

[Shri Gurudas Das Gupta]

people who run the All India Radio and Doordarshan are in collusion with the people who are running the disruptive movement on the soil of Pakistan? I want action to be taken against them who are responsible for the black out. Therefore, the point of black out does not seem to me to be an act of omission. It is an act of commission deliberately done to sabotage India's foreign policy, deliberately done to black out a big peace march in our country, that is not to show to the people that thousands of s. khs can come next day of a massacre from Punjab and shout in the streets of Delhi against terrorism. It was done deliberately. Therefore, I would like to Minister to take action against them. If the Prime Minister can sack Ministers for their nonperformance, why the Minister can't throw out the people who do not, in any way reflect our foreign policy, through their action in the biggest news media of the country. This is the demand not on my behalf alone as I take the floor maybe, on behalf of most of the people sitting on either side of the House and I hope the concerned Minister will take note of this, and I believe that the matter which has been raised on the floor will, at least, be broadcast over the Radio and telecast today.

SHRI K. MOHANAN (Kerala): Sir, I associate myself with him.

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): Sir, I also associate myself with him.

MR. CHAIRMAN: I have noted and I will record that the entire House associates itself, including the Government.

MOTION REGARDING GENERAL
ECONOMIC SITUATION IN THE
COUNTRY—Contd.

MR. CHAIRMAN: Now, the Finance Minister will reply to the debate on the Motion that the general economic situation in the country be taken into consideration.

I [The Vice-Chairman. (Dr. Bapu Kaldate) in the Chair]

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): Mr. Vice-Chairman, Sir, I am grateful to the Members for their suggestions and also their comments including their criticisms. They have been well-meaning and there has been a seriousness of approach to the economic problems that we face. The basic attempt of the Government is to involve more and more Members of Parliament and that is why we have brought this document to sort out the summary form of what we see as the resources and expenditure of 1987-88. It is in an attempt to open up the Finance Ministry and open style of functioning of taking people into confidence, involving the Members of Parliament in Budget making in fact. Budget, as it comes today is a finalised document. We do debate it here but now there is a genuine effort on behalf of the Government to share with the Members of Parliament in the House as to what we perceive to be the main features of this financial situation in the coming year. It is to give them a real chance to give suggestions before the budget itself is cast. Not only in this House but through this House the debate will certainly be taken up by the press by the economists and by the people in general.

Sir, it is not so much the figures that have been brought in this document. The deficit, tax revenues, defence expenditure, interest expenditure and plan expenditure will, of course, be analysed. But the most important thing is the convention that we are going to establish. It involves the House and the hon. Members of Parliament in budget making. The convention that is being started this year is a new one. I think it will go a long way in effective interaction of all the Members of both the sides in the budget making process. This is how we see the importance of the document. We will debate the figures and again debate them when they finally come in the budget. This will also enforce greater discipline on the Government. It has taken me four months to prepare it. It is with the backing of the Prime Minister that I could present it before the House in spite of the many hurdles that it came in the way.

Suggestions come from the hon. Members and they select one item. For instance, they take up deficit. They say that the deficit is high. Then it is also their responsibility to point out as to how to change the other parameters because it is . an organic whole and there is not much mystery in it. You have the figures in the broad sense-. Of course, there are other details. These are the parameters. So, if you really participate in living suggestions then I would request you not to take one item and give your suggestions on how to change it. But you should suggest as to how to change the whole thing? In fact, I would be requesting the Members separately sending a blank form also and all these figures. I would like to see whether they can give me a complete budget. I think I cannot give a reward to Members. But certainly I will acknowledge their contribution on the floor of the House with very open heart and thank the Members who help me in improving the financial management of the country. I will stand to be corrected very happily and I will acknowledge it in the House. I will look forward to receive correction and improvement on what we have put forward.

(The Deputy Chairman in the Chair)

Before I come to the points and give details, I would say that one thing should be recognised. The rate of growth that was 5.5 per cent has been near about 5 per cent.. In the Sixth Plan it was 5.0 per cent per year. You can argue this way or that way. You can take the RBI figures or the Planning Commission figures or some other figures. But the basic fact is that there has been a definite increase in the growth rate. What is significant is that in a population growth of 2 per cent, if the rate of growth is even one per cent above that of 5 per cent, there is significant increase in the per capita income. If we can sustain the rate of growth at more than the population growth rate then by the end of the century the income will be much greater than during the 35 years after Independence itself. There is a difficulty with taking partial views and trying to deduce the whole conclusion on the whole economy. We do debate inflation, price stability, etc. But the British times

saw the greatest price stability. With one rupee one could buy sixty kgs. of wheat! That was what one could buy for one rupee. But does it mean that the people were better off?

AN HON. MEMBER: Not necessarily.

SHRI VISHWANATH PRATAP SINGH: Not necessarily. That is the point and that is what I wish to point out. So, in the dynamics of economic growth, one variable is not sufficient to indicate the whole picture. I will come to this a little later, but I am just pointing it out. Now, regarding the commitment of development, I would like to say _____

SHRI NIRMAL CHATTERJEE (West Bengal): Was there price stability during the British times?

SHRI VISHWANATH PRATAP SINGH: That is what I am saying.

SHRI NIRMAL CHATTERJEE: I am asking you this question: Was there price stability even during the British times?

SHRI VISHWANATH PRATAP SINGH: After the War you cannot say that. But, before the War, you can say that there was price stability.

Now the other point that I want to mention particularly is that our development is undeterred. There were Cassandra's who said that there is a resource crunch, that the Government has tied up its hands, that it would not be able to fulfil the Plan etc. Yet here is a Government which has, in the first two years, fulfilled in real terms at the 1984-85 prices 41 per cent of its development commitment in the Plan and this document for 1987-88 says that we are going to do 22 per cent in real terms at the 1984-85 prices that is 63 per cent in the first three years! I think this is something unprecedented and I think we will have to turn, several pages back in history to see an achievement of this kind.

In the Sixth Plan, in the first year, the coverage was 13.3 per cent and in the second year, it was 15.4 per cent and, so, in the first two years it was - 28.7 per cent in real terms while in the Seventh Plan

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we have been able to hike it up to 41 per cent. It is not only the quantum, but also the quality, which we have to consider, the quality of management, the performance of the infrastructure of railways of power and of coal. We have been able to improve the quality of management and here is the testimony of the public sector that it can contribute and it has contributed to the economy and that is what we are looking forward to. There is no denigration of the public sector. Public sector is the hub of our economy. It is like the beam in which the roof rests. We cannot remove this beam because the roof will collapse. *(Interruption)*. Let there be no misundertaking on this account. If anybody wants to understand the Indian economy, he has to understand the importance of the public sector. It is the whole base on which our whole structure is built. The only point that I want to emphasise is that our efficient public sector is a stronger public sector and a weakly managed public sector is not a strong public sector. We want a strong public sector which contributes to the resources and wealth of the country is the public sector whose roots will go much deeper. So, this is the real effort that is being made and that should not be interpreted in any way. I would like to say categorically on behalf of the Government that this is the Government's stand and this is its perception of the role of the public sector in the economy. *(Interruptions)* Certainly there have to be improvements on it and also I believe that workers' participation in a more effective way then it is at present should be there, not only at the shop floor level, but also at the managerial level where major decisions of purchase and sale have to be taken and, at that level, workers' participation will be the real way to improve the public sector performance. Because as I said, many times in the private sector...

SHRI NIRMAL CHATTERJEE: How long will that remain a word, and not translated into deed?

SHRI VISHWANATH PRATAP SINGH. I understand there are problems

of how representations be made, and this is one problem which we have to sort out. Let me take my heart out; it is not that I am putting any curtain on it. There are problems which we have; to overcome when I said this is the direction we have to go because what is to be understood is that in the private sector it is the profit motive, and the person putting in money is their vested interest to keep it going. That purpose we take out in a mixed economy. Somehow that has not worked. Another vested interest from the owner is the worker the vested interest in the factory that wants it going and running. That is the interest we have to marshal and hitch it to management to keep it on a sound footing on its own. But it requires a tremendous transformation on both sides. It is not to be found in workers, because the trade unions say; we have nothing to do with the management, we are concerned with only wages. So, even in the working class. That line has to be amended, and

SHRI CHATURANAN MISHRA. (Bihar);
It has never been their line.

