

महोदय, मैं बहुत ही महत्वपूर्ण विषय की ओर आपके माध्यम से सदन का ध्यान आकर्षित करना चाहता हूँ। इस देश में जब अंग्रेजों से संघर्ष किया जा रहा था, जब देशी रियासतों के जो नवाब थे उनसे भी संघर्ष किया जा रहा था तो उस समय बहुत से लोगों ने आन्दोलन किया था, सत्याग्रह किया था, जेल गए थे, अपना सर्वस्व न्योछावर किया था और जहाँ तक कि देश को आजाद करने के लिए शहीद भी हो गए थे,। इनमें कितने ऐसे लोग हैं, जिनके नाम भी आज हमको याद नहीं, हमारी जानकारी में नहीं। ऐसे लोगों को याद करके हम न केवल उनका, उनके परिवार का सम्मान करेंगे बल्कि सारे राष्ट्र का भी सम्मान करेंगे।

महोदय, ऐसे ही एक महान आत्मा थे—श्री देव सुमन। इनका जन्म 15 मई, 1915 को ग्राम जौनपट्टी, विकास खंड चंवा, जिला देहरी-गढ़वाल, उत्तर प्रदेश में एक साधारण कृषक परिवार में हुआ था। पन्द्रह वर्ष की आयु में ही वह एक सत्याग्रह में सम्मिलित हुए और उसके बाद राजनीतिक चेतना होने के कारण सन् 1939 में उन्हें देहरादून से देहरी राज्य प्रजा मंडल का मंत्री चुना गया। उसी साल लिपुल में आयोजित कांग्रेस सम्मेलन में भाग लेने के लिए वहाँ गए और जब देहरी वापस आए तो उन्होंने अंग्रेजी हुकूमत और वहाँ की जो रियासत थी, उसकी हुकूमत के खिलाफ संघर्ष कर दिया।

सन् 1942 में देव सुमन जी भारत छोड़ो आन्दोलन में अनेक साथियों सहित गिरफ्तार किए गए। 19 नवम्बर, 1943 को आगरा जेल से रिहा होने के बाद जब रियासत में प्रविष्ट हुए तो “चम्बा” एक स्थान है टिहरी गढ़वाल में, वहाँ 30 दिसम्बर, 1943 को उन्हें पुनः गिरफ्तार किया गया और टिहरी जेल में डाला गया। मैं हाल में ही वहाँ गया था और मुझे बताया गया कि उनकी वेल में ही हथकड़ी और बेड़ी लगाई गई थी। जेल में उनके ऊपर अमानुषिक अत्याचार हुआ। उनको सताया गया, उनको कष्ट

दिया गया। लगातार 84 दिनों तक उन्होंने जेल में भूख हड़ताल की और प्रशासन के उपेक्षापूर्ण रवैये के कारण 28 वर्ष 2 माह और 10 दिन की आयु में 25 जुलाई, 1944 को टिहरी जेल में ही उनकी मृत्यु हो गई। यह भी कहा जाता है कि उनकी मृत्यु नहीं हुई बल्कि उनको जेल के अंदर ही मार डाल गया। इस प्रकार से श्री देव सुमन अमर हो गए। वह एक ऐसी महान विभूति थी जिनका सम्मान करने सारे राष्ट्र का और इस सरकार का भी कर्तव्य है। काफी दिनों से यह मांग चली आ रही है कि श्री देव सुमन जी की स्मृति में और उनके सम्मान में भारत सरकार की ओर से एक डाक टिकट जारी किया जाये।

दूसरे, वहाँ पर टिहरी बांध बन रहा है। टिहरी बांध के संबंध में जो योजना है वह स्वीकार भी की जा चुकी है, पहले इसमें कुछ विवाद था, लेकिन अब यह योजना स्वीकार की जा चुकी है। वहाँ के स्थानीय लोगों की भी यह मांग है कि टिहरी बांध बनाने के लिए वहाँ पर जो जलाशय है उसका नाम भी श्री देव सुमन सागर रखा जाए।

मान्यवर, इस सदन के माध्यम से मैं भारत सरकार से मांग करना चाहता हूँ कि शहीद देव सुमन के सम्मान में एक तो डाक विभाग की ओर से टिकट निकला जाए और दूसरे वहाँ पर जो टिहरी बांध का सरोवर है उसका नामकरण भी श्री देव सुमन के नाम से किया जाए। इस प्रकार से एक बहुत गरीब घर के लड़के ने, जिसने आजादी को लड़ाई में अपनी जान तक दे दी थी, उसका सम्मान करके मैं समझता हूँ कि भारत सरकार सारे राष्ट्र का हो सम्मान करेगी।

SHORT DURATION DISCUSSION
Discussion on the price situation in the country—(Contd.)

उत्तमाध्यक्ष (श्री शंकरदत्त सिंह) कल इस जब हम इस सदन में मूल्य वृद्धि पर चर्चा कर रहे थे, उस समय कांग्रेस (आई)

[श्री शंकर दयाल सिंह]

के माननीय सदस्य श्री रामेश्वर ठाकुर जी अपनी बात कह रहे थे। उन्होंने अपनी बात पूरी नहीं की थी कि प्रधान मंत्री द्वारा मंडल कमीशन के संबंध में यहाँ एक वक्तव्य दिया गया। हालांकि श्री रामेश्वर ठाकुर जी काफी समय ले चुके हैं, फिर भी मैं उनसे अनुरोध करूँगा कि पाँच मिनट में अपनी बात खत्म करें।

श्री रामेश्वर ठाकुर (बिहार) : कल मैं अभी अपने भाषण के मध्य में था और मुझे कुछ मुझाव भी देने हैं, मुझे कह गया था कि 20 मिनट आपका मिलेगा, जब कि मैं आधा घंटा मांग रहा था। इसलिए आप यदि चौथाई ही कर देंगे तो बड़ी कृपा होगी।

उपसभाध्यक्ष (श्री शंकरदयाल सिंह) : ठीक है, आप शुरू कीजिए।

SHRI RAMESHWAR THAKUR: Sir, yesterday I had mentioned one aspect in detail. That was in regard to deficit financing. The hon. Minister has mentioned from various forums that the basic reason for the increase in prices has been deficit financing, debt burden and payment of interest. In this connection I had mentioned some of the aspects. Deficit financing has been a natural feature of our entire economic process. Right from the First Plan I had given the basic data. Out of Rs. 1, 960 crores, Rs. 330 crores was the deficit in the first Plan. Similarly, in the Second Plan, out of Rs. 4, 600 crores, the deficit was Rs. 950 crores and in the Third Plan, out of Rs. 8, 500 crores the deficit was Rs. 1, 330 crores. Similarly, in the Fourth Plan Rs. 2960 crores, in the Fifth Plan Rs. 2820 crores, in the Sixth Plan Rs. 16, 570 crores; in the Seventh Plan it seems that the original thinking was Rs. 14000 crores but it was Rs. 13000 crores. My submission in brief is that if we take the deficit as a percentage of the GDP, the Central and the States put together, from the Government data we can say this has been within certain limits: In 1977 it was 4. 7 per cent, in 1981 it was 6. 5 per cent, in

1985 it was 7. 7 per cent in 1986 it was 8. 8 per cent, in 1987 9. 4 per cent, in 1988 84 per cent, in 1989 8. 4 per cent. Therefore, it is within a certain limit. As I was trying to explain yesterday, the deficit is within 10 per cent. We may take one more data and I would like to say this particularly for the honourable Minister, larger outlay and investment is an imperative, is an important aspect in any planning, economic planning. In this context I would like to mention, if we take the total outlay of the Plan and the deficit, the percentage is very important for any developing economy. Economic planners the world over have always said that in the world economies, particularly in a developing economy there is bound to be some deficit, "deficit within a limit. My point is in the year 1930-81 out of a total outlay of Rs. 36, 845 crores the deficit was Rs. 3451 crores which was around 9. 3 per cent. I will give you figures for a few years. In 1985-86 out of a total outlay of Rs. 83, 961 the deficit contemplated was Rs. 3439. It was the lowest, 4. 08 per cent. In the year 1987-88 out of 1, 12, 169 crores the deficit contemplated was Rs. 5504 crores, 49 per cent. In the year 1989-90 the total outlay increased to Rs. 1, 49, 227 crores and the deficit was estimated to be originally Rs. 8206 crores, 5. 5 per cent, but it has gone up. And the honourable Minister rightly pointed out that it was likely to be in December Rs. 13500 crores. "We do not know what the final figure would be on 31st March. Even if it is Rs. 13500 crores. 'Would be about 9 per cent of the total outlay. My point is if it is 10 per cent, then it is accepted as normal. However, the other factors are also important. There have been difficulties about standard rates, foreign reserve position, about export-import position and several other aspects. And inflation, to some extent. But that was not the only factor as if could be seen from the overall situation. Even in the other countries you see the inflation situation: In Bangladesh 18. 5

per cent, in Pakistan 10.7 per cent, in Kenya 12 per cent, in Korea 13.1 per cent, in Nigeria 16.5 per cent, in Peru 38.2 per cent and in India it is within 7.5 per cent, even though there was a severe drought. Apart from this the only submission I would like to make is the major factor which has been responsible for this situation, as the honourable Minister himself has attributed, is the Budget. The other important aspect which the honourable Minister has mentioned is the internal and external liabilities of the Government of India and also the interest burden on public debt. In this connection I would like to mention a few figures. This has been supported by the Advisory Committee members also. I am giving you the internal and external debt liability figures of the Government of India. And, the internal debt, as a percentage of GDP, in 1970-71 was 29.87 per cent and the external debt was 15.02 per cent. I am giving these figures from the report. These are all Government figures, verified figures, mentioned in an article by Shri Bhattacharya, a noted economist, in the "Economic and Political" Weekly, April 14-19. This gives the complete figures year-wise from 1970-71 to 1989-90. Now, my point is that in 1979-80, the internal debt was 13.20 per cent—this is as a percentage of GDP—and external debt was 8.71 per cent. In 1984-85, the internal debt was 41.49 per cent and external debt was 7.21 per cent and, in 1989-90, internal debt was 55.91 per cent and the external debt was 6.77 per cent. By any means, though the interest burden has been there, this has been within reasonable limits and this is because of the total expenditure or total outlay in the Plans. The total outlay in the Seventh Plan was 25 per cent more than the total outlay of the first six Plans (*Time bell rings*). You have rung the bell and there is not much time now. Anyway, in the

case of interest also, I would like to say that the figures indicate a similar position.

The interest burden on our public debt in 1979-80 was 8.88 per cent and as a percentage of GDP it was 2.14. But, in 1985-86, it went up to 2.57 per cent and in 1988-89, it went up to 3.53. Now, my point is that we when see the totality of the picture, we will find that there has not been any abnormal thing, particularly if we keep in view that there has been growth in agriculture, growth in industry, and this position is accepted by the Government Report itself, the first Report of the Economic Advisory Council of the Government of India released in December 1989. I would like to quote the very first sentence in which it is said:

"The decade of the 'eighties has seen a period of relatively higher growth in GDP at around 5 per cent which compares relatively favourably with that recorded by most developing countries."

Secondly, even the latest World Bank Report, which has now been released, also mentions about the commendable performance of the economy during the 'eighties. Now, the honourable Minister has been pleased to mention that one of the factors of the rise in prices has been the Budget and many Members in the House have mentioned about the effect of the Budget levies on petrol, iron and steel and certain other items. I would not like to take much time, on this. But I would like to state that apart from these things, we have to take into consideration two or three aspects.

While tackling price rise in a developing economy, non-Plan expenditure has to be curtailed and I have some suggestions to offer in this connection. In the case of non-Plan expenditure, the major thing is the subsidy and the second thing is the interest payment about which I have briefly mentioned just now and the third is the Defence expenditure. Ever, in the case of subsidies, there is the question of subsidy for food, fertilizer, public utility services, public sector, social services,

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natural calamities, added assistance to the States, etc. and this is a very wide field. It is a very wide field though I have mentioned only three main items.

Now, in this connection I would like to mention that the Government should take steps to ensure that the subsidy which is being given, which is important, and which has been a very substantial amount, year by year increasing, we have to see, reaches the consumer, the common people, and not the middle level people. I would have given examples if there was time. But I would give example of only one thing, whether it is possible to work out a *via media* that the food supplies made for common people reach the common people and the richer sections could bear the burden of normal market price. It is a matter for consideration. Second aspect is also about the fertilizers. We know the working of fertilizer companies. It seems that the fertilizer company in the public sector is working within 40 Per cent capacity only. Unless we improve the working capacity, we will always be suffering losses and the subsidy will go to meet their losses. And others also are working within 60 per cent capacity. (Time bell rings)

Secondly, in the case of exports also, a selective way should be there to give subsidy, not on a very long term basis but it should be primarily to start such technological improvements which can ultimately make India more self-sufficient. And in the case of Defence, Sir, it is a sensitive project, but still I would like to suggest that we should avoid all the projects going to HAL and other installations. There are delays and delays. Reports are there. There are reports of Committees of Parliament. Enormous delays are there, and there is cost escalation in public sector establishments relating to Defence also. This situation should be improved. Revenue expenditure required for them should be given in time. And there are certain

areas in which revenue expenditure also can be minimised and controlled and the production units should be brought out with better productivity, efficiency and profitability and not carrying forward of losses.

The Government must take effective steps to avoid black marketing and again generation of black money. Hon. Members have indicated some schemes in the Committee meetings. But I have a feeling that something more is required to be done. One positive suggestion that I would like to make is that the Government must make a more systematic, planned and detailed survey of those taxable people or areas which should be brought in the tax net. In India today we have got large sections of taxable people who are not paying taxes and are not in the tax net.

