, they must change it. They must start a new dialogue. That is why, the Chief Minister of West Bengal has sent a memorandum here to have a discussion on this. Our hon. Prime Minister says that he can talk with anybody but he cannot take part in any formal discussion with any Chief Minister or anybody. What is this attitude? The Chief Ministers of Kerala, Tamil Nadu and Kashmir have agreed to sit in a round-table conference in order to decide this matter. Even the Gujarat Government is asking because they are also facing problems and difficulties. The

Centre is actually monopolising the whole authority in it. We want a federal set up; we want unity of the country. But in the name of unity, you cannot deprive the suffering people of the States, of the money that is their legitimate due and when the need arises. After how long did the Central Government reach to render relief to the cyclone affected people of Andhra and Tamil Nadu? So long as the Central Government does not change this attitude towards the State Governments the dissatisfaction among the State Governments is bound to increase and the Central Government will be forced to change its attitude ultimately. Is it not, therefore, wise to see the signs of the day and change the attitude in good grace? I hope, the Government will pay a serious attention to this problem in the interest of proper Centre-State relations.

Coming to employment, Mr. Kanwarlal Gupta demanded that we must have a programme whereby at least 50 lakh of people can get employment in one year. What is the state of affairs? The Janata Party Election Manifesto gave a pledge to the people of this country that the Government would ensure full employment in ten years. However, the registered unemployment has increased to 11 million, an increase of over 10 per cent in one year alone. And this one year has been the rule of the Janata Party and not any other party.

SHRI VAYALAR RAVI (Chirayinkil): Why should you support this Government?

SHRI DINEN BHATTACHARYA: We support on the point that this Government has given at least civil liberties to the people which your Government had taken away.

Another factor which must be taken note of is this. It is good that the Home Minister who has got much power in the Cabinet is here. I must say, everywhere in the big industry, an attempt is being made to see that the number of persons employed is

reduced, somewhere by rationalisation, somewhere by brining new machines and somewhere by just telling them, "We have got no work; you go away." It is not only in the private sector but also in the public sector. I know, in steel and coal industries, thousands and thousands of workers have been retrenched. In the Beas project which is a very important one, I know, 1400 junior engineers, who are degree-holders, have been retrenched. They came and complained that they were retrenched as the project was now being completed. So, on the one and, there is no new job potentiality and, on the other hand, the existing persons who are working are being retrenched. Their services are in danger. My point is that you must not allow bringing in new machines which will kill the jobs of persons who are working there. That must be your policy and object.

I can tell you one story. It has some bearing on the reality of the situation here. While Ho Chi Minh was fighting against the American imperialism, at that time, somebody from India visited that country and asked him, "Why are you not introducing tractors and other machines in your agriculture and automation in other factories?" His reply was, "I can do it. But so many people are here in my country. How will I give them jobs?". In spite of the fact that he could do it, he did not do it. His attitude was not like that of the Janata Government or Mrs. Indira Gandhi's Government.

During the Emergency, Mrs Indira Gandhi's Government was using the banking industry to help her get political as well as economic advantage. Several cases were pointed out to the Government earlier. But no action was taken in this matter. The Reserve Bank of India was conniving at the malpractices of the banking industry. Here is an instance. The Punjab and Sind Bank spent nearly Rs. 1,37,000 for printing calen-

dars of Mrs. Indira Gandhi during the elections to boost up her image. I have got a copy here. I can place it on the Table of the House. Here is the calendar; you kindly see it. Rs. 1,37,000 were spent by Mrs. Indira Gandhi's Government to see that she won. But she could not win.

SHRI VASANT SATHE (Akola):
He is a greater Indira Gandhi fan; he has kept her calendar with him.

SHRI DINEN BHATTACHARYA:
It is just to show how you deceived the people, not only people but the bank also. The practice is still continuing. So, I urge upon the Government to set up an enquiry and see that the bank money is not used by any body for political reasons, for political purposes or for the party purposes.