SHRI VISHWANATH PRATAP SINGH:
Not your line, but there is a line.

SHRI CHATURANAN MISHRA; It is
only a misunderstanding.

SHRI VISHWANATH PRATAP SINGH; I
did not say it is your line. I say there is a line.
I am not saying it is your line. But there is a
line.

Now I want to come to the vital sector, agricultural sector, which Virendra Vermaji pointed out yesterday. He also mentioned about land reforms which include the rural workers and the working force. The agricultural sector is the hub of the economy again. In spite of all one might talk. It should not be forgotten, and many times I felt it that some

times it may be, when we bring tax laws and Finance Bill and all that. But agriculture is the hub of our economy. And this is one thing that we cannot lose sight of. Even in the employment strategy, many Members raised this point, and the Seventh Plan envisaged that about 4.70 crores people will be absorbed and out of these 1 crore and 20 lakhs will be absorbed in the agricultural sector.

श्री बीरेन्द्र वर्मा (उत्तर प्रदेश): कृषि उत्पाद
कृषि आदान और निमित्त और विनिमित्त
उत्पाद के मूल्यों में समानता लाने में कुछ
क्रिया जा सकेगा ?

SHRI VISHWANATH PRATAP SINGH: Varmaji, we have been taking care of the remunerative price for the farmers. Recently we have come up with two years' sugarcane policy, and in the last three years we raised it by Rs. 2.50, another 50 paise, another rupee. We have raised it to Rs. 4 in three years, while five years earlier it was one rupee rise. And I know and you know the farmers had to burn their sugarcane. You remember and we remember it.

श्री बीरेन्द्र वर्मा: मेरी बात का तो
जवाब दिया हो नहीं। आप को मर्जी है।

SHRI VISHWANATH PRATAP SINGH: Similarly on wheat also, I need not go into the details; we have figures..

SHRI SHANKARRAO NARAYANRAO DESHMUKH (Maharashtra): Regarding agriculture, you are destroying agriculture. That is not mentioned in it. This is an undeclared war against the peasants of India.

SHRI VISHWANATH PRATAP SINGH: Yesterday that point about acquisition of land was mentioned. Let us not generalise it as agriculture.

SHRI SHANKARRAO NARAYANRAO DESHMUKH: No, Sir. It is not correct. Throughout the country you have fixed prices much earlier. What is the prevailing market price? You are destroying their location and still you say tills.

SHRI VISHWANATH PRATAP SINGH: Just a moment. This is regard-

ing agricultural land in the urban areas and we will discuss it.

SHRI SHANKARRAO NARAYANRAO DESHMUKH: You declare it as vacant, land when it is actually used for agriculture.

SHRI VISHWANATH PRATAP SINGH: You give notice and we can have a discussion on it. At the moment, we are on general economy and not on agriculture. He is asking about the agricultural land in the urban areas. I know the concern of the hon. Members because (he belongs to the rural area. What we have allocated in 1986-87 to agriculture and allied sectors is 28.7 per cent higher than what it was in the previous year. I can assure the hon. Members that so far as agriculture is concerned, the Government is keeping it on priority and also meeting its commitment thereon.

The other point was made by several [Members including Shri Baby, Mr Kulkarni, Mr- Vijaya Mohan Reddy and Vajpayee ji. It was about the capital goods. Birla ji and the other hon. Members were using not only the same argument but the same sentences. When I went to the Lok Sabha, Som Nath ji was also using the same words. I do not know whether (here is any combination or not. (Interruptions) Anyway, coming to 5t seriously, I do not deride the value of capital goods in the economy of the country. It is necessary for self-reliance and I endorse the view that the capital goods industries of the country have to be maintained in good health. We have taken corrective measures last year when the rate was reduced to 45 per cent. We felt that the cut is too deep and we raised it to 55 per cent. In consultation, with the Industry Ministry, we are coming out with a package. If there is need for a little more protection, we perhaps can come with those packages. The main point is that I do concede that the capital goods sector has to be kept in a (healthy form and we will keep it. Also, we are scrutinising the projected imports in the Industry Ministry. Many things which are now under the list of projected imports and which are not necessary for the projects and they affect our production where and our indigenous capacity will be

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reviewed. We are taking care of it. At the same time, I must say that to keep our capital goods sector healthy and viable, it has to modernise itself. Otherwise, we will be getting into obsolescence. If we continue that process, we will be living in a economic past as the leviathans of thousands and thousands of years ago. We will have fossils only and we will have a fossilised economy. So, we will have to strike a balance and keep it alive. It is very easy to take extreme steps. But striking a balance! Is more difficult.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): The price factor is also very important. I know of a case where the value of a particular machinery on C. I. F. basis has been only 3 lakhs. The import had been banned. The same machine is manufactured here in Coimbatore and its price is 8 lakh rupees. This factor has also to be taken into consideration.

SHRI VISHWANATH PRATAP SINGH: It is also a relevant factor. I am ready for an Half-an-Hour Discussion. I don't mind.

SHRI NIRMAL CHATTERJEE: If you permit me, I have a point. The point is that on the question of capital goods import, a demarcation line can be drawn which is that you don't import any capital goods but import only those capital goods, those machine tools which can produce capital goods industries here. At the earlier stage, this was the approach. It was endorsed at the time of the Second Five Year Plan that the basic thing should be imported if we do not have that, not the machine-making thing for instance, for producing motor cars. And the other aspect is that unless we have a large capital goods industry, there is a slack in the market demand. Ordinary economics tells that it is the expansion in the capital goods industry which generates a demand for the consumer goods industry. In these two senses, Somnathji may not have explained it nor Birlaji has the same kind of interest. This is ordinary economics. *(Interruptions)*

THE DEPUTY CHAIRMAN: I would like to request the hon. Members that if you have any questions, you may put them after the Minister has finished his reply because you will have to let him complete the reply. Otherwise the compact of the debate is lost.

SHRI VISHWANATH PRATAP SINGH: For the first time, I have seen Mr. Nirmal Chatterjee defensive. Why are you referring so many times to Birlaji?

(Interruptions)

THE MINISTER OF ENERGY (SHRI VASANT SATHE): Quoting the Bible.

SHRI VISHWANATH PRATAP SINGH: So far as the capital goods industry is concerned, we are all agreed, whether from this side or that side, that it has to be kept healthy, I do not debate that. And we will keep it healthy and that is why we are taking steps, and we are having a package and we are looking into it. At the same time, the point is that modernisation also has to go along. Now, a point has been made that only machine-making capital goods should be imported and no other capital goods. But, at the same time, what Mattoji said is that the cost of import substitution at all levels has also to be assessed. And that is also important. And we have to strike a balance between the two. We be careful if we are selling a three rupees thing at eight rupees, then the point is how much protection we are giving. So, there has to be a level of 300 per cent or 400 per cent. But if you want 500 per cent protection, then certainly the economy is not worth giving you that protection. So, between your view and Mattoji's view, a balance has to be struck, there has to be a balance between the two.

Now, one thing also is there. It should be seen that the position is not as grim as has been painted. There are problems. We are attending to them. In the international competitive bidding, our indigenous industry has done well. Out of Rs. 1,500 crores of tender value, the BHEL has been able to capture 85 per cent in the power sector. So, that shows the strength of our public sector and the

capital goods sector that we have. Another point was made about the public sector by various Members. I have already mentioned that. And, in fact, when Birlaji complained here that the Bonds of the public sector are mopping away the money that could be available to the private industry, and of not only the bias of the Government but also its partiality, you have got a witness right here in the House when the point has been made. And in many of the meetings I have been attending, the private sector has been complaining that this money which could have come to us is being mopped away by the public sector by these Bonds with small attractive terms they have. But I have no qualms in declaring that we have bias and partiality towards the public sector, and I have no qualms about that. (Interruptions)

SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashtra): This is a Council of States. Are they also eating into the savings of the State Governments?

SHRI VISHWANATH PRATAP SINGH: Public sector bonds are not eating into the savings of the States. For the small savings we have introduced Indira Vikas Patra, which has got a simple interest of 20 per cent; in five years' time it is going to double and the States have two-thirds share of it. (Interruptions).

THE DEPUTY CHAIRMAN: No interruptions please.

SHRI VISHWANATH PRATAP SINGH: These are all relevant in my part. I do not mind. I can shuffle my pack as he desires. It makes no difference. So that has been taken care of.