उपसभाध्यक्ष (श्री शंकर दयाल सिंह) :
ठाकुर जी, मैं यह कह रहा हूँ कि आपके पाँच मिनट बच रहे थे जब आपने बोलना शुरू किया लेकिन आप अपनी उपयोगी बातें कह रहे हैं इसलिए मैंने 10-15 मिनट इसको बढ़ा दिया। आप से अनुरोध है कि इसको समाप्त करें ताकि मैं दूसरे सदस्य को बोलने के लिए बुला सकूँ और भोजन व्यवस्था कर सकूँ।

SHRI RAMESHWAR THAKUR: I am hopeful that the hon. Minister will assure us that a long-term fiscal policy would be made and known immediately. Of course, the other aspect is that the control mechanism must be strengthened sufficiently and also we should see that the public distribution system is improved substantially.

In regard to the Voluntary Disclosure Schemes which have failed earlier, I still have a feeling that the Hon. Minister may think of something more positive in addition to the two aspects which are being considered, i. e. the housing schemes for the slum areas and the rural vulnerable sections of the people so that there is a more effective channel for the people to come out with black money.

Sir, the working of the Settlement Commission has not been effective. It has not been effective because there is a rivalry between the Settlement Commission and the Central Board of Direct Taxes. There is no effective coordination. That creates a problem. This should be done.

The simplification of the tax structure should be brought about immediately. We should bring out one taxation code including income-tax, wealth-tax and everything.

Sir, lastly I would like to say that this Public Distribution System should be improved, administration should be toned up, supply position should be improved wherever necessary and imports should be made. But it should be ensured that the public gets the essential commodities at a reasonable price in all the areas and more particularly in the rural areas, the tribal belt and in areas where the weaker sections of the people live. This aspect has to be strengthened. Otherwise, we have a feeling that in spite of the best wishes of the Government, it has not been done during the last six months. It has not been possible to control the price rise. The prices have been increasing day by day.

Sir, I am not one of those persons who take into consideration the political aspect. I think the Government should take firm action. They should not take a defensive view of the past and the present. I am quoting Mr. Babatosh Dutta, the noted economist. He says in his very well-known book entitled *The Indian Economy*:-

"The origin of inflation is often to be found in the panicky nervousness of unstable governments in politically unstable Communities, given political stability, there is no reason why India should not be able to carry out her future plans without generating serious (inflationary pressures on the price level."

With the effective steps taken by the hon. Finance Minister and the

Government, it should be possible to contain the prices. It must be done in the general public interest. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI SHANKAR DAYAL SINGH): I am calling Mr. T. R. Balu. I would request him to begin his speech after lunch.

The House stands adjourned till 2. 30 P. M.

The House then adjourned for lunch at thirty-three minutes past one of the clock.

The House re-assembled after lunch at thirty-three minutes past two of the clock, The Vice-Chairman (Shri M. A. Baby) in the Chair.

THE VICE-CHAIRMAN: We continue with our discussion on price rise. Shri T. R. Balu. Please try to be brief; we are running short of time.

SHRI T. R. BALU (Tamil Nadu): Mr. Vice-Chairman, Sir, I have to thank you for having given me this opportunity to make my submission on the very important and excruciating issue which affects the common man and the salaried people.

Sir, how does the price-hike occur? There may be so many reasons, but I want to confine myself to three or four issues only. Sir, price-hike occurs because of deficit financing or unchecked parallel economy of black money or due to the frequent rising of administered prices by the Government or due to the imbalances in the foreign trade. Sir, year after year and year by year, whichever Government comes and goes, there is no proper check in deficit financing which ultimately leads to inflationary reactions, and induces the price-hike.

There should be some check on this. The trend towards more and more

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deficit financing should be curtailed by all possible means. This should be done in consultation -with eminent economists.

Whenever a new Government comes, it inherits the effects of this deficit financing from its predecessor Government. This happens every time, whichever party comes to power, the trend is same, whichever party is ruling, whether it is the Janta or the Congress or any other party. But I would like to point out here that during the earlier Janata rule, on an average, the deficit financing was of the order of Rs. 1, 400 crores per year. Subsequently, during the Congress rule, it was of the order of Rs. 6, 000 crores. Now, I see that it is Rs. 7, 200 crores. Therefore, this menace should be checked in consultation with the eminent economists of our country.

As I said the black-money-holders are running a parallel economy in this country. This has not been checked in spite of many laws and even after forty years of Independence. There should be some check on these people. They are using their black money freely in trade, etc. It becomes a problem of haves and have-nots. The people with black money are ready to compete with others in various trading activities. What happens? The have-nots, the honest people, are not able to compete with the tyranny of the black-money-holders. This should be checked effectively.

Coming to the administered prices. I urge upon the Government not to resort to this every now and then, specially before the Budget. Generally, before the Budget, the Finance Minister—this is the case with every party—holds discussions with the various public sector undertakings. The result is that the administered prices are increased, specially in the case of the essential commodities, which affect the interests of the common man. Many eminent economists had advised the Government many times not to resort

to this sort of price hike before the Budget. But nobody cared. Nobody took the advice of the economists seriously. Even our Government has resorted to this sort of price hike before the Budget. The Railway Minister also increased the freight rate and passenger fares. Then came the taxation in the Budget. Ultimately, it is the common man who suffers as a result of such increases. There should be some sanctity and the Government should adhere to the advice of the economic experts. Whichever Government comes and goes, they hike the administered prices and there is an allround price increase. This practice should be stopped.

Prices also rise because of the imbalance in foreign trade, imbalance between exports and imports. Exports should be encouraged and imports should be discouraged so that -we can earn more foreign exchange. In this connection, I would like to point out that our hon. Minister, Prof. Madhu Dandavate, has promptly come up with some policies. I think, in the years to come, they will give results.

SHRI V. NARAYANASAMY: What are those policies?

SHRI PASUMPON THA. KIRUTTINAN: Our Finance Minister will explain it to you.

During the Congress rule in the 60s the gross domestic product (GDP.) had gone up to 5. 7 per cent whereas the money supply had gone up to 17. 2 per cent. The net result is that the sale price went up to the extent of 8 per cent. Therefore, there should be scene financial discipline as far as this issue is concerned. Before I conclude it is my duty to warn our Government, the National Front Government, to take care of not only safeguarding itself from the menace and sabotage that is being planned by the Congress people but also from the rising prices which is causing concern in the minds of the common people, down-trodden people.

THE VICE-CHAIRMAN (SHRI M. A. BABY; Shri Krishan Lal Sharma, not there. Shri Gurudas Das Gupta, not there. Shri Nagen Saikia, not there. Professor Sourendra Bhatta-charjee.

AN HOX. MEMBER: It seems nobody is interested on that side.

THE VICE-CHAIRMAN (SHRI M. A. BABY): They are so much interested that the time allotted to them has already been exhausted.

SHRI V. NARAYANASAMY Today morning it was agreed that they would accommodate two of our Members.

THE VICE-CHAIRMAN (SHRI M. A. BABY) If there is some time left, if the time permits, naturally your Members will be permitted.

PROF. SOURENDRA BHATTACHARJEE (West Bengal): Thank you, Mr. Vice-Chairman, for giving me this opportunity to speak on an important subject like price rise. Instead of adding any epithet to it I have simply called it 'price rise' because that will give it the widest context since denotation and connotation very inversely.

The extent of price rise in respect of household items of daily necessity need not be repeated here, it is known practically to everybody. It must be said that this price rise is not a novel phenomenon during the regime of the National Front. Rather almost the perennial rulers of this country till 1989, with a gap of about three years, that is the Congress, was the first party responsible for -making price rise a permanent phenomenon in the life of the common man. Consequently there had to be repeated movement against price rise for food, for other articles of daily necessity. The history is replete with many such instances of movements. National Front Government must be aware of it because it has within it many who had been in the forefront of many such movements. The portents are

rather ominous. For example in our part of the country the price of rice is rising in alarming proportion, together with the price of another commodity which is very much in demand in West Bengal, particularly the Eastern region of the country, that is mustard oil. It has perhaps crossed the 40-rupee mark.

Never before did this occur. And it will be no comfort to anybody that since the import of rapeseed oil was stopped, therefore this hiking has occurred. Before stopping this import, steps should have been taken to prevent the hiking, because when a thing becomes scarce, it does not mean that its production cost increases. Traders take advantage of the artificial scarcity, or even a genuine scarcity', in the country without allowing distribution of the commodity at a reasonable price. The only guarantee against this phenomenon is very well known. Black-marketing. profiteering and hoarding have been aspects of our economic life for a long time—since the British days, particularly from; the days of the Second World War. To combat these, it is necessary for the Government to build up an efficient public distribution system throughout the country, from which essential commodities—whether fourteen or sixteen that may be decided upon—have to be distributed at uniform and reasonable prices throughout the country with subsidy for those who live below the poverty line. Unless, this can be done, it is not possible effectively to combat this menace of price rise.

Deficit financing, is responsible for this Deficit financing does not necessarily mean deficit in one year's budget. It is a multifaceted problem and entering into it we should not lose sight of the essential fact that it is the responsibility of the Government, particularly the Central Government which holds the purse strings, to ensure distribution, of essential commodities through the public distribution system at reasonable prices all over the country. If that is not possible,

[Prof. Sourendra Bhattacharjee]

then what happened will be manifest in certain parts, or in our part of the country. The effect of the budgetary proposals in regard to petrol, petroleum products, diesel etc. resulted in increase in fares of transport. In West Bengal, the Government opposed these proposals and suggested an alternative and resisted the hike in prices for a long time. While in Delhi and other places, the increase was effected almost immediately in West Bengal, it was resisted for a long time. Thereafter some increase was effected. Now we know that those whose economic policies were at the roof of this trend—the Congress (I) Party—are allowed to create disturbance there. This is one aspect of the situation which I just point out by way of an example. My appeal to the Finance Minister would be to take some bold steps to meet this price rise and at the same time to mitigate the hardships of the common people all over the country. Thank you.

श्री शंकर न्याल सिंह (विहार) :
माननीय उपसभाध्यक्ष जी, हाल इस विषय पर जब माननीय बागेश्वरी जी ने बड़स की शुरुआत की थी तो उन्होंने यह कहा था कि हाल में कुछ हाल नारा आ रहा है। मैंने रात भर सोचा कि वह हाल में कौन कौन ? तो मुझे यह अनुभव हुआ कि निश्चयी सरकार ने जो कुछ किया है उसका नतीजा आज हमें भुगतना पड़ रहा है। उन्होंने चुनाव में जिने अधिक चन्दे लिये, व्यवसायों से जितना कुछ लिया, दिया ऐसे व्यवसायी आज चाहते हैं कि उनको कितो-न-कितो रूप में वापिस ले लें। इसलिये हाल में काला यदि है तो पुरानी सरकार की ओर से ही किया गया है, जो आज हम भुगत रहे हैं।

माननीय उपसभाध्यक्ष जी, मैं दो-तीन बातें अपनी ओर से कहना चाहूंगा। इसमें दो राय नहीं हैं कि मंहगाई बढ़ी है और हम सभी लोग उससे त्रस्त हैं।

जनता भी त्रस्त है और आप जानते हैं कि जनप्रतिनिधि होने के नाते हमें रोज यह ताना सुनना पड़ता है और भुगतना पड़ता है। लेकिन एक बात हर व्यक्ति स्वाकार करेगा कि सब कुछ होते हुए भी चीजें उपलब्ध हैं। पिछली सरकार में चीजें उपलब्ध नहीं होती थीं। दो के चार देने पड़ते थे और चार के आठ देने पड़ते थे। हालांकि आज मूल्य वृद्धि जरूर है, लेकिन चीजें बाजार में सही रूप से उपलब्ध हैं।

वर्तमान सरकार की नीयत पर किसी को शक नहीं है। हर आदमी को यह भरोसा है कि प्रधान मंत्री श्री विश्वनाथ प्रताप सिंह ने जिस तरह से अनेक समस्याओं का हल निकाल लिया, इस समस्या का हल भी वह जरूर निकाल लेंगे। इसलिये मैं समझता हूँ कि केवल सरकार को दोष देकर हम इस समस्या का हल नहीं ढूँढ सकते हैं।

उपसभाध्यक्ष जी, मैं उन लोगों में हूँ जो कि सच्चाई को सच्चाई मानकर चलते हैं। इसलिए मैं इस सच्चाई से अलग भी नहीं होना चाहता कि जो मूल्य वृद्धि हुई है, उस में सरकार का भी हाथ है और उसका भी हिस्सा है। इन लिए मैं इन बातों को कह रहा हूँ। मैं बड़े ही आदर और सच्चाई के साथ कह रहा हूँ कि बाजारों में निजी क्षेत्रों की जो चीजें हैं, निजी व्यवसायों की चीजें हैं, उनके मूल्य में यदि वृद्धि होती है तो सरकार उसके लिए दोष दे सकती है। लेकिन सरकार का जो अपना उत्पादन है, जो उसके हाथ की चीज है, उस में जब मूल्य वृद्धि होती है तो उसका असर पूरे बाजार पर पड़ता है। हमारे पूर्ववर्ती लोगों ने इस पर बहुत कुछ कहा है, मैं इतना ही कहना चाहता हूँ कि लोहा, सीमेंट, पेट्रोल, डीजल, रेल भाड़ा, हवाई जहाज का भाड़ा, डाक-तार, फोन, पोस्टेज और दुलाई आदि के रेट्स में वृद्धि होती है तो इस में सरकार प्रत्यक्ष रूप से हिस्सेदारी रखती है। तो सरकार अपनी चीजों के जब मूल्य बढ़ाएगी, तब उसका असर बाजार पर पड़ेगा ही। इसलिए मैं आपके माध्यम से निवेदन करना चाहता हूँ कि सरकार को इस पर पुनर्विचार करने हुए, इस