Dependence on foreign loan is increasing and this can be verified from the figure that is already there. I have no time to go into detail. The total external loan has gone up to as much as Rs. 12,543 crores and added to it over 2000 crores of repayable P.L 480 assistance we get a ghastly picture of acute dependence of our economy on foreign countries. The new Government instead of reversing the policy of the Congress Government goes on inviting more and more foreign private capital and Government to Government loan which will only further increase this dependence on the foreign countries. The budget and the Sixth Plan will only gladden the hearts of those aid givers who are pricing for favourable investment climate prevailing for them in our country. (Interruptions). He is very glad because he represents the big monopolists in the rural sector. So, he is very happy and is disturbing us.

This Government is considering about the wage and income policy and the Bhoothalingam Committee has been set up. We are totally against it; the workers from all over India and employees are against it.

[Shri Daman Bhattacharya]

This Committee will not give the real benefit and justice to the employees. The real intention behind it is to freeze the wages of the working people.

With these words, I conclude my speech with the same point with which I started and that is that there is no difference to be found between the budget that was presented by Mr Patel and the budget of Mr C Subramaniam, the former Finance Minister. We may say that it is old wine in new bottles—the same practice, the same method, the same policy. So I will humbly request the Janata Government to objectively analyse the situation and see that people do not get frustrated as a result of the high hopes that they had put on you and you should try to fulfil your promises and the assurances given by you to the people in a good gesture by a radical change in your fiscal policy.

श्री कन्नूचाल हेमराज जैन (बाराघाट)
महापति महोदय मंग व्यख्या का प्रश्न है। सामान्य बजट पर यहाँ चर्चा चल रही है। 60 करोड़ जनता के लिए प्रॉब्लेम पर बजट का विषय चल रहा है। इस चर्चा पर दम्यान इस महान म पूर मंत्रिणग न बैठे लकिन प्रमुख विभाग जा हैं वह मैं गिनना देना हूँ। जैसे इण्डिया व गिज्ज वैज्ञानिक तथा रसायन आदि मंत्रालय के प्रतिनिधि यहाँ बैठे और उन व विभाग व जो मैं कटेरीज हैं वे भी यहाँ बैठें तब तो मन्त्रालय जा आनी भावनाय यहाँ जाहि कर रहे हैं उन का कोई अर्थ निकलना। इन तरह की व्यख्या मैं आप से चाहता हूँ।

महापति महोदय यहाँ एक मिनिस्ट्र हो सब को प्रेजेंट करना है क्या? इनकिटव रेम्पोनिबिलिटी है। आर मव यहाँ बैठें तो काम कौन करेगा।

SHRI KANWAR LAL GUPTA
Technically, you are right, there is one Cabinet Minister. But the Minis-

ters representing all economic Ministries should sit. It is very important. I agree with the hon. Member. May I request the Home Minister to convey the feelings of the House to the other Ministers?

MR CHAIRMAN If the Home Minister is present, then it is sufficient.

16 57 hrs

STATEMENT RE INTERIM REPORT
GIVEN BY THE SHAH COMMISSION OF INQUIRY

THE MINISTER OF HOME AFFAIRS (SHRI CHARAN SINGH):
Sir, I have just been informed that the first interim report of the Shah Commission of Inquiry appointed under Section 3 of the Commissions of Inquiry Act 1952 has been received in the Home Ministry. I thought I should share this information with the Members before it appears in the Press tomorrow. We will examine the report as early as possible and take follow-up action in consultation with the Ministry of Law.

SHRI VASANT SATHE (Akola)
Sir, I want to make a submission. The other day,

MR CHAIRMAN If I give you permission then other Members also would like to speak.

SHRI VASANT SATHE I am on a point of order.

DR MURLI MANOHAR JOSHI (Almora) Under what rule?

SHRI VASANT SATHE I have to tell the Speaker not you. Sir, the other day, the Speaker was pleased to observe when Mr Raj Narain wanted to place the interim report (Interruptions) Let me make my submission.

DR MURLI MANOHAR JOSHI I am on a point of order. Under what rule is he making this submission?