Now, Salveji is not here.

PROF. C. LAKSHMANNA (Andhra Pradesh); Madam,...

THE DEPUTY CHAIRMAN: I have been telling all this that the Members may not interrupt the Minister.

PROF. C. LAKSHMANNA: Mr. Finance Minister, now, will you assure...

THE DEPUTY CHAIRMAN: Please listen to me. I have said that you can ask your questions after he has finished the reply. If everybody goes on interrupting it won't be possible...

PROF. C. LAKSHMANNA: Madam,...

THE DEPUTY CHAIRMAN: Please cooperate.

SHRI VISHWANATH PRATAP SINGH: I am over-ruled by the Chair.

PROF. C. LAKSHMANNA: Will we have this assurance that any of the public sector undertakings will not be handed over to the private sector?

THE DEPUTY CHAIRMAN: You won't answer.

SHRI VISHWANATH PRATAP SINGH: The other point was made by Salveji about population. I think that is one point which is very important, i. e., the denominator and however big the numerator be, if the denominator grows, the net result is the same..

Then a very valid point was made by Gurupadaswamyji, Swaminathanji and other Members about the non-Plan expenditure. We are making our efforts in that direction. We are introducing zero-based budgeting in this year. In the coming years the process will be strengthened. Five per cent cut we have asked the various Ministries to come up with and we have also laid down that in 1987-88, apart from the effect of the Pay Commission, the establishment expenditure will be pegged to the level of the current year, which is a major decision. And, so far as the public sector is concerned, the Prime Minister himself is taking initiative...

SHRI NIRMAL CHATTERJEE: Is it by a reduction in employment?

SHRI VISHWANATH PRATAP SINGH: No, by better use of raw materials and inputs. An effort has to be made to bring down the money cost and the money cost can be brought down in various ways. But the real fiscal cost of production per tonne of steel, ' how much energy is spent. We can reduce that then if the fiscal efficiency is really there. You can manipulate prices and bring it down and show that it is less costly now. But that is not there. That exercise various Ministries have done and they would be implementing that. Certainly there are constraints.

Another point was made that while the Finance Minister is talking about non-Plan expenditure that has been proposed for 1987-88? There is a major hike in non-Plan expenditure from Rs. 31, 767 crores to Rs. 38, 405 crores and some of the newspapers have also written about it. But, if you see, Rs. 1, 400 crores is increase in interest, that is a contractual obligation of past borrowings. It is not a Government decision. Then, Defence is there. If you see the hike of more than Rs. 6, 000 crores, you want to explain Rs. 3200 crores is On defence. Some people have commented, why has not the defence expenditure been brought down? Well, I do not want to go into the debate and the details of what is going on across the borders, what is being dumped and what are we confronted¹ with, the most modern armaments. But we are to plan for anything and if we have to plan for the integrity and freedom of this country, it cannot be just labelled as non-plan expenditure as if to be put in the waste paper basket. There is no development if there is no security. Of course, both strengthen each other. With development we become stronger. So, we have to maintain both. The other part of about Rs. 1500 crores is explained by the Pay Commission. So, there is hardly any increase in wasteful expenditure that you speak of. There has been an exeroke of constraint in these areas.

I quite agree with Mr. Nirmal Chatterjee; I missed his speech but I read it When he said that much fuss should not be made of plan and non-plan expenditure and this distinction should go. Shri L. K. Jha said that all expenditure is not wasteful expenditure. There is a lot of force in it, and there are many things which need trimming and pruning.

Coming to the deficit, many hon. Members pointed out that the deficit has grown. I want to place before you the fact. In 1979-80, we had the deficit of 2427 crores; in 1985-86, under the revised estimates, we had the deficit of Rs. 4490 crores. But the deficit of Rs. 2427 crores is a higher deficit than the deficit of Rs. 4490 crores. You will say it sounds funny; but that is the real economic value of the deficit, because deficit of Rs. 2427 crores in 1979-80 was 2. 28 per cent of the GDP and 13. 1 per cent of total governmental expenditure, while deficit of Rs. 4490 crores in 1985-86 is 1. 91 per cent of the GDP—that means a lower deficit—and 8. 3 per cent of total Governmental expenditure. So, figure-wise, when every year the total expenditure grows, the deficit grows and you say it is growing up. When the child grows, the coat will also grow and you will have to have a bigger coat if you want it to fit. This does not mean that you have a coat that is larger; it means you have just a coat, a fit coat. So, the deficit also will fit according to the GDP and the total Governmental expenditure. And why is the deficit bad? It is because of its impact on inflation. Now, has the economy been able to absorb that deficit? Last year we have seen it. This deficit has been absorbed, of this size, and the ground on which it stood, is lost. Per se, we cannot say it is bad because it gets neutralised by growth. There are other factors which neutralise it...

SHRI NIRMAL CHATTERJEE; DisT-
ribution also affects...

SHRI VISHWANATH PRATAP SINGH: Yes, according to the incomes, and income groups. If you see, from, ' 1970-71 the index number of per capita net national product was, say 100; then in

1984-85, it was 165. 6. That means, discounting for inflation, taking account of, it, even then, the *per capita* income has grown.

SHRI NIRMAL CHATTERJEE: Who has denied that?

SHRI VISHWANATH PRATAP SINGH: It is not your words. Your stance has denied it. The way it is argued, the way it is presented.

SHRI NIRMAL CHATTERJEE. No.

SHRI VISHWANATH PRATAP SINGH: Because version of rupee in regard to purchasing power does not necessarily mean erosion of purchasing power of everyone. It depends on how the income has got redistributed. This is the main thing which comes into play. But when a debate on price rise and inflation takes place, a curtain is put on this point. You know it, but you do say it. Your speeches present it in a different way. Not that you do not know it.

SHRI NIRMAL CHATTERJEE. Nobody has denied that *per capita* income has grown. Everybody says that. There is a positive growth. But the point is, distribution is affected because of price rise. Perhaps, you have not gone through our speeches carefully. We all said that.

SHRI VISHWANATH PRATAP SINGH: Mr. Nirmal Chatterjee, we do not have to go to speeches. You go to a village and just ask an old man in the village, how was the village 25 years ago and what is the position now. We do not need any data. Development is there. We need not go into the figures.

SHRI NIRMAL CHATTERJEE: This also been acknowledged.

SHRI ATAL BIHARI VAJPAYEE (Madhya Pradesh): Not the whole village, only a few persons in the village. Not the entire village (*Interruptions*)

SHRI JAGESH DESAI (Maharashtra): The whole village. (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH: I hold my ground. I come from a village.

श्री वीरेंद्र वर्मा : : बीस साल पहले दिल्ली शहर कैसा था इसका भी आप मुकाबला कर लें । बीस साल पहले दिल्ली जितनी थी क्या गांव भी उतने हो गये हैं : (व्यवधान) मैं तो गांवों के पक्ष में हूँ । (व्यवधान)

श्री विश्वनाथ प्रताप सिंह: वर्मा जी, मैं भी गांव के पक्ष में हूँ । लेकिन दिल्ली को गांव तो नहीं बना दें । (व्यवधान)

श्री वीरेंद्र वर्मा : मैं नहीं चाहता कि दिल्ली को गांव बना दो, मैं चाहता हूँ गांव को बनाओ ।

SHRI CHITTA BASU (West Bengal): Mr. Finance Minister, kindly just answer this point, whether there has been concentration of income in respect of a particular income-earning group and the result thereof?

SHRI VISHWANATH PRATAP SINGH: There is force in what you have said. There has been concentration of income....

SHRI NIRMAL CHATTERJEE: That is the point.

PROF. C. LAKSHMANNA; It has only gone to the top ten per cent.

SHRI VISHWANATH PRATAP SINGH: But a middle group has come up and there are also the people who are coming above the poverty line. There is a large population whose living condition has improved and whose income has grown during this time. Our strategy is to bring this income-group to a higher level of income. This is the whole strategy of our programmes like the I. R. D. P., N. R. E. P. and the whole effort is on that count. This is one strategy on the basis of which income disparities are being attacked by bringing up those who are at a lower level of income through better job opportunities, better employment opportunities and better return for their effort and their labour. (*Interruptions*) Madam, I can give

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arguments. But I cannot give arguments to the satisfaction of one particular individual. I can give arguments to the general satisfaction of all. (*Interruption*)

PROF. C. LAKSHMANNA: Even if you do not give arguments, they will be satisfied.