में लीड लेते हुए, सरकार के नियंत्रण में जो चीजें हैं, उनके मूल्य को कुछ घटाना चाहिए। माननीय वित्त मंत्री जी जा रहे हैं, मैं समझता हूँ कि इस प्वाइंट को नोट कर के जा रहे हैं क्योंकि जब आप रेल भाड़ा, दुलाई के दाम बढ़ा देंगे, पेट्रोल और डीजल के दाम बढ़ा देंगे तो कैसे उसका असर बाजार पर नहीं पड़ेगा। इसलिए सरकार को कभी-कभी दालतता से, करुणा और मानवी ता से आगे बढ़कर उदाहरण पेश करना चाहिए।

महोदय, मैं इस संबंध में अधिक समय नहीं लेना चाहता। मैं कुछ सुझाव देकर अपना भाषण समाप्त कर दूंगा जिससे कि मेरे दल के माननीय श्री अनंत राम जायसवाल जो को भी समय मिल सके। पहली बात तो यह है कि उत्पादन लागत पर ही मूल्य निर्धारण होना चाहिए। बाजपेयी जी ने कई उदाहरण दिए थे। उन्होंने स्कूटर, साइकिल, प्लेट, शेविंग क्रीम, साबुन आदि का उदाहरण दिया। मैं उससे सहमत हूँ। दूसरी बात मैं यह कहना चाहता हूँ कि जब तक जमाखोरों पर नियंत्रण नहीं किया जाएगा और जब तक जमाखोरों के पास जो चीजें हैं उन को बाजार में नहीं लाया जाएगा, जिस तरह से इनकन टैक्स और दूसरी चीजों में छापामारी की गयी थी, तब तक लोगों को भय नहीं होगा। तीसरी बात, सरकार को अपनी फिजूलखर्ची बंद करनी चाहिए। मुझे लोग क्षमा करेंगे, पेट्रोल बचत के लिए सरकार बहुत मुस्तैद है कि पेट्रोल बचत हो। लेकिन जब एक-एक अधिकारी और हमारे एक-एक माननीय मंत्रियों के साथ तीन-चार पांच गाड़ियां चलेगी तो मैं समझता हूँ कि उनमें तो पेट्रोल लगेगा ही। ऐसा तो नहीं होगा कि एक गाड़ी पर ही पेट्रोल लगे और दूसरी पानी में चल रहा हो। तो इस बारे में उन को उदाहरण पेश करना पड़ेगा। अगली बात मैं यह कहना चाहता हूँ कि जो सरकारी उपक्रम घाटे पर चल रहे हैं, करोड़ों का घाटा हो रहा है, उनकी एक बार समीक्षा होनी चाहिए।

अगर बहुत अधिक घाटे पर चल रहे हों और उस घाटे की पूर्ति के लिए आप उत्पादन पर मूल्य बढ़ा दें हों, जैसे कि कोयले पर होता है, लोहे पर होता है या दूसरी चीजों पर होता है, तो इनकी समीक्षा की जाकर इनके मूल्यों में कमी लाई जा सकती है।

अगली बात, मैं यह कहना चाहता हूँ कि जो जरूरी काम की चीजें हैं रोजमर्रा के काम की चीजें हैं, जैसे तेल है, — दाल है, डालडा है, प्याज है, या राशन की चीजें हैं या गरीबों के जो चलने की साइकिल है, इन सभी छोटी-छोटी चीजों पर सरकार का मूल्य नियंत्रित करना होगा, अगर सरकार चाहती है कि गरीबों को लाभ मिल सके।

अगली बात, मैं आपको कहूँ, इसके पहले एक बात कह देना चाहता हूँ, मैं यह नहीं चाहता कि जो बातें कहीं गई हैं उनको दोहराऊँ, केवल यही कहना चाहता हूँ कि मूल्य-वृद्धि का जो प्रश्न है, वह केवल सरकार का नहीं है, दल-विशेष का नहीं। इसलिए दल से ऊपर उठकर हमको इस पर काम करना चाहिए। ... (सभ्य की घंटी) . . .

इन्हीं शब्दों के साथ मैं आपको धन्यवाद देता हूँ और पहली घंटी पर ही अपनी बात खतम कर बैठ जाता हूँ। धन्यवाद।

SHRI GURUDAS DAS GUPTA ((West Bengal): Sir, we have been discussing inflation or price rise quite often, almost in all the sessions of this House. Last time on the 16th May this House had discussed a Short-Duration discussion, and I had the opportunity of initiating that discussion.

There is one thing which is common. That is, government comes and government goes, a Minister is replaced by another, but one common feature is everywhere. That is, the record of non-performance, the record of inaction remains unbroken. The legacy of the past is sought to be

[Shri Gurudas Das Gupta]

carried on by the present in a most unashamed way. Therefore, I appeal to the Government not to find satisfaction in the inaction or all that has not been done by the previous Government led by Mr. Rajiv Gandhi.

This specific situation has a number of interesting features:

Number one, we are at the threshold of a double digit inflation. That is, we are almost at the threshold of a galloping inflation.

Secondly, the wholesale price index has reached a new high. It is 178.5 with 1981-82 as the base year. Therefore, the country is passing through a puzzling phase of inflationary situation and in this inflationary situation Or accelerated price rise it is the prices of the essential commodities which bring about the greatest thrust on the price movement. Therefore, the essential commodities are becoming most costly in this country today.

Secondly, I would beg of this Government kindly to bear with me if I say that instability in the Janata Dal is one of the factors for bringing about the instability in the price level. The resignation of a Minister the threat of resignation of the Prime Minister, the dismissal of a Minister, the holding of a rally or the threat of holding of a rally and the spate of verbal duels that are carried on openly by the Members of the Government give the common people an idea that this Government is too weak, and the business community has the understanding that this Government can be ignored with impunity.

This is one of the important factors that the people who have come to power, riding the crest of popular enthusiasm, should bear in mind. The Government of change, the Government that promised a change, must bring about a change, and if they do not bring about a change, they will get themselves changed by the people in the same way as the other Government had got changed.

The third interesting feature, I feel, is that the price rise is totally unrelated with the level of production. The sugar price has increased. We have enough sugar in the country. Let me give you one example, the example of pulses. The arrival of new crop in the market brings about a decline in the wholesale price. But the decline in the wholesale price is not reflected in the retail price.

This is the inherent anachronism which brings us straight to the root of the problem that the price rise is related with black market, that the price rise is related with black money and it is a manipulated market that we are living in. And to counter-act the movement of prices in a manipulated market, the Government has no other option but to become drastic.

Sir, allow me to become a little controversial. I am raising this controversy as a matter to be discussed by the House and by the nation. We are always interested in the increase of price for the agricultural produce, but the recent increase in the prices of foodgrains by the Government under the slogan of giving concessions to the peasantry, which means the rich peasantry, has brought about a curse to the marginal fanners, middle farmers and the unorganised labour force, who do not have enough land to produce food for the total year. Therefore, I would like the Government to kindly consider whether this increase in the price of foodgrains is a gift to the kulaks of the country.

The increase in the budgetary gap has a reflection in the price movement. This Government has no power to control the budgetary expenses. At the time of presenting the Budget it was estimated that the gap would be around Rs. 7,000 crores. According to my estimate, the Budgetary gap is around Rs. 10,000 crores. The I import bill is increasing because of the liberalisation of the import policy. The foreign exchange crisis is also taking a different shape because of the self-defeating policy of the Government. The Government is giving unusual concession to Maruti cars and the personalised transport, but it is not giving the same concession to the community vehicles. As

result the consumption of petrol in the country is rising and the Bill for petrol is on the rise. Therefore, I believe, that the Government is following a contradictory policy.

With the daily depreciation of the Rupee related to the stronger currencies of the world, the liberalised import of the components of consumer durables and components of synthetic fibre is making the situation a more deplorable. The point is that this Government is following a policy of total liberalisation and total de-control. As a result it has lost control on the economy itself. The point is there is a policy of arbitrary fixation of prices of the industrial goods by the Bureau of Industrial Pricing and Costing. That policy must be ended. Therefore, coming to the close, the greatest question before the nation is what is to be done and where it is to be done and if at all something is to be done by the Government. To find an answer to this question, let me quote the General Secretary of the Federation of Indian Chambers of Commerce and Industry. He says that 15 per cent of the price rise is because of procurement price increase, 38 per cent price rise is because of budgetary deficit and 20 per cent of the price rise is because of increased cost of electricity and local taxes. By this he accounts for the increase in prices by 73 per cent. What about the rest 27 per cent? According to the statement given by this representative of the big business, 27 per cent of the price rise is because of the manipulation of the business community. Therefore, I ask the Government whether it has got a political decisiveness or the political will. I raise the question of political will. If the Government has a political will, they can answer my question whether something is to be done and whether the Government is going to do something. Therefore, I call upon the Government to acquire the political courage. If the Government can acquire; the political courage it can touch the black money, it can touch the business community, which is holding the country to ransom. In that situation only it can at least control the price inflation. Otherwise this Government is going to be a

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flop in the same way the previous Government had been. Therefore, - as a party which wants this Government to continue, I wish this Government acquires that firmness, the decisiveness, the political will and time is fast moving out and, therefore, you will not have many sessions of Parliament. Therefore, kindly take courage and decisively more and move into action. Only if you move into action, then, this dangerous situation can be avoided; otherwise it is a doom not for you but it is a doom for the great political experiment that has begun after the last General Elections. Thank you, Sir.

SHRI G. SWAMINATHAN (Tamil Nadu): Mr. Vice-Chairman, Sir while wanting to speak on the price situation, I wanted to check up the Press clippings index. So yesterday and today I had been, there and spent about an hour or two over all these Press clippings tracing the history of the price situation in the country, how the Government wanted to bring down the prices. From the advent of the present NF Government, the Press has reported various points. Within the short time available, I do not want to elongate my speech except to read out crisply whatever I have written **and** my suggestions.

Sir, I may bring to your notice various Press clippings. *The Business Standard*, Calcutta on 2nd December, 1989 said "Prime Minister designate V. P. Singh says; The first task is on price front." That is what he has said on 2nd December, 1989.

Then *Indian Express*, New Delhi on the 8th December, 1989 says; "Prices will fall." This is what Mr. Madhu Dandavate has said.

The Hindustan Times on the 16th December says "V. P. Singh; resolute action on the price front soon." This, is what our Prime Minister said on that day. *The Hindustan Times* says "Mirdha sees decline in prices." Mr. Mirdha is pur Minister of Food and Civil Supplies.

The Times of India says on 23rd April, 1990 Madhu Dandavate says prices will

[shri G. Swaminathan]
come down. " *The Times of India* on the
27th April says "Prime Minister assures
Steps to reduce prices in a month. "

The Economic Times dt. 26th April
reports; V. P. Singh says "check inflation".

Again *the Business Standard* on 25th
April says "PM orders to curb prices. "
He orders the prices to come down.

Again lastly the hon. Finance Minister
in a weak voice says on the 18th July
"Price rise is due to move to stabilise the
economy. "

They have been saying "Prices will
come down. Prices are coming down.
Order prices to come down. ' When the
prices have not come down the Finance
Minister, Madhu Dandavate says on the
18th July that the price rise is due to the
move to stabilise the economy. Most
probably he means the economy has not
been stabilised before and he has now
Started stabilising it. If he has started
in this argument, in the beginning itself
all these arguments would not have been
there. He could not accomplish to
bring down the prices. As it has been
indicated by the hon. Member who spoke
before me, the wholesale price index was
100 in 1982 which was the base year. Dur-
ing the Congress regime in 1988-89 it was
155. In April, 1989-90 it was 170. 2.
In August, 1989-90 it has gone up to
188. 8. The increase over 1988-89 after
the National Front Government came into
the picture is 21. 8 per cent. Now the
argument focussed by many of the hon.
Members on the other side for the price
rise is that the Congress party was in
power before them. I will only elucidate
this point by quoting the Statement of the
friends of that party in Delhi. The
BJP Leader, Mr. Arya alleged: Mr. Arya
alleged that the prices of almost all essen-
tial commodities have gone up between
50 per cent to 100 per cent since recent
Union Budget. " This is what the hon.
leader of the BJP has said.

Coming to Mr. Chaturanan Mishra, our
hon. Member of CPI here, he wrote a

long letter to the Prime Minister on June:
23rd. In his long letter, he pointed out
to the Prime Minister, "that seven months
of the National Front Government has
no difference so far as prices front is
concerned. If anything is to be said,
the situation has taken a turn for the
worse. " That is what the CPI leader
has Said.

Coming to the emergency meeting of
the working Committee of the Delhi BJP
—very important leaders, I think, our
hon. Shri Atal Bihari Vajpayee should
have been there—the resolution further
states, "the deficit Budget and in addition,
abnormal increase has been effected in
the price of diesel, petrol, railway freight
etc. which proved BJPs forewarning that
these steps would result in rise in prices.
They have forewarned as per their figure.
They have quoted figures.

Finally, they said one very revealing
things which has also been told by the
hon. friend who spoke before me. The:
resolution says, "the present Government
was in the clutches of profiteers, black-
marketeers and millionaires. " It is
not we who say this. It is the BJP which
is their front, from their side, they
that the present National Front Govern-
ment is in the clutches of profiteers,
black-marketeers and millionaires. No
further condemnation is necessary. Again
the CPI, the CPI (M) and the Forward
Block leaders have already made it clear
regarding the rise in prices of consumer
items which is the direct result of the
proposals made in the Finance Bill, This
is what they have said and it is because
of the Budget.

Finally, I would like to make some sug-
gestions. Number one, drastic and im-
mediate step to curb increase in money
supply is required.

Number two, increase in GDP growth
by resorting to market economy and by
privatising loss-making public sector units,
as has been done in many other countries,
in Eastern Europe and USSR. There
should be no more deficit financing.
Thirdly, take urgent Steps to steer black
money to socially useful and accountable

channel. Fourthly, import mass consumption items like edible oils, pulses and if necessary, rice to reduce prices. Then dialogue with the countries which may lend supply as credit. Import of these items can also be linked to export. Then formulate long term price policy by convening a meeting of the experts. Present a White Paper on prices to the Members of Parliament. Lastly, revise your recent restrictions on the petroleum products.

Thank you.

SHRI S. VIDUTHALAI VIRUMBI : I think you have supported the privatisation of industry

SHRI G. SWAMINATHAN: Privatisation of loss-making public sector units.

SHRI S. VIDUTHALAI VIRUMBI: That is the policy of the party to which you belong.

SHRI G. SWAMINATHAN: That is already being done.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Shri. Krishan Lal Sharma-absent. Shri Anant Ram Jaiswal.

SHRI SATYA PRAKASH MALAVIYA: Sir, it is his maiden speech.

अनन्त राम जायसवाल (उत्तर प्रदेश) : उपसभाध्यक्ष महोदय, आपको बहुत-बहुत धन्यवाद कि मुझे बोलने का मौका आपने दिया। संयोग से यह मेरी मेडन स्पीच भी है। इसलिए मुझे उम्मीद है कि आप कुछ समय का इंडलजेंस मुझे जरूर देंगे। उसके लिए भी आपको मैं पहले से ही धन्यवाद दे रहा हूँ। मेरी कोशिश होगी कि प्राइस राइज पर बोलते हुए जो भी यहां पर दलीलें दी गयी हैं, तथ्य दिये गये हैं उनको मैं दोहराने की कोशिश कतई नहीं करूंगा। कुछ बातें जो छूट गयी हैं उनकी तरफ मैं आपका और इस सभा का ध्यान खींचना चाहता हूँ।

मेरी पक्की राय है कि जब कभी महंगाई पर चर्चा हो तो कुछ बातों को

हमको अपने ध्यान में रखना चाहिए। पहली बात यह है कि हम दुनिया के गरीबतम देशों में से एक हैं। दूसरी उससे जुड़ी हुई एक बात यह है कि खाली जब के लोगों का विशाल समूह इस देश में बसता है। तीसरी बात इस सिलसिले में जो जोड़नी है वह यह है कि जो हमारी राष्ट्रीय जांच है उसका बड़ा भाग यानी दो-तिहाई हिस्सा एक-तिहाई आबादी ले जाती है और दो-तिहाई आबादी जो गांव में बसती है जिसमें माजिनल किसान हैं, खेत-मजदूर हैं, छोटे दस्तकार हैं—शहर में भी गांव में भी—उसको राष्ट्रीय आय का एक-तिहाई हिस्सा हो जाता है। मेरे कहने का मतलब यह है कि जो भी विकास हो रहा है, अपने देश में जो प्रगति हो रही है उसका बहुत कम हिस्सा या कुछ भी नहीं उनके पास पहुंच पाता है। इसलिए उनकी आमदनी उस रफ्तार से नहीं बढ़ती जिस रफ्तार से महंगाई बढ़ती है। इसमें कोई शक नहीं कि महंगाई बढ़ रही है। खाली बढ़ी हो नहीं है, बल्कि उसमें निरन्तर बढ़ती होती जाती है, कहीं रुकने का नाम ही नहीं लेती। वह तमाम प्रांके और तथ्य देने की जरूरत नहीं है जो इस सभा के सामने आ गये हैं। मैं खाली एक मिसाल देकर बात शुरू करता हूँ कि कुछ दिनों पहले मुझे एक आंदोलन के सिलसिले में करीब सौ-सवा सौ साथियों के साथ जेल जाना पड़ा।

श्री सत्य प्रकाश मालवीय : इस सरकार में ?

श्री अनन्त राम जायसवाल : नहीं, पिछली सरकार में। कुछ समय पहले इत्तफाक से हम लोग बिल्कुल शाम को पहुंचे थे जिस समय हम लोगों के लिए अलग से खाने की कोई व्यवस्था नहीं हो सकती थी। जो वहां पर जनरल भंडारे में खाना बनता था वही हमारे पास आया था। जिन लोगों को जेल में खाना खाने का मौका मिला होगा वह जानते हैं कि वहां की दाल किस तरह की मिलती है। उसको देखकर ही

[श्री अनन्तराम जायसवाल]

मन करता है कि उसमें रोटी न डाली जाए। वही दाल हम लोगों के सामने आयी। तो जो हमारे साथी थे, आप विश्वास कीजिए, वे उसी दाल को एक कटोरी, दो कटोरी या तीन कटोरी जितनी दाल मिली वह पीते चले गये। उनका कहा था कि "आज न मालूम कितने दिनों के बाद हम इस दाल को खा रहे हैं"। यह हमारी स्थिति है। बाजपेयी जी ने दाल की बात छोड़ी थी कि दाल में कुछ है या पूरी दाल काली की बात आयी थी। लेकिन हकीकत यह है। इसी के साथ प्रति व्यक्ति अनाज की उपलब्धि पर ध्यान दिया जाए तो औसतन करीब 200 ग्राम प्रति व्यक्ति प्रतिदिन अनाज के खादयान की उपलब्धि है। कुछ लोग ऐसे जरूर हैं जो अनाज से ज्यादा खा रहे हैं वे हैं जो ज्यादा काम करते हैं, फौज के लोग हैं, पुलिस के लोग हैं, रिक्शा खींचने वाले लोग हैं या दूसरे ऐसे ही लोग हैं जिनके हिस्सों में कमी होती है वे कौन लोग हैं? जाहिर है वही लोग हैं जिनकी क्रय शक्ति कम है या नहीं के बराबर है, जो खाली जेब लोग हैं। यह लोग औसत से कम खाते हैं। मुश्किल से, मेरा ख्याल है, जहाँ हिन्दुस्तान का औसत आदमी दो हजार, ठाई हजार या तीन हजार कैलेरी पर रहता है वहाँ यह लोग मुश्किल से 700, 800 या 1000 कैलेरी पर गुजारा करते हैं। वे कौन लोग हैं? वही लोग हैं जो गरीब हैं। मेरे यह सब कहने का मतलब यह है कि इसकी वजह से वे लोग अपने शरीर को भी ठीक नहीं रख पाते। यहाँ बड़-बड़ी बातें होती हैं कि हमने अन्न की पैदावार बढ़ा दी है, खेती में यह सुधार कर दिया है वह सुधार कर दिया है लेकिन प्रति व्यक्ति अन्न की उपलब्धि को देखा जाए तो शुरू से लेकर आज तक, जब हम आजाद हुए तब भी और आज भी, प्रति व्यक्ति अन्न की उपलब्धि ज्यों की त्यों अपनी जगह पर कायम हैं। इस चीज को हमने कभी देखा नहीं। नतीजा इसका क्या होता है कि गरीब लोग अपने शरीर को भी ठीक नहीं रख पाते। शरीर में विकलगता आ रही है, विकार पैदा हो

रहे हैं। कोई अंधा हो गया है, कोई लूला हो गया है और कोई लंगड़ा हो गया है। यह आज हमारी हालत है। अगर इसके साथ पानी को जोड़ दिया जाए तो पायेंगे कि साफ पानी पीने को नहीं मिल रहा है और इसका नतीजा क्या होता है?

राजस्थान में जो नेहरूवा रोग है वह कितना तकलीफदेह है, इसको ध्यान में रखा जाना चाहिए। हमारी क्या हालत है और हम किस अवस्था में पहुँच गये हैं, इस पर ध्यान दिया जाना चाहिए। मैं यह नहीं कहता कि अपोजीशन को वजह से यह हुआ है या किसकी वजह से हुआ या किसी और की वजह से लेकिन हालत बड़ी खराब है। हमने अपने लोगों को किस हालत में पहुँचा दिया है इस पर ध्यान दिया जाय। अब तो उनके शरीर भी बिगड़ने लगे हैं। जब हम प्राइस राइज पर ध्यान दे रहे हैं तो इन चीजों की तरफ भी ध्यान देने की जरूरत है।

मैं बहुत विनम्रतापूर्वक कहना चाहता हूँ कि जिन महीनों में प्राइमरी आर्टिकल के दाम गिरा करते थे उन्हीं महीनों में इस दफा उन चीजों के दाम बढ़े हैं। इस पर सरकार की तरफ से और दूसरे लोगों की तरफ से यह कहा जा सकता है कि यह नवताबीनी, इसलिए की जा रहा है कि रबी और खरीफ की फसलों के दाम बढ़ा दिये, गेहूँ और दूसरे खाद्यान्नों के दाम बढ़ा दिये गये, इसलिए यह स्थिति बनी है। लेकिन मैं कहना चाहता हूँ कि इससे किसानों को एक पैसे का भी फायदा नहीं हुआ है। हमारे जो क्रय केन्द्र हैं उनकी हालत आज क्या है? मेरे जिले बाराबंकी में एक कस्बा है टिकैतनगर, उसका उदाहरण मैं आपके सामने रखना चाहता हूँ। वहाँ पर किसी भी काश्तकार को 215 रुपये प्रति क्विंटल की दर से कीमत नहीं मिली है। उसको या तो 180 रु. या 190 रु. मिले हैं या किसी 200 रु. प्रति क्विंटल मिले होंगे। यह स्थिति इसलिए है कि

सारा का सारा अन्न विचौलियों के जरिये खरीदा गया है। हमारी जानकारी में यह बात आई तो हमने अफसरों से, मार्केटिंग इंस्पेक्टर से कहा, रीजनल फूड कंट्रोलर से कहा, लेकिन किसी ने ध्यान नहीं दिया। फिर हमने प्रदेश के आपूर्ति मंत्री से कहा। मैं उनको बधाई देना चाहता हूँ कि उनकी कोशिशों के परिणामस्वरूप रजिस्टर पकड़े गये और किसानों का वरिफिकेशन किया गया तो जो एलीगेशन लगाये गये थे शत प्रतिशत सही पाये गये। एक उदाहरण बाराबंकी जिले के टिकैतनगर का दिया। आप अगर सैम्पल सर्वे कराये तो पता चलेगा कि किसानों को वे दाम नहीं मिले जो सरकार ने निर्धारित किये हैं। सरकारी खजाने से रुपये तो निकाला 215 रुपये प्रति क्विंटल की दर से गया, लेकिन किसानों को नहीं मिला।

जहां तक गरीब आदमियों का सवाल है उनके हिस्से में मंहगाई के कारण दाल नहीं है, दूध नहीं है, उनके हिस्से में मांस-मछली नहीं है, उनके हिस्से में साग-सब्जी भी नहीं है। मोटे तौर पर वे नमक के साथ रोटी खाते हैं और अब उस नमक के दाम बेतहाशा भी बढ़ गये हैं, रुपये 4 प्रति कि. ग्रा.। जिस वस्तु के सहारे हमने अपनी आजादी की लड़ाई लड़ी उसके ही दाम इतने बढ़ गये हैं कि गरीब आदमी नमक के साथ रोटी भी नहीं खा सकता है। मुझे डर लगता है कि पिछली सरकार के जमाने में केवल चीनी के दाम बढ़ रहे थे और वह कंट्रोल में नहीं आ रहे थे, लेकिन अब तो हर चीज के दाम बेतहाशा बढ़ गये हैं। सरकार को इसका हल निकालना है। कुछ उपाय किये भी जा रहे हैं। वित्त मंत्री जी कुछ उपाय कर भी चुके हैं। लेकिन वे उपाय कारगर और प्रभावी सिद्ध नहीं हुए हैं। अब आप पुराने उपायों को छोड़कर कुछ नये उपाय कीजिये, कुछ नये नुस्खे अपनाइये। हम और वित्त मंत्री जी राजनीति में एक ही स्कूल के पढ़े हुए हैं। आप हमारे गुरु डा. राम मनोहर लोहिया के नुस्खे पर आइये। उन्होंने कहा था कि इस देश में दो हिन्दुस्तान हैं। एक में तो वे बड़े लोग हैं जो यूरोप के लोगों की तरह

रहते हैं, एफ्लूएन्ट तबके के लोग हैं उनकी संख्या दो फीसदी होगी। उनके आसपास रहन-सहन के लोगों को भी उसमें शामिल कर दिया जाय जो वे दस प्रतिशत से ज्यादा नहीं होंगे। दूसरे में बाकी विशाल जनसमूह है जो गरीबी की हालत में रह रहे हैं जब तक यह दो हिन्दुस्तान रहेंगे तब तक इस देश से मंहगाई गरीबी नहीं मिट सकती। क्यों नहीं मिटेगी? चाहे सरकार हो, चाहे फौज हो, चाहे अफसरशाही हो, चाहे व्यापार हो, चाहे उद्योग हो इन सब जगहों पर इन्हीं लोगों का कब्जा है और इनको मंहगाई से कोई तकरीफ नहीं होती है इसलिए वह मंहगाई का कोई इलाज भी नहीं निकाला है। इन हालात को खत्म करने के लिए (म.प्र. उदा.) मैंने आपसे शुरू में कहा था कि यह मेरी पहली स्पीच है इसलिए मैं आपसे थोड़ा इंडलर्जेंस चाहता हूँ। इसलिए मैं उनसे कहना चाहता हूँ कि उसका निष्कर्ष निकलता है कि शासक वर्ग और निर्धन लोगों की आमदनी और खर्च आसमान और जमीन का जो अन्तर है उसे कम किया जाए, खत्म किया जाए। यहां पर बहुत हाई स्टेप लेने और इस चर्चा के बीच बहुत बात का गई है। मैं उनके सामने निश्चित रूप से यह रखना चाहता हूँ कि आमदनी और खर्च का जो जमीन-आसमान का फर्क आपने देखा है, इसको मिटाए बिना यह मंहगाई मिट नहीं सकती। इसका कोई इलाज नहीं हो सकता। एक दूसरी चीज इसी सिलसिले में मैं यह कहना चाहता हूँ कि चीजों के दाम बांधे जाएं। बाजपेयी जी ने जब शुरू किया, बाजपेयी जी हमारे नेता हैं, आज से नहीं बहुत दिनों से हैं, वे भाग और ज्ञान और सोच के धनी हैं। बड़े ध्यान से हम उनको सुन रहे थे और बहुत सी चीजें हमने उनके भाषण से सीखी हैं। एक हद तक वे गये उन्होंने खाली यह कहा है कि जैसे किसानों की चीजों के लिए, वस्तुओं के लिए जैसे प्र इस कमीशन है उसी तरह से उद्योगों में, कारखानों में जो चीजें पैदा होती हैं उनके दामों के लिये भी एक कमीशन होना चाहिये। उसके साथ न यह जोड़ना चाहता हूँ कि हमारे नेता ने यह भी सिखाया कि जहाँ