SHRI VISHWANATH PRATAP SINGH; - Mr. Gurupadaswamy talked about luxury consumption, automobiles and electronics. As you know, We have not agreed to some recent proposals in regard to automobiles. We feel that the foreign exchange outgo should get connected with foreign exchange earnings. This process is on. At the same time, you should know that electronics is a highly labour-intensive area. It does give a lot of employment. It is the vanguard of the information revolution which is taking place in the world. Are we to be left behind? What is important is not to instal only, but to indigenise also. Once we have started it, we have had a turnkey at Tarapur, but we are going ahead on our own also. Here we have to start with certain level of imports but than indigenisation is the way and there also we have to be on the forefronts, have our own indigenous base, and that is what we are attempting at. (*Interruptions*). Electronics is not there for consumers only. We are going in for computers, and other areas of electronics which are very vital for us. In the fields of communications, space satellite, communication satellites, we are going in all the sophisticated areas, not only this.

One more area, housing was mentioned by Shri L. K. Jha. I think that is the area which does need a fillip and certain supply side management will have to be done of land availability and also where the low income group have to be protected under the Rent Control Act, but there is no reason why the higher income group should be protected under the Rent Control Act. The Act was made for the lower income group and that should continue. There is no reason why the same Act should be available

to those who have had large incomes and they also get benefit out of it. Anyway, these areas have to be looked into. Speculations etc. have also to be curbed in this area.

The other point made by Jhaji was about modernisation and the financial institutions' help for that. I think this is a valid point because much of the incentives on the grounds of backward area, new units and all that they get, but if one wants to modernise, I think the finances are not available. He cannot go to backward area. It is already there. So, some flexibility on this will have to be given a thought. We have already had a new one-window scheme of financial institution. We have started: that this very month. We have already taken a decision.

The other point on control, I think that was accepted by Shri Chaturanan Mishra also that we cannot do away with controls totally, but where the control is just at somebody's discretion to say 'yes' or 'no' arbitrarily, that control is counterproductive. In fact, we should move to areas of non-discretionary controls. We will lay down by what instruments we will control, which items we will give priority in financing. In tariff controls, no individual has to decide. The policy decides the parameters of the economy and the flow of investment takes place accordingly. And there is no corruption, in the sense that parameters are set, nobody has to go for taking permission, it is decided automatically. I think, we have to move in that direction.

Regarding trade deficit, a point was made that liberalisation has led to all this situation. First, you think, what is the area of liberalisation, really how much is that area in our imports? Seventy per cent of your imports, and you burn the axion books and say we are going to have a totally closed economy, no liberalisation, no import, everything by licence and quota. Seventy per cent of that amount you will have to spend on import. POL, non-ferrous metals, fertilizer, edible oil—policy or no policy in a totally closed economy. You

will have to make 70 per cent of your imports. Now what is left then is 30 per cent. Out of 30 per cent, raw materials other than these bulk items—just for the sake of argument—take out that 15 per cent which you necessarily need, then the whole debate is a storm in a tea cup of 15 per cent; the whole ideological framework is being argued in a 15 per cent framework of the whole problem.

SHRI NIRMAL CHATTERJEE; 15 per cent of 20,000 crores is how much?

SHRI VISHWANATH PRATAP SINGH: First you quantise your value. You are 15 per cent—not even half the argument.

SHRI NIRMAL CHATTERJEE; I do not accept that. 75 per cent is because of consumption pattern.

SHRI VISHWANATH PRATAP SINGH: Nirmal Ji, let me hear that again.

SHRI NIRMAL CHATTERJEE; My point simply; 75 per cent is absolutely necessary because of pattern of consumption. Had the policy been _____

SHRI VISHWANATH PRATAP SINGH: I am very happy to hear this agreement by you.

Now coming to this area, we have to be careful about even this 15 per cent. A small pimple can become cancerous. We have not to be unmindful of it. But when we make sweeping statement like that, we must see the value of that.

The latest data on trade that we have got from the Commerce side shows that in the first six months the growth of imports is 1.1 per cent. That punctures the balloon.

SHRI GHULAM RASOOL MATTO: Over last year?

SHRI VISHWANATH PRATAP SINGH: Over last year.

SHRI GHULAM RASOOL MATTO: Last year it was 17 per cent of the previous year..

SHRI VISHWANATH PRATAP SINGH: We are on a general theoretical argument that you are on a disaster path. When it is said that with liberalisation you have brought disaster, then we have to come to the real facts how the trend is. One point does not make the graph; several points make the graph in a trend. See where the graph point is. This year the growth in the first six months is 1.1 per cent.

The exports have picked up. At the same time I agree where there is any unnecessary import, we will curb it and I have no compunction in curbing it. But for capital goods, where we need it—may be those capital goods even Mr Nirmal Chatterjee has in mind for imports....

SHRI NIRMAL CHATTERJEE; That capital goods is not SKD conditioned Maruti car.

SHRI VISHWANATH PRATAP SINGH:... and also raw materials that we have to maintain for that. I can give you a guarantee that on unnecessary imports we will come down with a heavy hand and clip it off.

SHRI JAGESH DESAI; As regards exports, whether there is any change in the field of large scale industries making these.

SHRI VISHWANATH PRATAP SINGH: I have also the figures of April-September 1986; in dollar terms, in dollar terms the import is minus 1.14 per cent—it is negative, compared to last year.

SHRI NIRMAL CHATTERJEE; Compared to April-September last year?

SHRI VISHWANATH PRATAP SINGH: This is April-September in dollars. The provisional figure of imports this year in dollar terms is lower than last year by 1.14 per cent.

Now coming to the price situation..

SHRI NIRMAL CHATTERJEE; How much more it can be reduced is the question.

SHRI VISHWANATH

PRATAP

SINGH: Yes. But let us not have mania of reducing imports, just like some women have the mania of dieting: They will not eat even nourishing food and starve themselves to illness. So let us not have a phobia of imports. It is like food. Eat healthy food, do not eat too much food, that much you can digest you eat and you will be healthy. But don't starve yourself to absolute illness. So, let us have healthy outlook on that ... (Interruptions)...

Now coming to the wholesale prices, before coming to figures—the rate and percentage and all that—let us be very frank about what the Government can do and what the Government cannot do. I think it is time to speak very frankly on this. Otherwise what happens is, generally, when the debate takes place, it is asked why the Government has not done this and that and the Government starts answering it also, not knowing its limitations about what the Government can do and cannot do, and an illusion is created as if Government can do everything. On the price front, what the Government can do and in its competence.

SHRI NIRMAL CHATTERJEE. Commanding heights.

SHRI VISHWANATH PRATAP SINGH: Not commanding heights. I will come to you. Money supply is one which is in its trends. It can manipulate, to a certain extent, the money supply which includes deficits and on indirect taxation on commodities which has an impact on administered prices. These are the elements which Government can affect on and is responsible and should be answerable.

AN HONOURABLE MEMBER: Subsidy.

SHRI VISHWANATH PRATAP SINGH: Subsidy will get reflected in your deficits or increased expenditure which is a money supply and money supply must take care of the total expenditure. >> all right.

श्री चतुरानन मिश्र : एक मुद्दा और । आपने मजदूरों से सहयोग की बात की, तो प्राइस के संबंध में कहना है । आपके पास सफिसिपेण्ट फूड-स्टॉक है और आप कहते हैं कि उत्पादन बढ़ा दीजिए तो सस्ता मिलेगा । इतना उत्पादन बढ़ा हुआ है फूड-आर्टिकल्स का, लेकिन क्या हुआ ? जिन-जिन चीजों का हमने उत्पादन बढ़ाया, क्या उसमें प्राइस का रिप्लेक्ट है, आम लोगों को क्या मिला है ? यही हमारा कहना है कि जब तक आप इस सिस्टम में उनको बढ़ावा दे रहे हैं पूँजीपतियों को, वह आम लोगों को आपके द्वारा दी गई सुविधाएँ नहीं देते हैं । इस बिन्दु को भी जरा आप साफ कीजिए ।

SHRI VISHWANATH PRATAP

SINGH: Yes. So, let us see. There are the parameters which we can control and if Government is at fault, I think certainly Government is answerable for it. But there is another area of the economy. More than 50 per cent of our wholesale price index and more of the consumer price index are dependent on agricultural products. Now, many of the demand* on price hikes, last year also you have seen. Last year it was sugar, this year it is edible oil—last year it was tomato, this year it is potato.