[श्री अनन्त राम जयसवाल]

तक किसानों की उपज का सवाल है उसके लिए आप निश्चित नीति निर्धारित कीजिये कि दो फसलों के बीच 15-16 प्रतिशत से ज्यादा फर्क नहीं आएगा। किसानों से अगर आप एक रुपये में कोई चीज खरीदते हैं तो व्यापारियों को कभी यह छूट नहीं मिलनी चाहिये कि वह एक रुपये में खरीदा गई चीज एक रुपया पन्द्रह-सोलह पैसे से ज्यादा में बेचें। अगर वह इससे ज्यादा में बेचता है या वह दुगने तिगुने दाम में बेचता है तब फिर वह व्यापार नहीं रह जाता है वह तो लूट हो जाती है और वह भी अरबों रुपये की। किसान भी लूटता है और उपभोक्ता भी लूटता है। मैं कोई विलासिता की चीजों के बारे में नहीं कह रहा हूँ। मैं केवल आम लोगों द्वारा प्रयोग की जाने वाली चीजों के बारे में कह रहा हूँ जैसे चीनी, खाने के तेल और अन्न इत्यादि। जीवनोपयोगी कारखानों की चीजों का जहाँ तक संबंध है तो मैं यह कहना चाहता हूँ कि कारखानों में बनी हुई जो जरूरी चीजें हैं जिनके बिना जीवन चल नहीं सकती है जैसे आम आदमी कपड़े या ऐसी दूसरी चीजें उनके फुटकर विक्री दाम लगातार खर्च और हुलाई खर्च से इयोडे से ज्यादा बाजार में न हों। इन बातों को अब पकड़ना चाहिये क्योंकि हम ऐसी स्थिति में पहुँच गये हैं कि पुराने नुस्खे अब हमारे काम नहीं आ रहे हैं। इसलिए नयी बातों को हम को सोचना चाहिये। हो सकता है कि जो बड़े उद्योगपति, व्यापारी अफसरशाह, राजनेता और दूसरे लोग हैं यह हमारे खिलाफ खड़े हो जाएं लेकिन मैं पूरे विश्वास के साथ कहना चाहता हूँ कि पूरे देश की जनता इन नीतियों को जब आप चलाएंगे तो आपके साथ, आपके पीछे खड़ी होगी। हमको किसी से डरने की जरूरत नहीं है। इसी सिलसिले में जहाँ मैंने प्राइमरी आर्टिकल्स की बात आपके सामने रखी वहीं पर मैं यह कहता हूँ दूसरे सम्मानित सदस्यों ने भी कहा है कि यह जो गवर्नमेंट एडमिनिस्ट्रेंस आर्टिकल्स हैं—पेट्रोल, सीमेंट और लोहा इत्यादि हैं, इनके दाम कैसे बढ़ गये या जिनके इम्पोर्ट पर एक पैसा भी खर्च नहीं होता

है जैसे गेहूँ, चावल आदि हैं, उनके भी दाम बढ़े हैं। इसलिए यह चिंता का विषय है और यह सभा को चिंता है, देश को चिंता है, सरकार को चिंता है। ऐसी अवस्था में हम पहुँच गये हैं कि अब चिंता करने से ही काम चलने वाला नहीं है। इसके लिए सख्त कदम उठाने की जरूरत है। मुझे उम्मीद है कि हमारे वित्त मंत्री मधु दण्डवत जी जो हमारे नेता हैं, आज से नहीं बरसों से हमारे नेता हैं, हमने जो चीजें यह पर रखी हैं उनको वे ध्यान में रखेंगे। जहाँ तक कंट्रोल वगैरह का सवाल है मैं मधु दण्डवत जी से खाली एक निवेदन करना चाहता हूँ कि गांधी जी सन् 1947 में ही कहा था। मारे जाने के पहले कहा था।

इसलिए उन्होंने कहा था “It is criminal to have controls.” इसके कारण जखीरेबाजी होती है, काला-बाजारी होती है। कोई हमने ऐसी सेवा नहीं विकसित की कि जो आप जनसाधारण तक पहुँचाना चाहते हैं उन तक सामान ईमानदारी से पहुँचा दें। यह भ्रष्टाचार बीच में घुस हुआ है। इसकी तरफ सख्ती से कदम उठाना चाहिए। मान लीजिए शिकायत झूठी भी है, उस पर भी ऐक्शन लेना चाहिए। इस अवस्था में भ्रष्टाचार पहुँच गया है। इन्हीं शब्दों के साथ मैं आपको बहुत-बहुत धन्यवाद देता हूँ कि आपने मुझे बोलने का मौका दिया।

THE VICE-CHAIRMAN (SHRI M. A. BABY): Now, Mr. Subramanian Swamy.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): Mr. Vice-chairman, Sir, my friend, Mr. Dandavate, is in the dock today in Parliament. But his problem is that not only Parliament is a hot place for him today, that not only in the public he is under heavy criticism, but it is also difficult for him to go to his house because his wife is a well-known agitator against price rise. So, I do not know where he is spending his days, maybe in the Finance Ministry office. But there is no doubt that the Budget has produced a price spiral which he is finding and the Government is finding it very difficult to control.

In fact, at the end of last month, Mr. Dandavate's Government, that is, the National Front Government, brought out a booklet called "New Thurst and New Direction" and in this entire booklet, Sir, there is just one line on prices and in that it says, "The pressure on prices, attributable to a variety of factors, would ease in the coming months. ". Just one line! In other words, the Government's own propoganda literature has not got anything to say about prices because they know that anything they are saying is not going to be credible among the people and that, they have to admit is the truth.

Now, if one looks at the price-rise situation, one will agree, and every agrees, that the price-rise is in double digit. H you really look at the breakdown—I looked at the statistics of rise in prices since the 31st March 1990, that is, since the Budget measures came into operation—you will see that, according to this, the fastest rise in prices is in the case of food articles, that is just in a few months' time since 31st March 1990, the food articles prices have risen, in wholesale terms, by 11. 2 per cent and the increase, in the nonfood articles, that is primary articles or essential commodities, is 6. 8 per cent. So, in fact, you find that in this category of commodities, that is, food articles, the prices have risen the maximum. Again, if you look at the category of industrial workers, urban middle-class people, that is, non-manuul employees, as you may call them, and agricultural labourers, you will find that the fastest rise since March 1990 is for the upper-middle class. In other words, it is the food articles whose prices have risen the fastest and it is the urban middle class which has been the worst affected; in fact, more affected than any other sector in the society.

Now, the question is what the reason is for this spurt in prices which is almost unprecedented. If the prices in a few months can rise by 11 per cent in the index, then what would be the situation if you take the whole year? I would say that if Mr. Dandavate's Government lasts that long, that is, till March 1991, or if he lasts that long, then the price-rise would perhaps be the highest in the history for any single year.

PROF. MADHU DANDAVATE: I think I am healthy enough to last that long!

SHRI SUBRAMANIAN SWAMY: But the Government is less healthy than you are; I can tell you that.

Now, the question is why the prices (have risen in this way. And, here Mr. Dandavate must admit that it is his Budget which is centrally responsible for the rise in prices. Why? First of all, all those imposts that he has put on communication and transport have affected the economy and have produced a cost-push inflation in the entire economy.

Food prices and vegetable price* have gone up because freight rates have gone up. Petrol prices have gone up. (Railway freight has gone up. Naturally the prices of things like salt, vegetables, etc. go up because they have to be transported throughout the length and breadth of the country.

Second, money supply has gone up at an unprecedented rate, annual rate of 18. 5 per cent, and in that category the net bank credit to Government which is really what the currency printing is has gone up by 20 per cent. The third reason what Mr. Das Gupta mentioned is the general lack of confidence of the public that this Government is going to last.. (Time bell rings)

I assume this is your first bell.

Profiteers and others have been emboldened to do this. Here is another aspect. The fourth aspect has not been highlighted anywhere in the Budget document Mr. Dandavate produced capital surplus to show a low deficit than what the previous Government did. The overall deficit shown, of Rs. 7000 crores, was totally artificial, and it was achieved by cutting down on capital projects. And as a consequence, they produced capital surplus and this is the reason why development programmes are being curbed. So, the question is, would Mr. Dandavate tell us what he is going to do? There are only two things he can

[Shri Subramanian Swamy],

do. One is, he can throw the towel and say, 'I can't manage the economy' and! resign and go. This is what his wife is telling him every day. I de not know. This is one alternative.

AN HON. MEMBER; Do not bring in domestic.

SHRI SUBRAMANIAN SWAMY
What domestic? His wife is a public figure in her own right. In fact, she is more....

PROF. MADHU DANDAVATE: My wife will never ask me to throw away the towel and go.

SHRI SUBRAMANIAN SWAMY:
She will ask you to leave the towel behind and then go, perhaps, because even towels have become expensive. This is one alternative.

The other alternative is that he comes forward with a serious proposal before this Parliament as to what they are going to do. But I don't think they can do anything because after speaking so much about austerity, last Tune nine Ministers were in London, and at one stage there were so many Ministers watching Wimbledon together that the newspapers locally commented that the Indian Cabinet can meet in the Wimbledon Visitors' Galleries and with their families, and shopping. A senior Cabinet Minister brought back 37 suitcases through the Customs, without Customs check.. (*Interruptions*)

AN HON. MEMBER Of the previous Government.

SHRI SUBRAMANIAN SWAMY:
He was also a Minister in the previous Government, whom you people shamelessly imported and put on your head. (*Interruptions*). It is for you to come out with all the facts or appoint an inquiry.

PROF MADHU DANDAVATE:
You have credibility and I will also. (*Interruption!*)

SHRI SUBRAMANIAN SWAMY:
Thank you, Mr. Dandavatc. Therefore, I hope you will one day return to Janata Party and. (*Interruptions*). We will be there waiting for you. (*Interruptions*)

He is worried that if the National Front Government falls, the Tamil Nadu Government will also.. (*Interruptions*)

SHRI A. G. KULKARNI (Maharashtra): Dr. Subramanian Swamy has made a very serious allegation about some Minister who was formerly in our party and is now in another party. We cannot go on hunting for such people.

It is for him to say who the Minister is. It is a very serious allegation which reflects on the Government. A Harvard-returned scholar will never make such light jokes. I would request him or I would request Mr. Dandayate to enquire and get the name. This is a very serious allegation. I would request Mr. Swamy that in the interest of...

SHRI ATAL BIHARI VAJPAYEE:
Value-based politics.

SHRI A. G. KULKARNI: But he does not do value-based politic. He has done Mr. Hegde completely.

जब हेगड़े को सफा कर दिया तो वेल्डु
बेसड रहा ही नहीं ।

SHRI SUBRAMANIAN SWAMY:
Under the rules I cannot name people without proper documentation.

SHRI A. G. KULKARNI: You can name the Minister. He will come here and deny.

SHRI SUBRAMANIAN SWAMY:
If the Minister gives me an assurance that I can inspect the customs files. I will be able to get not only the number of suitcases brought by the Minister but also by some Members of Parliament who have been on Parliamentary Delegations and who have brought back more than their quota of these things. It is not bogus thing. So, I have not made any accusation in my career which I have not been able to substantiate.

In conclusion what I am saying is that it is unprecedented in the history of the Indian Government since 1947 that at one moment of time 9 Ministers were present with their families in London. It has been noted all over the world. How can they talk of curbing expenditure when they cannot set their own house in order? Therefore, Mr. Dandayate should either come forward with a serious package to control inflation. Otherwise, I would say: Mr. Dandavate don't strain yourself, put in your papers, resign and go because you are otherwise a gentleman socially.

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Mr. Vice-Chairman, Sir, I am grateful to you for having given me time. I am aware of the fact that there is shortage of time and I will try to be as brief as possible.

Sir, the price rise in the last three months, March to June, has been going on at annual rate of 14.2 per cent which is very high. It is a serious matter. It is an alarming situation affecting the entire community of the country. I would like to offer a few suggestions.

Firstly, I will speak about the several causes which are responsible for the inflation. The two academic reasons are deficit financing and increase in money supply. Regarding deficit financing, he the Finance Minister, in his Budget speech, has said that he is going to keep it at Rs. 7206 crores. The money supply is growing at the rate of 19 per cent when it should not be more than 15 per cent. Sir, I would only like to say that I wish the best of luck to the Finance Minister. I know that he is a very able man. He is a very good administrator. But I would like to tell him that until and unless he keeps strict vigilance over these items, he will find that the situation is going out of hand*. In the short space of time that is at my disposal it is not possible for me to offer many suggestions. But I would like to make a basic suggestion. It is one of the long-term solutions. Most of our Government Departments are overmanned. Unless the Government does something to get these numbers reduced, it will find it difficult to control either the deficit-financing or

the growth of money supply or the inflation. Sir, as far as these numbers are concerned, these can be reduced by scrapping a large number of useless controls. It will require great boldness on the part of the Finance Minister to do so. Sir we have been hearing about the black money. This is again a remedy for the reduction of black money in case we are able to do away some of the useless controls. Sir, I would like to plead with the Finance Minister, rather with the Government of India that they should appoint some sort of a high-powered committee to go into this matter.

Coming to some specific cases, the main reasons of the inflation are the huge taxation imposed at the time of Budget, the Railway Budget which mopped up Rs. 847 crores, the retail prices of petroleum products which gave an additional revenue of Rs. 836 crores. Sir since June, 1990, all the State Electricity-Boards have raised their power tariffs very steeply. All these have a very cascading effect and added to the inflation.

Sir another factor is the rise in the administered prices of goods produced by public sector units. And to counter it, my suggestion which I had made in the past also will be that the performance of the public sector should improve. Then only the cost of production could come down.

Sir, another point is the public distribution system of foodgrains sugar, etc., about which one of my esteemed leaders, Mr. Chayan, has made a reference yesterday. I would also plead that the public distribution system should be thoroughly overhauled. There is a ration shop in almost every town and every big village, and everybody has got a ration card. A large number of people, however, do not make use of these cards. They purchase their requirements from the open market but the food stock is shown as sold against these cards and the money is pocketed by those who are in charge of this public distribution system. So, I would suggest and I would plead that people in the higher middle

[Shri Krishna Kumar Birla]

classes and the rich should be taken out of the list of the ration-card holders completely, and this facility should be made available only to the lower middle class and the poor people. Sir, this incidentally would be of great help as far as food subsidy is concerned about which we have been talking in the past. And in case this is done, to that extent, greater resources will be made available as far as the Budget is concerned. (*Time pell rings*) Sir, I will take just another three minutes.

Another cause of price rise has been the demand that we hear from time to time regarding wage revision in almost every industry. Sir, let me make it very clear that I am all for high wages for the labour. Compared to the Western countries or the developed countries, our workers are still under-paid. But side by side, I would like to plead that higher wages should always be accompanied by higher productivity. And in case the Government has this aim in view, I am sure that this will be the solution in the right direction.

Sir, another reason of the price rise is lack of coordination between the Centre and the States in respect of some of the commodities. I remember, a few minutes back, Mr. Das Gupta had made a point regarding sugar when he said that as far as sugar is concerned, there has been an over production of sugar. But, Sir, that is not the point. The picture is this that while the sugar prices are being regulated by the Government of India, the sugarcane prices are being regulated by the States. Sir, in the year 1988-89, that means two years back, the price of sugarcane was raised by Rs. 3 per quintal. Some time in the month of November last year, the then Government of Uttar Pradesh under the Congress (I) increased the price of sugarcane by Rs. 4 per quintal. They thought that that was a very handsome increase; Then, Sir, elections took place. And in December, the Janata Dal Government was formed in Uttar Pradesh. What they did was, they said that they had made certain commitments and therefore there should be a further increase in the price

of sugarcane. The result was that the sugarcane prices, have been increased in the last one year by Rs. 9 per quintal which is equal to 30 per cent. (*Time bell*) Now, Sir, when that is the position how can we really expect the sugar price to come down? I know that by artificial measures the sugar prices are being kept down. But, what is the result? The result is that sugarcane grower is going to suffer because there will be a delay as far as cane payments are concerned.

श्री अनन्त राम जायसवाल : महोदय, यह हम लोगों को बहुत अच्छा लगा कि बिड़ला जी को भी मंहगाई की चिन्ता है। लेकिन एक चीज में जानना चाहता हूँ ... (व्यवधान) ... बिड़ला जी से जानना चाहता हूँ ... (व्यवधान) ... हम लोग इतना जानना चाहते हैं कि इस मंहगाई में आपका किसना कंट्रिब्यूशन है ?

SHRI KRISHNA KUMAR BIRLA: This is a point which should really be addressed to the FICCI, Which is the parent body. But I would like to assure the hon. Member that though I am no longer a member of the Committee of the FICCI, in case he writes to me, I will get the information for him.

Coming to my last point, I have been pressing for a long time that we should try to reduce the import duty on capital goods. The advantage of that will be that the capital cost of the projects would become less and if the capital cost of the projects becomes less, it would usher in a low-cost economy.

In the end, I would like to draw the attention of the Government to one thing which is rather distressing. I hope the Finance Minister will kindly give his ear to me. I have read in the newspapers that because our economy is in a bad shape, there is a move on the part of certain international credit organisations to evaluate the country's credit rating and the fear is that the rating may go down. This is a very serious matter. I only

hope and expect that the Finance Minister and the Government of India would apply their mind to this issue. Thank you.

SHRI HAM JETHMALANI (Karnataka) Mr. Vice-Chairman, Sir, I must express my very deep gratitude to you that you have suddenly recognised my presence. I am really very happy. I want to share a few thoughts with the House. In fact, I have been waiting since yesterday.

First of all, prices have been rising all over the World for the last four hundred years.

SHRI SUBRAMANIAN SWAMY: Global phenomenon.

SHRI RAM JETHMALANI. Therefore, there is some kind of inexorability about the price rise. The question is whether the prices are rising as a result of Government's inefficiency, anybody's corruption, wrong economic policies, or, because of any other mishandling of the problem.

I am very happy that my friends on the other side have been beating their breast since yesterday about the rising prices. They say that we have been doing this, we have been doing that, that we should not have done this, we should not have done that and they ask us to become firm. I saw Mr. Salve's obsession yesterday. He was advising us to become tough and firm. I do not know what his obsession was about.

• Sir, one thing is certain that if you compare the corresponding period of last year with this year's you will find that the rate of increase of inflation in the case of certain commodities was higher last year than it is today. (Interruptions) Let us consider just one simple commodity. (Interruptions)

SHRI JAGESH DESAI: Mr. Jethmalani, will you yield for a minute? Last time, in the same period, the

price rise in the case of foodstuffs was 6 per cent and now it is 12 per cent.

SHRI RAM JETHMALANI: Let us take the case of sugar. The price of sugar in the corresponding period last year rose from Rs. 5 to Rs. 9 per Kg. This time, it has risen from Rs. 9 to Rs. 9.50 or Rs. 9.75 (Interruptions)

SHRI JAGESH DESAI: The production is more this year, (interruptions)

SHRI RAM JETHMALANI: Don't compliment yourself. Please try and understand the facts. But Sir, this is no justification for saying that merely because our Government is honest or that we have been practising value-based politics, the prices are rising and that that will be enough.

Our Government has, however, removed one component in this price structure. Mr. Subramanian Swamy is here. I have learned economics at his feet. One thing he taught me was that the price of corruption is also added to the price of a commodity. This is also a component in the price structure and our Government has, at least, removed this component. But in spite of that last the Prices are still rising. Therefore, Sir, I am prepared to concede that honesty can also co-exist with inefficiency, it can co-exist with confusion. I am confused. If you ask me; I am terribly confused because there have been three Committees whose reports now hold the field. We have the Sharad Joshi Committee's report. He is a gentleman who has been appointed Adviser to some kind of body and I believe that he is enjoying a Cabinet Minister's status. I believe that his report is also an official document of the Government. According to him in settling agricultural prices and the prices of remuneration to the farmers you must add certain non-existing services like minimum wages which are, in fact, much more than the actual wages being paid. In fact, he is in favour of some kind of subsidies, concealed subsidies, being given

[Shri Ram Jethmalani]

to the farmers. There is the other Bhanu Pratap Singh Committee report that recites a different tune altogether. That Committee wholly disagrees with Sharad Joshi's report and points out a different economic theory and principle. We have had the third Committee, Hanumantha Rao Committee report. That gentleman talks of some infrastructural services being put in the rural sector and so on and so forth. Now we want to be educated and a lawyer like me who is not an economist would not ordinarily dabble in a subject of economics but I dabble in economics because I am told by Bernard Shaw that if all economists of the world were put from end to end, they would still not reach a conclusion. These three reports today hold the field. The Government, I am sure has studied all these reports. Where do we stand? What is the policy of the Government? Are you accepting these three conflicting reports? Unless you have rejected all the three reports, we would like to know what exactly is the policy which the Government have adopted.

SHRI JAGESH DESAI: They have no policy at all.

SHRI RAM JETHMALANI: Now, the World Bank has advised....

SHRI A. G. KULKARNI: Would you give me one minute?

SHRI RAM JETHMALANI: I have two minute's. I will sit down in to minutes. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI M. A. BABY): If the hon. Member yields...

SHRI A. G. KULKARNI: Just you hear me. You are an intellectual lawyer. The politician and the administrator appoints committees to confuse voters. But you are an intellectual and if you are also confused, it means the whole world is gone.

SHRI SUBRAMANIAN SWAMY: You should put this question to his party.

SHRI GURUDAS DAS GUPTA: The hon. Member should note the compliment given to him.

SHRI RAM JETHMALANI: The World Bank seems to have advised us in classical economic terms that there is too much money pursuing few goods, and it is a traditional rule of economics which we learnt when we were doing first year arts. That is the kind of advice which we continue to receive. This 'too much money pursuing few goods' is a theory which does not apply to essential articles. It does not apply to a poor country, it does not apply to a country in which 95 or 99 per cent of the people do not have any extra or too much money with which to pursue anything. Therefore, Sir, this World Bank gave us this advice, which the Finance Ministry seems to have followed and on the basis of which the other day Shri Madhu Dandavate said that we have now decided to reduce deficit financing we are increasing revenues, we are trying now to bring down the Government expenses. But this kind of a thing will not do. Ultimately it seems to me that in this country the problem is the problem of low production of essential goods and; it is not too much money pursuing few goods, it is the question of too many mouths to feed, too many consumers and scarcity of goods. If that is so, there are only two kinds of operations which the Government has to seriously embark upon. One is, as far as possible, to reduce the number of mouths that you have to feed and begin to increase the production. I would like to know, what steps are seriously contemplated in these two directions because these classical theories of economics and this kind of reports which are being published, are of no use whatsoever.

The last point which I wish to make is that today we are committed towards remunerative prices for the farmer. Those are election promises. Without the fulfilment of those promises, we are not worth the kind of government that we have brought into existence. We have got to fulfil those promises. I take it that when we realised, when we thought that we are going to give re-

munerative prices to farmers, it is inevitable that the prices of some commodities are going to rise. If the prices of commodities have inevitably to rise as a result of giving remunerative prices to farmers, has anybody made the calculation as to how much of the current inflation is the result of the election promises which we have made and how do you propose to combat this, because we cannot reduce the relief which we have given to agriculturists and yet bring down the prices? These are two conflicting viewpoints and conflicting fields of action. I want the Government to tell us precisely what exactly is being done in these two directions.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Hon. Minister Prof. Madhu Dandavate,

श्री अवधेश सिंह : मान्यवर, मुझे तीन मिनट बोलने का मौका दीजिए (व्यवधान) मैं मैत्री जी आह करत हूँ कि वे मुझे तीन मिनट बोलने दें ।

THE VICE-CHAIRMAN (SHRI M. A. BABY): No, no. Mandal Commission Report is coming after this.

PROF. MADHU DANDAVATE. I do not mind reducing my three minutes. You can give him three minutes.

THE VICE-CHAIRMAN (SHRI M. A. BABY): All right, you can have three minutes.

श्री राम अवधेश सिंह : महोदय, मैं आपके प्रति और मंत्री जी के प्रति आभारी हूँ कि उन्होंने मुझे बोलने का समय दिया । मान्यवर, बढ़ती हुई कीमतों की समस्या लागत वृद्धि से जुड़ी हुई है और इस देश में लागत वृद्धि के बढ़ने के सबसे ज्यादा जिम्मेदार पब्लिक सेक्टर के कुछ "कीसेक्टर्स" हैं जैसे—सेल, तेल, रेल, कोल और फूड । महोदय, सेल, रेल, तेल और कोल—इन चार सेक्टरों में जो ज्यादा खर्चा है और इसमें जो चोरी है, चोरी मैंने गलती से कह दिया, लूट है, इस लूट को अगर बंद कर दिया जाए तो कम से कम 20 हजार करोड़ रुपया इस सरकार को मिल

सकता है । लेकिन उस लूट को रोकने के लिए हमारे पास कारगर मशीनरी नहीं है और यदि मशीनरी है भी तो वह खुद उस लूट में शामिल है । मंत्री से लेकर इन सेक्टरों के माल बेचने वाले तक इसमें शामिल हैं ।

मान्यवर, मैं यहां एक सेक्टर का उदाहरण देना चाहता हूँ । स्टील सेक्टर चूंकि "की सेक्टर" है इसलिए इस्पात की कीमत बढ़ने से तेल पेरने वाली मशीन का दाम बढ़ जाएगा, कपड़ा बनाने वाली मशीन का दाम बढ़ जाएगा, ट्रांसपोर्टेशन की लागत बढ़ जाएगी, हर उत्पादक वस्तु की कीमत बढ़ जाएगी और स्टील में इतनी लूट हुई है और इतनी लूट हो रही है कि उसका कोई हिसाब नहीं है । मार्डोनाइजेशन के नाम पर यह जो लूट हो रही है इसका कोई हिसाब नहीं है ।

मान्यवर, मैं जानता हूँ कि आपके पास समय नहीं है । मुझे तीन मिनट मिले हैं, मैं ज्यादा से ज्यादा 6 मिनट खींचकर ले सकता हूँ । तो मान्यवर, मैं कह रहा हूँ कि मैं थोड़ा खींच रहा हूँ, मैं लूट नहीं रहा हूँ । मान्यवर, मैं आपको बता रहा था कि मार्डोनाइजेशन में क्या हुआ ? कई चीजें ऐसी हैं जो हिंदुस्तान में बनती हैं लेकिन उसका ठेका गया जर्मनी को । वह चीज कह बन रहा है—दुर्गापुर में, और दुर्गापुर में लगेगा और ठेका गया जर्मनी को । जर्मनी से आया बिड़ला टेक्निकल सर्विस को । उसके पास गिनकर 16 आदमी हैं । वह एक नट नहीं, एक बोल्ट नहीं, एक सुई भी नहीं बनाता । मैं चेलेंज करता हूँ और उसको काम कितने का मिल 461 करोड़ का और ए टी ० सी ० जिसके पास 30 हजार आदमी हैं स्टील का मशीनरी बनाने के लिये क्योंकि वह एक स्टील बनाने वाला कारखाना है । उसके पास 30 हजार मजदूर हैं । उसको सेल व 33 करोड़ का काम दिया और जिसके पास एक नट, बोल्ट, सुई बनाने का कारखाना नहीं है उसको 461 करोड़ का काम दिया और यह बी ० टी ० एस ० क्या करता है ? एक दूसरे पब्लिक सेक्टर

[श्री राम अश्वपति सिंह]

को एम०ए०एम०सी० जो दुर्गापुर में है राँ मैटिरीयल हैडलिंग प्लांट मशीनरी बनाने के लिए उनको सप्लैट किया। उसमें वह एम०ए०एम०सी० को 23.2 करोड़ देगा और बदले में सेल से, भारत सरकार से बी०टी०एस० विरला टैक्नीकल सर्विसिज 80 करोड़ लेगा। केवल पेपर ट्रांसफर के लिये 57 करोड़ रुपये की लूट हुई और इस तरह से एक नई उदाहरण है—जो 44 करोड़ रुपये का बी०टी०एस० का काम दिया किसको? ए०टी०सी० को और भारत सरकार से, स्टील मिनिस्ट्री से कितना लिया 104 करोड़ मतलब

Only for transferring the paper they charged Rs. 60 crores.