AN HONOURABLE MEMBER: Food-grains.

SHRI VISHWANATH PRATAP SINGH: I am coming to all this, I know of this. Why are you impatient? I am making your arguments.

This year there is rice also. Now, if you go into this group, at the same time when we are debating price rise of these items, we are also debating, in this very House, the price fall of jute, cotton and other agricultural products. So, obviously, if you analyze both the fall and rise, it is not because of deficit expenditure nor is there the element of administered price in them. You do not have administered prices for tomato and potato. But one most important variable is production. It is the shortfall in production.

that immediately affects the prices in the agricultural sector.... (*Interruptions*)...

श्री चतुरानन मिश्र : हमारा कहना है कि एग्रीकल्चर में प्रोडक्शन बढ़ा दिया, समेद में उत्पादन बढ़ा दिया... (व्यवधान)...

श्री विश्वनाथ प्रताप सिंह : मैं उस पर आ रहा हूँ।... (व्यवधान)... चतुरानन जी, हम आपके पाइंट पर जाएंगे। अगर बीच में जाएंगे तो जो कड़ी हमने ली हुई है, वह टूट जाएगी। हम उस पर आएंगे।

This is what I want the honourable Members to perceive, that these are areas where Government hardly can do anything except use foreign exchange like we used foreign exchange last year for sugar and are using foreign exchange for edible oil. And there is a limit on using foreign exchange. But what do we do about the vacaries of nature, the climatic conditions? So, if potato is in short, it cannot be produced in factories. Nor can we spend foreign exchange for import. So, here the real answer is, really we do not have an immediate governmental action as suggested by Chaturannaji, Government intervention. I will tell you of Government intervention. We are intervening, we buy at a low price, at one price, and by intervention they are doing some mumbo jumbo. It becomes a very high cost. I am talking of food, the FCI. We are intervening. We buy at Rs. 162 and by some irumbo jumbo it goes up, and we subsidize. That is another story. So, here let Us be frank and say plainly, these are the areas in which Government hardly has any elbow room to do much about it. And the real answer is in the general production and increase of the general production of these commodities like vegetable and other agricultural goods. That is the real answer, putting more in irrigation, more fertilizer, giving more to the farmer, having better agriculture. That is the real answer. Rather than that the question and answer session here will not produce the answers here.

SHRI GURUDAS DAS GUPTA (West Bengal): Without land reforms it can be done, do you say?

SHRI VISHWANATH PRATAP SINGH: No. Land reforms are necessary because we have seen that many of the productive forces which had been locked up in the feudal system, got unleashed after the land reforms and after the abolition of the zamindari. And after we made sure that the persons who till the soil would be the owners of the land, that one factor alone made a change in production. In a capital short country, the agro-economic relations are very vital in changing the transformation of the productive forces in the rural side. That has been acknowledged. And we have seen the experiment right away in many areas too.

SHRI NIRMAL CHATTERJEE: Why don't you make your party understand this and operate?

SHRI VISHWANATH PRATAP SINGH: Coming to Government intervention, as far as that is concerned, I think, Chaturannaji, frankly we have to confess, that in many things of our management of overheads that go when we are dealing with the public distribution system, we have to do a lot to improve so that the real deliveries at better prices can go to the people. Wheat we buy at Rs. 162, and the public distribution price is much higher, Rs. 190. And still we have got a subsidy of Rs. 1, 200 crores from the budget. I think this way we cannot run. This is neither socialist nor capitalist nor anything. We just cannot do that. We have to tackle this. It has to be an efficient Government intervention. To this sort of intervention, I think, I will confess that we will have to apply our mind, and improve upon it.

श्री चतुरानन मिश्र : अब सब जानता है आपके गोदामों में, लेकिन लोगों को नहीं मिलता।

श्री विश्वनाथ प्रताप सिंह : चतुरानन जी, जो कह दिया है उससे आगे कहना है।

Then, coming to one point on external debt etc., I assure you that we have prudently managed our debt position, and we will continue to do so. And in this

[Shri Vishwanath Pratap Singh] f context our trade with the rupee area j countries is very important. I think this is one area where our free foreign exchange pressure is relieved. Our imports from the rupee area is guarantee of our exports. It is a balanced trade. So, of vital importance in our economy is our trade with the rupee area. And the recent agreement, economic add technical agreement that General Secretary Gorbachev and our Prime Minister sign-, «d, I think, is of great value to the economy of our country. We are organising ourselves. We identify in the various Ministries well in advance because these are planned centralised economies. Maybe in the short term, if you place orders, they may not be able to respond. But, maybe, for the year 1988 or a little longer, for those things which we are importing otherwi e, bulk items, I am certain and sure we can identify the price. And the quality, of course, will have to be comparable. But certainly we cannot say that certain of the things, steel etc. are not available. We have to spend foreign exchange. This exercise is being done, and various Ministries have been asked to identify things well in advance so that trade from the rupee area, we can improve, and augment it further. Well on the golden hand shake between the labour leader and the Government as well as the public sector, we have f, 3 come and sit together. In those areas where the public sector has got strength, we will have to allocate more resources to make it stronger. But the units where there is no possibility of it at all, I think the labour leaders, the Government and the public sector will have to sit together....

SHRI VISHWANATH PRATAP SINGH: No Government or any person from the political system can say that. we wil! not look to the human factor. We will not be here if we do not look to the human factor. Leave alone ideology, our political survival instinct makes us look to the human factor. Otherwise

श्री चतुरानन मिश्र : हम बैठने के लिए तैयार हैं लेकिन पहले हमें का अधिकार तो होना चाहिए ।
we will not

be here. So, we will have to resolve the human problem in this transformation. To my perception this cannot be done without the confidence of the labour class and the union leaders. We have to evolve a strategy for further improvement in their livelihood. Some training has to be provided for their further impro demerit in that very unit or some priority in some new units. This can't be done only by the Government aid. The working class also has to be taken into confidence. Shri Nirmal Chatterjee will agree with me that we cannot run on non-viable units and it is not. desirable also.

SHRI NIRMAL CHATTERJEE: But if you provide the employees a right to manage and the right to accounts, thi; problem would not occur.

SHRI VISHWANATH PRATAP SINGH: Where the labour does come for management, we can think of providing them finances to run the units.

श्री चतुरानन मिश्र : इसके अलावा भी तो कुछ सेक्टर हैं जैसे एलक्ट्रॉनिक टाइपराइटर आते हैं तो वर्तमान लाखों टाईपिस्ट चले जायेंगे । सैथिटिक इंडस्ट्री आयेगी तो जूट इंडस्ट्री का सत्यानाश हो जाएगा । इसके लिये तो कुछ रास्ता निकालना चाहिए आप को ।

श्री विश्वनाथ प्रताप सिंह : चतुरानन जी, जो उदाहरण आप दे रहे हैं कि इलेक्ट्रॉनिक टाइपराइटर आयेगा तो टाईपिस्ट खत्म हो जायेंगे तो क्या जब सेफरी रेक्टर आया था तो क्या सब नाउ खत्म हो गये थे, ? या जब पुल बन गया तो क्या नाव वाले खत्म हो गये । तो उस का सोल्यूशन यह है कि...

श्री अटल बिहारी वाजपेयी : पुल बन गया लेकिन मल्लाहों का क्या हो इसका विचार साथ-साथ होना चाहिए ।

श्री विश्वनाथ प्रताप सिंह : इस सतर्क है । जो मानवीय समस्या उस को हल करना चाहिए । उ अखि से ओझल कर के समस्या का नहीं निवारेण ।

श्री चतुरानन मिश्र : जिनका डिस्प्लेस-मेंट होगा उन को मरने नहीं दिया जायेगा और सरकार उन का कुछ इंतजाम करेगी, यह आश्वासन तो मिलना चाहिए ।

श्री विश्वनाथ प्रताप सिंह : इस लाइन पर हम राश्वस्त कर रहे हैं । सरकार को तो पता है कि अगर इनको कोई चीज होगी तो जो हमारे मादुर हैं उनके लिए जो आल्टरनेटिव कोई रास्ता होगा उस निकाला जायेगा क्योंकि इसके बिना कोई माकूल हाना नहीं निकल सकता । हमको अधिक और राजनीतिक दोनों समस्याओं को हल देना है क्योंकि केवल अधिक समस्या हल करो तो हम राहों ही नहीं । अर्थ तो समझाने के लिए है जरूर है । नहीं तो आप वहाँ से राह देते रहें लेकिन सुनने के लिये हम यहाँ नहीं होंगे ।

Now we have come to a period where ■ we have to have the capital market on a very stable* basis. We are mobilising resources. It has been buoyant, but now we have to frame the ground rules on a much sounder basis than it is today like insider trading. For all this we do not have proper rules. I think we have started an exercise to come with a package where the stock exchange etc., will come on a more sounder, more rationale and more scientific footing.