तो ऐसे-ऐसे यह लूट हुई। पिछली सरकार में और यह मोडर्नाइजेशन के नाम पर। इस पर कमीशन बैठाया जाये कि 461 करोड़ रुपया केवल बी०टी०एस० को, विरला टैक्नीकल सर्विसिज को कर्ज दिया गया? और एक-एक काम के लिये, राँ मैटिरीयल हैडलिंग प्लांट के लिये दुर्गापुर में 23 करोड़ देगा और सरकार से लेगा 80 करोड़। इस पर कमीशन बैठाया जाये। एक बोफोर्स क्या यहां तो मोडर्नाइजेशन में 50 करोड़ के बराबर लूट हुई है, मैं यह कहना चाहता हूँ। इस तरह से इस लूट में और लूट के लिये जिम्मेदार चाहे मंत्री हों, चाहे सेल आथॉरिटी के जो चेयरमैन हों, वाइस चेयरमैन हों, स्टील सेक्रेटरी हों उनको बक किया जाये। अगर यह सरकार बक करेगी तो कई बोर्डसट्ट केवल स्टील मोडर्नाइजेशन के पेट से निकल आयेंगे और इस तरह से हम दाम बांधने में कारगर होंगे और अगर हम यह नहीं कर पाये तो यह कोल इंडिया है, यह फूड इंडिया, यह फूड कारपोरेशन लूट कारपोरेशन है, तो यह सारा का सारा इस पर हम लोगों को अंकुश लगाना है। धन्यवाद।

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Mr. Vice-Chairman, Sir, I am thankful to the House for giving me this opportunity to

place before the Rajya Sabha the Government's policy regarding the analysis of the present economic situation and solution regarding the problem of rise in prices. At the very outset I must express my regret to a veteran parliamentarian, Shri Atal Bihari Vajpayee, who initiated the debate. In all fairness I ought to have remained present in the House to take note of the observations made by the person who initiated the debate and those who followed, but since there was an Adjournment Motion in the other Houses—an Adjournment Motion has an element of censure—it is necessary that the Finance Minister should be present there and therefore, the Prime Minister agreed to remain in the House. That is the only reason why I could not attend this House while Atalji was initiating the debate.

I think, as far as the general analysis of the problem is concerned, it cuts across party lines. Even the notices given for the discussion cut across party lines. Atalji initiated the discussion. There were Congress Members who are signatories, Members of the OPI(M) and CPI, Member of other parties and Members of the Janata Dal—and nobody has treated this particular problem of rising prices as a partisan issue but as a national problem which has to be dealt with in a national perspective. I am very happy to find from the entire records—I have carefully gone through them,—that not only criticism of the Government policies has been offered but some constructive proposals and policies have also been enunciated. And I shall not take these observations of the honourable Members as individuals denunciation of the Government but I will take note of them and try to implement some of the alternatives and policies that have been put forward. I do not want merely to put the blame on the previous Government for everything that has happened because how long can we do it? At some stage we should be able to overcome the effect of whatever was the economic situation. But I want to assure the hon. Members of this House that when hon. Members point out that it is because of the Budget that a certain situation has

been created and that the rise in prices followed out of that only in that context, since the question about tackling the problem of prices is related to the manner in which we manage the economy of the country and we present the Budget, just by way of background, I would like to place before the House very humbly, without any acrimony what the constraints were with which we began. Might be even if the trends were to be created by my Government, then the other Government would be faced with those difficulties initially, but they could not perpetually make that as an excuse. There I agree with Atal Bihariji. How long will you talk about the constraints? But at the moment when we started formulating our Budget, we did not formulate the Budget in a vacuum. There were certain constraints. Therefore, I would like to restate the constraints in which we formulated our policy, which we feel are responsible for the rise in prices.

Sir, in the beginning of December, when we took over the new Government, the deficit was of the order of Rs. 13, 790 crores. The external debt was of the order of Rs. 83, 000 crores. The debt service ratio was 27 per cent. As far as the liabilities of internal borrowings...

SHRI HARVENDRA SINGH HANS-PAL (Punjab): You can say all these things, all right. Any number of times you want to, you repeat all these things. But after the Budget you said that there would be on inflation, that the prices would not rise. Please tell us now about

PROF. MADHU DANDAVATE: Do you think that unless I touch that point my speech can be complete? When anyone of you were speaking, I never obstructed you. The minimum courtesy that I expect from you is to let me complete my Observation. After that, if you feel that I am not able to satisfy you at all or like my friend, Dr. Swamy, if you feel that only my resignation will bring down the prices, I don't need any pressure. Even if you indicate your mind, I can go out. I am not worried

about it. You have not listened to anything. I just began, and you trying to interrupt. Please give me the same courtesy which the other House gave me.

SHRI HARVENDRA SINGH HANS-PAL: We want the prices to come down.

PROF. MADHU DANDAVATE: That is all right. I am here to reply to the debate. Can I just in one sentence say that the prices are coming down and they come down? I cannot do that. So, just give me a patient hearing. It is all right, you may not accept my analysis, you can reject it totally. But I have the right to place before you what I believe in.

Therefore, I was telling, even if my Government were to create the constraints, they would have created certain difficulties for those who formulated the Budget. Therefore, I do not want to look at it in a partisan manner. Therefore, I said about the internal borrowings and the external borrowings.

For that the interest would be paid. In 1989-90 Budget the liabilities were of the order of Rs. 17, 000 crores. Then again we find that the food stocks had dwindled from 20 million tonnes to 11 million tonnes. The foreign exchange reserves available in my treasury were of the order of 1.5 months' imports. I find that the foreign exchange position was so bad the reserves were of the order of Rs. 5, 000 crores. With these constraints we began formulating the Budget.

With this the first advice given to most, of you is this. Many economists, agriculturists, leaders of the trade unions, leaders of industry and commerce, small-scale industries, khadi and village industries, all of them told us. "While formulating your Budget the first priority that you have to give is to contain the deficit." There is no question. It is accepted on all the sides, on both the sides of this House also that if we fail to restrict the deficit financing in our Budget, in that case, that will be the first factor that will be responsible for long-term inflation. Therefore, my first priority was to see that we try to curtail the deficit.

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The budgetary deficit in last year was to. 7, 337 crores. The revised one was Rs. 11, 750 crores. In my Budget I projected Rs. 7206 crores.

SHRI JAGESH DESAI: By resorting to 'borrowing you have brought down the deficit. By borrowing Rs. 5, 000 crores more, you have brought it down. It is Rs. 12, 000 crores. By borrowing you have reduced it. You have to pay interest on the borrowing also.

PROF. MADHU DANDAVATE: Just listen to me). If you see last ten years' budgets, unfortunately this is the system. We have been following this system for years together. You decide that borrowing is not to be brought into the picture and I would agree with you. Whether it is your Government or our Government, we have always resorted to borrowing. Atal Ji has also referred to that. Therefore, I have come to the conclusion that a time has come when we must unanimously decide whether we can invoke article 292 which demands that some¹ sort of ceiling should be fixed on borrowing.

SHRI JAGESH DESAI: As you have said in your Budget, you should have done it. But you have borrowed • Rs. 5, 000 crores more than what was borrowed last year.

PROF. MADHU DANDAVATE: It is not that I have only' borrowed it. That system has been existing, Jagesh ji In terms of economics and finance you are not ignorant. I know it very well. Therefore, I don't expect it from you. For years together we have been carrying On this system. When we change the entire budgetary system, we will come to different conclusions. But so long as the present system of budgeting is there, borrowing is shown as part of the Budget. Therefore, if you don't take it into account, probably the deficit will be far more. I have always said it. I have said it from that side and I have said it from this side also. Therefore, what were the very first priorities that we have

to take? The first priority is to contract the deficit. When you contract the deficit, we have to mop up more revenues and we have to reduce the expenditure. But in spite of that, this is the first question that is asked. And here also some member made a cursory reference to that showing what happened last month. They said that Rs. 7, 20(5 crores is the final deficit that I have projected in the end of the financial year, but already last month's report show that last year it was Rs. 9, 000 crores. It has come down to Rs. 7/100 crores, but that is more than the final figure that you have projected. At least I am sure the former Finance Minister would never commit that mistake and he has never committed it, because as far as these deficits are concerned look at the trends of the deficit financing. If we take the graph of months and the deficits, you will always find that in the beginning when we start with, there is expenditure and there are no fresh incomes. Therefore, the graph of the deficit always rises. Then there is some sort of plateau. Then again all the States, shares are given and you will find that it starts coming down. It may go up, but it also starts coming down and it either comes to the spot which has been projected as the projected deficit or sometimes it may go up. So, if Rs. 7, 400 crores is the deficit at any point of time, it does not mean we have already exceeded the final and, therefore, the final figure will be Rs. 10, 000 crores or Rs. 15, 000 crores or Rs. 20, 000 crores. It is not like that. That is the point I would like to make clear.

The second part is —I would assure you as promised to both Houses of Parliament — that after every four months I will come before the House and give you the full report of the weakness and the strength of our performance. What is revenue performance and what is our performance in curtailing the expenditure? As a result, as rightly our hon. Member has pointed out, if we are trying to give the remunerative prices for the

agriculturists, to that case, how much component of that is responsible for general increase. Because the basket contains those agricultural commodities and that basket decided as to what will be the price index? All those aspects we will have to take into account and we will give the necessary performance report to this House. That is how we will try to contain it. I have the confidence. I may incidentally tell you from the last few months whatever reports are available to us, we have been able to some extent control also the money supply and also the deficit. Rightly a number of hon. Members have pointed out that last time 19.1 per cent was the increase in money supply. It was very dangerous. I am happy to indicate to you—and I am sure whatever be the party to which you belong, as far as the money supply is concerned, if you take the quarterly report of these four months and also the corresponding report of last year you will find—that last year it was 5.8 per cent and in this quarter fortunately it has risen by 4 per cent. In both the cases the money supply increased, but as compared to last year's performance we have been able to bring it down. Therefore, it will be our constant endeavour to ensure that money supply is not allowed to go beyond a particular stage. No doubt, in 1989-90, it had dangerously and alarmingly gone up to 19.1 per cent. My friend Swamy says "it is 18 per cent." But the position is still worse. It is 19.1 per cent. Therefore, our constant endeavour will be to see that the money supply is also properly checked up. What are the general causes of Inflation? Prior to that I would like to say one thing about the deficit financing. When we say that we have to curtail the expenditure, we have to augment the resources also. Obviously in my budgetary exercise—I do not want to repeat that, I said in my reply to the budget—we tried to put certain types of levies on commodities of elitist consumption. We also tried to change the corporate tax structure. In the case

of the capital-intensive companies which were completely escaping the tax net, where additional resource mobilisation was zero, in place of that we have made Rs. 800 crores. I was very happy to find that both sides of the House had welcomed that particular measure. From the corporate sector we will be able to mop up Rs. 800 crores additionally. In the general income tax structure we tried to link up saving to a certain amount of concessions on income tax and thereby also we gave certain incentives to savings and better savings will mean better anti-inflationary pressures. So these are factors we tried to mop up.

I will come to the petroleum aspect at a slightly later stage. We must also find out which are the three or four important causes of inflationary pressures on our economy. Firstly, the fiscal imbalances like deficits and others result in higher liquidity. Secondly, sharp imbalances due to a certain fall or decline in the production of certain important essential commodities. For instances, we find scarcity of edible oils. We find that some of the oilseeds which were available in abundance, in 1988-89 their production went down in 1989-90 in various regions, that also results in an inflationary pressure and also due to liquidity overhang. Lastly, the pressure of Black money on the economy of the country. As the Institute of the Public Finance report clearly said two years back "Rs. 40,000 crores of black money is generated every year." Therefore, it is in the common interest of both sides of this House to see as to how that can be actually reduced. I talked about the money supply but regarding variations in the commodities that have taken place, again I am not very happy about it. In order to place the record straight I would like to indicate some of the comparative figures that are available regarding the rise in prices. These are the percentage variations in WPI over the financial year ending. Dr. Swamy has raised

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that question and he correctly raised that. I would like to place on record the correct picture about a number of important commodities. Take food-grains, cereals plus pulses. I had taken up the latest available figures that is 21st July 1990 and the 22nd July 1989. As on 21st July 1990 the annual increase for foodgrains was 4.2 per cent and last July it was 4.4 per cent. This time for cereals it is 3 per cent.

SHRI JAGESH DESAI: As on 7th July, 1990 it has gone up by 11.8 per cent. In July, 1989, it had gone up to 6.3 per cent. This is the report which I have seen from the Reserve Bank of India today,

PROF. MADHU DANDAVATE: Just listen to me. These are also the figures taken from the bulletins of the Reserve Bank of India. You should try to find out what I am saying.

SHRI JAGESH -DESAI: In July, 1990 the increase was 11.7 per cent. In the last July it was 6 per cent.

PROF. MADHU DANDAVATE: Jageshbhai, your point of reference is different and my point of reference is different.

SHRI GURUDAS DAS GUPTA: Will the Minister find satisfaction with certain jugglery? He is not coming to the hard realities of life. I wish the Minister comes to the reality of life instead of being a wizard himself.

PROF. MADHU DANDAVATE: I am coming to that... (*Interruptions*) Comrade, please allow me to speak. I am saying that I am not satisfied with this. I am dissatisfied. Therefore, I can go on with these figures. Sugar—it is -0.2 per cent and last time it was 7.8 per cent. Khandsari, (—) 3 per cent and 24.3 per cent and textiles, 8.4 per cent as against 10.3 last year. Having quoted these comparative figures, even with this I would like to say that I am not satisfied with these figures.

SHRI JAGESH DESAI: The increase in pulses and oils.

PROF. MADHU DANDAVATE: I am coming to that point. I will come to the question of oil at a later stage.

SHRI S. B. CHAVAN: Will the hon. Minister yield for a minute? We would like to know the source from where you got these figures. We are certainly interested to know about it. Let us keep the record straight. Let us not unnecessarily create problems by quoting wrong figures. Either you are doing it or we are doing it. Ultimately the realities will have to be revealed to the House. Give us the source of information. That is all.

PROF. MADHU DANDAVATE: Shankarraoji, I made it very clear that his frame of reference is different and my frame of reference is different. I said about the percentage of variation figures for the year ending. These are from the official statistics that are available. You forgot. I therefore, first quoted these are percentage variations for the year ending. He is referring to the absolute percentage. This is point to point. I picked up this as on the 21st July and tried to point out this. You can check it up. I will at least not mislead the House. You can rest assured.

SHRI G. SWAMINATHAN: The figures about the percentage of variations are correct.

PROF. MADHU DANDAVATE: That is exactly what I am trying to say. I am not challenging your figures.

SHRI JAGESH DESAI: I will never mislead the House.

PROF. MADHU DANDAVATE: Neither you are misleading nor I am misleading the House. As he rightly pointed out I have given the percentage of variation for the year ending and you are giving the absolute percentage that is taken on a particular date. That is the difference.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Please don't yield frequently.

PKOF. MADHT DANDAVATE: That is all right. They are veterans. They always contributed. If I don't yield to Mr. Chavan, to whom else can I yield? He is our former Finance Minister. Even there; is plea-sue to yield to him.

As far as the liquidity is concerned, we have to check it. So the statutory liquidity ratio is Increased from 38 to 38. 5 per cent With effect from September, 1990. It will also have some effect. In the course of the debate, a number of "Members have pointed out about the wholesale price index. Atalji was very keen about it. He said that very often we refer to the inflationary situation by taking into account the wholesale price index but what is important is CPI... (*Interruptions*)... I am referring to the consumer price index. It is that which is important. Even indirectly I do not want to drag anyone in the Wrong direction. I would have been extremely happy if we were able to make all the calculations on the basis of the consumer price index. But the only difficulty is that as far as the rural, urban and various sections are concerned arid weekly prices are concerned, it is the wholesale price index that is available. Therefore, whether you quote or Atalji quotes, they are forced to quote the whole-sale price index. That is the only reason Why. we use the wholesale price index. It is not to reveal any facts. Then again ft should be realised that as far as these variations are concerned, they arose out of a certain situation, over a long time and their constant effect is also felt over a long time.

I will come to the question of oil which you felt T was trying to avoid. The effect of rise in petrol and diesel prices—most of the Members have referred to it—in the budget, when we take the prices of petrol and

diesel, 15 per cent increase in the price of petrol and 10 per cent increase in the price of diesel that did result in the cascading effect and that created an inflationary pressure on the economy. I must make two things very clear. As far as the levies on petroleum products are concerned, I stated in my budget speech that having decided to contract the deficit financing as much as possible, then we undertook all the exercises. We tried to mop up Rs. 800 crores from the corporate sector. We tried to restrict the excise duties, customs duties so that articles and items of elitist consumption, are actually imposed more duties. In spite of that, when I find that the gap is not still filled up, unpleasantly, we have to resort to the exercise of having certain levies which will increase the pertroleum price and also the prices of diesel and petroleum products. When you do it, really speaking, if you go strictly according to the exact increase that has been effected, what should happen? If you see what actually the industrialists, businessmen and traders have done, you will find that a certain dichotomy is there. For instance, we increase the price of petrol by 35 per cent. How much of that would enter into the increase in the transport charges? It Would be of the orders of five per cent. All economists and all businessmen even accept that it is five per cent. How much of that increase of five per cent in the transport rate would be reflected in the increase in the prices of items and commodities? It would be ten per cent of that five per cent which means only half a per cent. That means, actually, due to the 15 per cent increase in the price of petrol, really speaking, if there is no hoarding, *the* increase in the prices of commodities would be half a per cent. Whenever we give those who are in charge of transport, traders and businessmen an opportunity to increase the prices of petroleum products, they always uit-Use that opportunity as a leverage to cause further increases. Every time, in every Budget, Whenever certain increases are caused, you will find that

[Prof. Madhu Dandavate] the cascading effect is far more than what is supposed to be caused as a result of those increases. That has happened. In spite of that, I must admit that increases in petroleum product prices and diesel prices have affected not only transport charges but in turn, also the prices of a number of commodities. Now that has to be accepted. I would straightway say that everyone who has criticised and offered to analyse how these increases have directly resulted in the increase of prices of various commodities is perfectly justified.

SHRI G. SWAMINATHAN: The Reserve Bank has already cautioned that the 50 per cent increase is due to the administered prices.

PROF. MADHU DANDAVATE: That apart, I am talking about the increase in the prices of petrol and all that, not only the administered prices.

PROF. CHANDRESH P. THAKUR: Will you please yield for a moment? I can understand the lucidity of your logic and your calculation. Apparently, your mathematics background is helping you. But you are speaking as a Government Minister. Why are you showing a sense of exasperation that the cascading effect is larger than what it should be, which has always been there?

PROF. MADHU DANDAVATE: I am not showing exasperation. I am showing the humility to admit that though the calculations demand this rise, in reality, due to various extraneous factors and a tendency on the part of traders and industrialists to exploit those particular factors, the cascading effect is far more than what is actually expected to be. That is the admission that I am making.

SHRI JAGESH DESAI: It is known. We know it.

PROF. MADHU DANDAVATE: That is what I am pointing out to you. If I point out again even what you have known, is there any harm? I know that you know these basic axiomatic facts. But if I bring them to your notice again, is there anything wrong? It is only to argue in favour of what you have said that though the increase should be of a smaller order, once you touch sensitive commodities, the cascading effect is bound to cause further increases in the prices of the commodities. *(Interruption)*

SHRI N. K. P. SALVE: We are not interested in confirmation of what we said. We want you to tell us, Mr. Finance Minister, what are the concrete steps you have taken to ensure. *(Interruption)*

PROF. MADHU DANDAVATE: Mr. Salve, always one begins with observations. I have listened to your speeches also. You give analyses and then you come to the concluding part. You don't come to it straight. I am coming to that conclusion part now. *(Interruption)*. I will satisfy your impatience.

Now, let us come to the steps that we have concretely taken in spite of this alarming situation. So, far I have dealt only with the general problem of the inflationary situation created by the deficit, by other imbalances. I must now go to the concrete steps that are taken about the specific commodities which are sensitive commodities as far as consumers are concerned. Take in the beginning, sugar. *(Interruption)*. Yes, Outcome also. I will give you that also. I have anticipated your questions. Your wisdom is so implicit that I can anticipate that and try to give the reply. Therefore, I would try to point out that. Take, for instance certain sensitive commodities. Take sugar. Last year, when we found that sugar production had fallen down from 92 lakh tonnes to 87 lakh tonnes.....

[The Deputy Chairman in the Chair] no doubt a dangerous situation was

created in terms of production. That created certain imbalances and prices went up. Therefore, our first effort was to insist with the trade unionists in the industry and the sugar industry to insist that production should be augmented. We had anticipated that the sugar production would go to the extent of 105 lakh tonnes to 107 lakh tonnes. We are happy that this has gone to about 110 lakh tonnes. It we take all the factors into account and as a result of that, the steep rise that was there and the steeper rise which was formerly there, we find that prices have started going down. But we will not allow them to go down to such an extent and here what Mr. Jethmalani has said is very relevant that we have to take into account the three aspects. The first is cost or production in terms of (industry). We have to take into account the interests of the consumers and we have to take into account the interests of the sugarcane growers who are part and parcel of the sugar industry in a way because if the raw materials are not available, with the best preparations of the industry where will be the sugar available? Therefore, we have to take into account the interests of the sugarcane growers and for that, we will not allow the imbalance to be created between the remunerative prices, the consumer prices and also the cost of production as far as the industry is concerned.

SHRI GURUDAS DAS GUPTA: To what extent the price of sugar has declined as a result of increase in production, Mr. Finance Minister?

PROF. MADHU DANDAVATE: I am coming to that. For instance, in spite of his false durable position of the sugar production if other extraneous factors were not to be there if they were to decide and persuade the sugarcane growers that the conditions are different and it is not possible for them to give adequate cane prices and if they are reduced, probably this price would have gone still further,

no doubt by one per cent, from 9 to 8 per cent and they have been able to come down. And we have been able to give also lower price as far as levy sugar is concerned, but I think even a better result would have been possible with this production if to some extent extraneous factors were avoided, and we have been trying our best to avoid them. What happened is, with best production sometimes the industry and the traders try to keep the stocks and deliberately create an artificial scarcity. That also creates an artificial inflationary pressure as far as the prices of sugar are concerned, and therefore we are trying to see that while on the one side the cost of industry is taken, no doubt, the consumers' interests are taken, and also the remunerative prices aspect of the sugarcane growers is taken no doubt, we would not like the extraneous factors, such as artificial stocking, some sort of curtailment to take place, and therefore I am happy to announce also that in co-operation with all the State Governments—no matter whether they are Congress-ruled States or Communist-ruled States or DMK-ruled States or Janata-ruled States—we have announced and we have taken concrete steps because that falls within the jurisdiction of the State Governments. We have established a co-ordination with the State Governments and we warn that those who in spite of good production, resort to hoarding and stocking and try to create an artificial scarcity will be dealt with. We utilise the Essential Commodities Act and here are the figures. From 1-7-90 to 30-7-90, in co-operation with all the States Congress as well as non-Congress States, the number of raids conducted in the course of this particular period is 43,363, the number of persons arrested, 2,780, those prosecuted, 1,921 and those convicted, 205 and the value of goods that have been confiscated is Rs. 780.09 lakhs (Interruption) _____ These are the actual values.

SHRI GURUDAS DAS GUPTA: Madam Chairperson will the Minister concede that despite the steps that the Government has taken in this direction, despite the number of raids that the

[Shri Gurudas Das Gupta] Government and the States have done and despite the co-operation that has been built up with all form of Government with different colour, it is straight truth that the price of sugar has not declined? This is where the failure of the Government lies. I wish the Minister comes straight to the point as to what has been the effect and impact of the Governmental steps on the market price. That is my straight point. My respected Finance Minister will kindly tell us the impact on the price level, because he had answered in the same way the Short-Duration Discussion that was held in this House on the 16th May. I am now listening to the Finance Minister's reply as if it is a taperecorded speech of his on the 16th May.

SHRI N. K. P. SALVE: I want to put some figures to the Finance Minister...

SHRI YASHWANT SINHA: You cannot supplement.

PROF. MADHU DANDAVATE: I never gave those figures in the last speech...

SHRI GURUDAS DAS GUPTA: The philosophy is the same.

PROF. MADHU DANDAVATE: If you talk of philosophy, your philosophy changes from session to session. If you refer to philosophy, our philosophy does not change from session to session...

SHRI GURUDAS DAS GUPTA: The prices have not come down. This is where the failure lies. You have to admit this.

SHRI N. K. P. SALVE: Mr. Finance Minister, if you would yield for half a minute, you have certain basic assumptions which are wrong. The stern measures taken so far as the boarders are concerned that is all right; but the Sugar prices have not come down for a basic reason. And that is, whereas the statutory prices have been fixed somewhere around

Rs. 22 to Rs. 23 per quintal and the prices that are required to be paid by the factories is in the vicinity of Rs. 32 to Rs. 33, the cost at the doorstep of the factories itself is round about Rs. 10. Isn't it true? If that be so, how do you expect that in future the sugar prices will be coming down? How are you going to rectify this?

PROF. MADHU DANDAVATE: In fact, it is the industry which is insisting...

PROF. CHANDRESH P. THAKUR: If you would kindly yield just for half a minute, according to your facts the hoarders have done this. Are you suggesting that hoarders and traders are having the better of this Government?

SHRI YASHWANT SINHA: Is it a Short-Duration Discussion or a Question Hour?

PROF. MADHU DANDAVATE: Madam, I am trying to point out some argument that is put forward for the industry and we don't accept it. Their contention is that you must take care of a higher cost of production and unless you are able to offer us a better deal in the cost of production it will not be possible to sell the sugar at a lower price. We don't accept that. And as a result of that we would not allow any type of cornering of stocks, hoarding of stocks. If we are able to do it more effectively, we have publicly said that we will strengthen this machinery and these steps. In fact your own counterparts in the other House demanded that these steps only have relieved the situation to some extent and if you strengthen these efforts it will be possible for us to set that further reduction in the prices takes place. So we will continue that effort...

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I want to ask a point of information...

THE DEPUTY CHAIRMAN: You had your chance. Let him finish his reply. We had a long discussion on it spread over two days...