Regarding amnesty, I think, when I was away, Mr. Nirmal Chatterjee took advantage of talking on this point. May I just say that he is painting a picture as if the Revenue Department and all of us have gone on a holiday. It is not true. The number of raids we have conducted and the extent of action we have taken, we ourselves have no sleep and we are not allowing others to sleep. So let us not be painted that we are giving amnesty to all those who evaded taxes and the "Government is on some tax holiday."

May I just quote the figures of seizures and tax evaders detected. I am talking the total of customs, central excise, gold control and enforcement of direct taxes, because there is no need of going into the details. I have gone over it many a times.

In 1978 it was Rs. 200 crores. In 1985 it was Rs. 6.09 crore, thereby registering a three-fold increase. While the number of seizures and searches have come down from 89,000 to 80,000 whereas the total amount has gone up. That means we are catching more big fish. Earlier it was small people coming in. So we have improved. The quality of seizures and searches have improved, that is what I am emphasising. I am asking from the Department not the number of seizures and searches, but I will look per seizure and per raid how much you got?

SHRI NIRMAL CHATTERJEE: That was precisely my point.

SHRI VISHWANATH PRATAP SINGH: You are agreeing with me from the beginning on every point.

SHRI NIRMAL CHATTERJEE: As you pointed out, exactly it is this that has paid and not the lower rate. That is my point.

श्री चतुरानन मिश्र : आप इनको खिचड़ी खिलाते तो ये ज्यादा टैक्स देते ।

श्री विश्वनाथ प्रताप सिंह : जनरल ऐमनेस्टी के लिए कितने लोग छूटे हैं ? लेकिन चतुरानन जी जो कहते हैं हमने जिक्र अभी किया कि नैनो जेल में मैंने अनुभव किया था कि जैसे गरीबी रेखा के नीचे कुछ लोग रहते हैं और कुछ लोग ऊपर रहते, वैसे ही जेल रेखा के नीचे कुछ लोग रहते हैं और कुछ लोग ऊपर रहते हैं । हमारी समस्या में यह नहीं आया कि शासन को आप देखिए कचहरियां भरी हुई हैं, वहाँ दैनिक काम हो रहा है कानून को लागू करने का, लेकिन जेल की सोशल स्टडी हम करवाने वाले हैं । उनकी इनकम ग्रुप की स्टडी करें तो लगता है कि जेल रेखा के ऊपर पहुँचने के बाद वहाँ सारा सिस्टम उनके हाथ में नहीं पहुँच पाता है, तो कहीं न कहीं कोई क्लिट है । उसको देखना होगा जब कि बच्चा जानता है कि घधा हो रहा है । ...
(व्यवधान)

श्री सत्य प्रकाश मालवीय (उत्तर प्रदेश) : जेल में भी धंसा होता है ।
... (व्यवधान)

श्री विश्वनाथ प्रताप सिंह : जब तक आप एक दिन हार नहीं मान लेंगे तब तक मैं बोलूंगा । ... (व्यवधान)

The other important point made was that this Finance Minister is only the Finance Minister of the Central Government and not for the whole country. This was made by Mr. Nirmal Chatterjee. For the States, provision has not been made. May I just mention, if you see even 1987-88 figures which I have put before you, item 16, balance for resources for the total plan, in real terms is higher than the last year. No, I am not saying this because this I have to calculate. But in nominal terms, it is higher than last year. I could have made it available for the Central plan but because, I have decided to give more to the State plan, this Central contribution to the Central Plan is lower than last year. So, this is our commitment to the States. (Interruptions).

SHRI NIRMAL CHATTERJEE: This is called missing the wood for the tree. (Interruption).

SHRI VISHWANATH PRATAP SINGH: No, I will tell you what is wrong there and if you see, in 1985-86, States shares of taxes and duties, from the Budget Estimates of Rs. 6726, we gave Rs. 764 crores more. In loans against small savings, we gave Rs. 525 crores more. In Central assistance to States from Budget Estimates, we gave Rs. 456 crores more. So, several thousand crores have gone more and I am the best representative of the States here. Out of all the income tax I collect, 85 per cent goes to the States. I am the best agent. All that I collect, I give; I give them. Out of every 100 rupees I collect, 51 rupees goes to the States. The income tax realisation does not help my deficit. What is the problem in the States? I will tell you frankly, in the Sixth Plan, almost all the Chief Ministers of the States have exceeded their target of additional resource mobilization. Look here, it is correct and when I told this in N. D. C. and complimented the Chief Ministers, they all

thumped the desks and I turned to the Prime Minister and said, Sir, look here, there is no shortage of resources. Their problem is not shortage of resources, their problem is erosion of resources. In Electricity, Board, in State Transports.

SHRI NIRMAL CHATTERJEE: That is right. (Interruptions)

SHRI CHATURANAN MISHRA:
and administrative prices fixed...

SHRI VISHWANATH PRATAP SINGH: Now, let us think as citizens. There is no State and Centre divisions and so far as the country is concerned, every investment goes to the strengthening of the country. There is no beneficiary of a Central expenditure who does not belong to a State. Where is the division of resources? The Constitution has given a basket of responsibilities of defence of core sectors investments, of railways, of transport to Centre; of agriculture, law and order, education etc. to States and we have to divide resources. I have divided resources to balance this. Now, ask an honest question. If there is inefficiency and erosion of resources and there is no shortage of resources, should we be underwritten by the defence of the country and the core sectors investments, heavy investment in the public sector? For which you want more resources. An honest answer has to come from the States. (Interruptions).

SHRI NIRMAL CHATTERJEE: No, you follow a policy which does not enable them to stop these erosions. It is because of your policy that it is getting eroded. (Interruptions).

SHRI VISHWANATH PRATAP SINGH: Now, in Electricity Boards, what is the erosion because of our policy, in State Transports, what is the erosion because of our policy? (Interruptions),

SHRI NIRMAL CHATTERJEE: In raising of diesel ----- (Interruptions).

SHRI VISHWANATH PRATAP SINGH: If you look at the consumption of batteries, in physical numbers they have gone Up.

Shri Jagesh Desai mentioned about responsibility of the private sector. I think that is an important point. Every-body whichever sector, has to be responsible to the economy.

May I say, in the end, many things were predicated to go to disaster. We have seen that those predictions all did not come true and today we are on a path, on a sound path of a vibrant economy, confident ourselves. There are problem, I don't say there are no problems. There are problems. But we are sure and confident, we will overcome them and go ahead with the destiny of the country.

SHRI GHULAM RASOOL MATTO:

Madam, certain points have been raised by individual Members-----

SHRI NIRMAL CHATTERJEE: Are you prepared to handle the middleman and the contractor which will immediately lead to a million-fold increase in the efficiency of the economy?

SHRI GHULAM RASOOL MATTO: Through you, Madam Deputy Chairman, I would request the Minister, many useful suggestions have been made on both sides, from this side as well as from that side, about raising resources and doing certain acts which will help the Budget. The honourable Minister may not react right now, but will he assure us that he will take into consideration the individual points raised by Members on both sides?

SHRI VISHWANATH PRATAP SINGH: Yes, Sir. I have read all points made by Mr. Matto. Generally all the points have come in this.

SHRI JAGESH DESAI: I raised one important point regarding pulses and oilseeds. Pulses and oilseeds are cultivated in rainfed areas and I suggested there should be crop insurance for these two crops throughout the country. In these two items we are very much below our requirements. So far this kind of crops if an incentive like crop insurance is given. I think there will be more farmers growing these crops and we shall be able to get better results. Secondly, the alloca-

tion this year, 1986-87, in the Plan for pulses and oilseed is less than that last year. On these points will the Minister say something?

THE DEPUTY CHAIRMAN: I cannot

श्री चतुरानन मिश्र : कंसाइनमेंट्स ट्रेड के बारे में आपने कुछ नहीं कहा । क्या आप कंसाइनमेंट एक स्टेट्स को देने के बारे में सोचेंगे ?

allow everybody like this. You had all made your speeches and while the Minister was replying you have again asked for many clarifications. Again I cannot go on allowing you all. There has to be some procedure. This is not going to be a fresh debate. I am allowing only Mr. Jagesh Desai, Mr. Darbara Singh and Mr. Jagatpal Singh Thakur.

SHRI DARBARA SINGH (Punjab): I want to raise a question which will be helpful for the country as a whole. The States are fighting their cases in water disputes which are pending since long. Several years have passed, more than about ten years. Yet decisions are not taken. Escalation of prices is taking place. Equitable distribution of water is not done. Therefore, is it not possible for Government of India to form a national grid for water and then distribute water equitably which would help the growth of the economy further, because agriculture is the hub of our economy.

ठाकुर जगतपाल सिंह (मध्य प्रदेश) : आदरणीय उपसभापति महोदय, मैंने कुछ सवाल उठाये थे । मैंने यह कहा था कि उत्पादक कार्यों में पूँजी निवेश और अनुत्पादक कामों में पूँजी निवेश का सवाल भी हमारे सामने है । अगर उत्पादक कार्यों में पूँजी निवेश से मुनाफा न होकर नुकसान होगा तो लोग अनुत्पादक कामों में पूँजी निवेश की तरफ जाएंगे । आप जानते हैं कि ग्रामीण क्षेत्रों में जमींदारी खत्म हो गई, ताल्लुके-दारी खत्म हो गई और जमीन पर हदबन्दी लग गई । अब लोग गाँवों के अन्दर जमीन को बेचकर शहरी क्षेत्रों में मकान बनाकर हजारों रुपया किराया ले रहे हैं । क्या आप इसको भी शील्ड करेंगे ?

उपसभापति : आपका सवाल क्या है ?

ठाकुर जगतपाल सिंह : मेरा सवाल यह है कि क्या आदरणीय मंत्री जी इस ओर ध्यान देंगे ?

THE DEPUTY CHAIRMAN; Now, Prof. C. Lakshmanna.

PROF. C. LAKSHMANNA: Madam Deputy Chairman, I have got three clarifications to ask.

The Finance Minister was kind enough, to compliment the State Governments for doing excellent work in terms of resource mobilization. If he would like to compliment further the State Government, will he still think in terms of coming forward quickly with such things as the Consignment Tax, etc. because it is not for any purpos* other than to strengthen the resources base of the States? Therefore, ■ow soon will the Finance Minister come forward with this particular Bill which has been demanded by most of the States and Which has been pending for quite some tiipe?

SHRI NIRMAL CHATTERJEE- I also want to put a question.

THE DEPUTY CHAIRMAN; You put too many queries when the Finance Minister was speaking and so I wil] not allow you now.

PROF. C. LAKSHMANNA; Secondly. Madam, the Finance Minister has stated that there is increased food production and there is lot of surplus food and t^{ne} FCI had to be given about Rs. 600 ुरोस or so for maintaining the buffer stocks, etc.

THE DEPUTY CHAIRMAN; Please put your question now.

PROF. C. LAKSHMANNA; In view of this, will the honourable Finance Minister assure us that such States as are new-eding these extra foodgrains would be supplied so that the public distribution system which has been perfected to a certain extent will be used for doing away with the price hike which hns happened in the case of the agricultural commodities? Then, Madam...,

THE DEPUTY CHAIRMAN; You wanted to put only one question and you are asking three. I cannot allow. Now, Mr. Verma.

श्री वीरेन्द्र वर्मा : माननीय वित्त मंत्री जी से कल मैंने बोलते हुए कहा था कि कीट नाशक दवाओं का जो मूल्य है प्रोडक्ट्स स्थिति में है, किसान उसको नहीं खरीद कर सकते हैं। उन्होंने...

श्री विश्वनाथ प्रताप सिंह : वर्मा जी क्या अपने दल में जरूरत है आपको ?

श्री वीरेन्द्र वर्मा : मैं समझा नहीं मान्यवर ।

श्री विश्वनाथ प्रताप सिंह : तब मैं नहीं कहूँगा ।

श्री वीरेन्द्र वर्मा : मैं आपको समझाना यह चाहता हूँ कि कीट नाशक दवाओं की काश्तकारों के लिये जो खरीद दर है उसको कम करने के लिये मैंने कहा था । इस पर आपने कुछ नहीं कहा और दूसरा यह है कि मैंने कहा था कि गन्ने की कीमत चीनी की कास्ट आफ प्रोडक्शन के साथ नत्थी की, जाये ...

उपसभापति : सवाल पूछिये । आपने क्या कहा था यह आप दुबारा बोल रहे हैं ।

श्री वीरेन्द्र वर्मा : मुझे इसका उत्तर नहीं मिला । इसलिये वही सवाल फिर पूछ रहा हूँ । मैं जानना चाहता था कि क्या मंत्री जी चीनी की कीमत में गन्ने को, जो कि उसका मुख्य कांस्टिट्युयेंट है, तो इसलिये चीनी का जो कास्ट आफ प्रोडक्शन है उसको ध्यान में रख कर उसमें गन्ने के लिये कोई साइंटिफिक सिद्धान्त बनाकर उसकी कीमत को मुकर्रर करने पर विचार करेंगे और पैरटी आफ प्राइस, इस बारे में जानना चाहता हूँ ?

THE DEPUTY CHAIRMAN. Yes, Dr. 'ijaya Mohan Reddy. Be brief. '

DR. G. VIJAYA MOHAN REDDY (Andhra Pradesh); In the private sector industries, more than 51 per cent of the equity is held by the public financial institutions till now which means that they are becoming public sector industries, what action is the Government proposing to take to bring about financial discipline? In the public sector also, what action is he going to take to abolish the contract system under which the contractors and the middle men are eating away hundreds of crores of rupees? What action are you going to take to end this? I want to know what action is the Government is to going to take with regard to these two aspects on account of which the entire wealth of the country is being eaten away.

SHRI GURUDAS DAS GUPTA. My point is simple. Will the Finance Minister fix a date for reforms? *(Interruptions)* It is quite satisfactory that the Finance Minister has kindly agreed that land reforms seem to be the most important element to bring about agricultural degeneration. Basing on that, I would like to ask him a question. In the present situation, according to the Planning Commission, only 10 per cent of the surplus land has been distributed; 90 per cent has not been distributed. In this situation, what does the Finance Minister propose to do to bring about legislation or to bring up pressure upon the Government so that land reforms are carried out and agricultural development takes place to help the economy. *(Interruptions)* I am astounded by the ignorance of the Members. All the surplus land has been distributed in West Bengal

SHRI NIRMAL CHATTERJEE: The question of contractors and the question of middleman he has already raised. I also raised that. Kindly answer that. The only other question I want to ask from you is this. When Mr. L. K. Jha said that henceforward production profile should follow the market demand, do you agree to that view?

श्री राम चन्द्र विकल (उत्तर प्रदेश) :
मैं यह कहना चाहता हूँ कि किसान को

उसकी मेहनत और लागत के मुताबिक
उपज का दाम नहीं मिलता है। जिस
चीज की पैदावार बढ़ जाती है वह
चीज सस्ती हो जाती है, इससे किसानों
का मनोबल टूट जाता है। मैं यह चाहता
हूँ कि किसान को उसकी उपज का समुचित
दाम मिल सके इसके लिए उपाय किये जाएं
इसका एक उपयोगी सवाल यह है कि
तीन दिन तक बहुत उपयोग बहस चली,
मेरा यह सुझाव है कि क्या मन्त्री जी
इस तरह की बहस हर तीन महीने
में कराएंगे ताकि सब को इस बहस
से लाभ मिल सके ?

SHRI VISHWANATH PRATAP SINGH;
Mr. Jagesh Desai asked whether the crop insurance scheme will be extended to oilseeds throughout the country. In fact, the crop insurance is in the second year. We are making an assessment of it. Certainly it is our intention—immediately it may not be possible to give an assurance, right away—but it is our intention after gaining experience on that, to extend it to various other crops, and certainly oilseeds will be there.

The other one raised was about hearing in this area, of edible oil. We are following a contracyclical policy. When it is a flush season, we are reducing. When it is a lean period we go to food the market with our imported oil so that price does not rise and manoeuvrability is not there.

TheD, Mr. Lakshmanan raised the point whether extra foodgrains will be given to the States where they have to utilise foodgrains for the drought-affected areas. This is a reserve which we are planning to use for coping with this.

About consignment tax, I have written, to the Chief Ministers, But there were certain very vital inputs of production raw-materials like crude, iron ore, coal etc. which should have a uniform treatment throughout the country. So the power of exemption should be with the Centre also. Chief Ministers have not agreed to give power to the Centre. I think there is need for more dialogue on that, count

[Sjhri Vishwanath Pratap Singh]

Shri Jagatpal Singh raised the point that there has been a ceiling on productive as sets in the rural sector and not in urban sector. May I say by a ceiling on the rural side we have made it more productive. That was precisely the point I was making—by bringing a ceiling we have made it productive, giving it to the people who are really tilling. In the urban area the Urban Ceiling Act is also passed. In regard to implementation, there are defaults on both sides, in rural sides also. Darbara Singhji mentioned about a national grid for water. In fact, Darbara SIngji, I am not an exepert on technical side, whether feasibility is there. I will have to assess how much financial water

पानी कितना बहेगा

and whether it is possible or not to have a national grid on water...

SHRI DARBARA SINGH. You decide the cases immediately under your control. The water is going to waste.

SHRI VISHWANATH PRATAP SINGH. That point is well taken. So far as taking decision is concerned, of course, the disputes should be settled early...

SHRI M. PALANIYANDI (Tamil Nadu). It is a question of better water management.

SHRI VISHWANATH PRATAP SINGH. Certainly. They can come with planned schemes and discuss with the Planning Commission.

श्री वीरेन्द्र वर्मा जी आपने एक तो पेस्टिसाइड्स के बारे में कहा था तो कल ही मैंने कहा था कि हम आपसे यह बात कर लगे कीटनाशक दवाइयों के लिए। मैं खाली पूछ रहा था कहीं आपको अपने दल में तो कोई जरूरत नहीं पड़ रही है... (व्यवधान) मैं यही प्रश्न कर रहा था।

श्री वीरेन्द्र वर्मा : मैं सोच रहा था कहीं आपको तो जरूरत नहीं है।

श्री विश्वनाथ प्रताप सिंह: मैं आपसे नहीं पूछ रहा था मैं वर्मा जी ऐसे भले आदमी से पूछ रहा हूँ... (व्यवधान)

श्री वीरेन्द्र वर्मा : इसीलिए भले आदमी मैंने कहा। उसकी मैंने नजरअंदाज किया, कहा नहीं, नहीं तो वही अटक आप पर कर सकता था।

श्री विश्वनाथ प्रताप सिंह : जहां तक रही चीनी से गन्ना के उत्पादन को संबंधित करने की बात, महाराष्ट्र में इस तरह का फारमूला है।

श्री वीरेन्द्र वर्मा : चीनी रिकवरी नहीं कर रहा हूँ मैं।

श्री विश्वनाथ प्रताप सिंह : उनके फारमूले में है चीनी के दाम से भी संबंधित एक फारमूला और राज्य सभा सरकार उस तरह के फारमूले को अपनाना चाहें जो महाराष्ट्र में है, तो वे अपना सकती हैं।

श्री वीरेन्द्र वर्मा : लाइसेंस वगैरह सारा आपके हाथ में है और स्टेट गवर्नमेंट करे ?

SHRI VISHWANATH PRATAP SINGH. A point was made, where financial institutions have more than 51 per cent, whether they will enforce any discipline. Normally our line is where there is stable and good management, the financial institutions do not interfere, do not inter-venue, and make them unstable. But where there is instability and there is risk of the financial institutions' money being lost, they do act and recently they have acted. About land laws and distribution, it is said said ten per cent has been distributed. I do not 'exactly know how much percentage—of land has been distributed. But it is true, that much of the land reforms has been frustrated by benami entries, and, secondly even where land has been given, village land, etc. not with ceiling, Government land where the landless have got the-pattas, in many cases there are litigations and they are just going on for years together and they have been frustrated from actually getting the possession. That is the really on the field. I know it because I have been associated with this sort of a problem and anyone who is involved with the election process will surely know about it. And I personally do feel there is need

for reform. When we invite a person for dinner, we should not ask him to cook or bring his own food. We have invited the landless worker; he should not be asked to spend—he will be in no position to spend—money and go to court for years together. So there is much force on that side of the rectification of the law. Then, you Mr. Nirmal Chatterjee, said that production should follow the profile of the market demand. I think, here we have to strike a balance because we cannot totally go beyond market demand. And there can be a market for narcotics and we cannot say that because the narcotics fetch a very high price and there is market for it and, therefore, there should be production of it. So, it cannot be totally dictated by it. We have to lay our priorities. And our funding and our resources have to be so by the priorities. But the investments also have to be responsive to production. We cannot also go on producing that is not absorbed or bought. That will be a wasteful investment.

SHRI NIRMAL CHATTERJEE: Market demand is effective demand.

SHRI VISHWANATH PRATAP SINGH. So, here we have to have some privatisation, and also at the same time strike a balance and we have a production which will match and fulfil the needs of mass consumption and mass needs, I think, your trap has not worked.

विकल जी ने पूछा है कि इस तरह की बृहत् हर तीन महीने में हो जाए। माननीय सदस्य चाहेंगे तो उसका तो स्वागत है, इस तरह का अवसर मिले और आप लोगों को लाभ मिले। मैं यह अनुरोध करना और मेरी ओर से प्रार्थना है कि

यह 1987-88 का यह बजट

which is a sort of Tough Budget. And if you could give me concrete suggestions, and if you could fiddle with the figures and try to adjust them and give me some help, that will be most welcome.

Thank you Madam.

THE DEPUTY CHAIRMAN. I shall now put Amendment Nos. 1 to 9 to vote. The question is,

1. "That at the end of the Motion the following be added, namely; —

'and having considered the same, this House recommends that Government should review the current economic and fiscal policies so as to ensure all round Self-reliance and economic growth with social Justice based on redefined priorities.' "

2. "That at the end of the Motion the following be added, namely: —

'and having considered the same, this House recommends that Governments should formulate a new financial and economic policy in the country under a time-bound programme so as to ensure removal of certain, malpractices such as poverty, inequality, illiteracy, unemployment, sickness, concentration of wealth in a few hands, inflation, price hike etc. "'

3. "That at the end of the Motion", the following be added namely: —

'and having considered the same, this House is of opinion that Government has miserably failed to hold the price line inflationary trends of economy. "'

[The Deputy Chairman]

4. "That at the end of the Motion the following be added, namely: —

'and having considered the same, this House regrets that Government has 'failed to give remunerative prices to the farmers for their agricultural produce. ' "

5. "That at the end of the Motion, the following be added, namely: —

'and having considered the same, this House feels concerned that the current policies of Government in the matter of Export, Import and Foreign Collaborations have exposed the country's economy to invasion by multi-nationals. ' "

6. "That at the end of the Motion, the following be added, namely: —

'and having considered the same, this House feels concerned about the acute discontentment among the salaried classes because of gross disparity in the pay scales and conditions of service employees working in public sector undertakings, under the Central Government, the State Governments and the Local Bodies. ' "

7. "That at the end of the Motion, the following be added, namely: —■

'and having considered the same, this House regrets that the differences between the rich and the poor continue to widen rapidly and the worst affected by this growing poverty are the weaker sections of the society, more particularly the Scheduled Castes and the Scheduled Tribes. ' "

8. "That at the end of the Motion, the following be added, namely: —

'and having considered the same, this House recommends that Government should adopt measures to curb benami investment of Non-resident Indians in Stock Exchange Shares and improve working of shares market which is being manipulated by industrialists. ' "

9. "That at the end of the Motion, the following be added, namely: —

'and having considered the same, this House regrets that the recent policy of Government of downgrading the public sector, resorting to elitist taxation policy, adopting an import policy which damaged even our Capital goods industries and led to suiting in further large scale sickness import of luxury goods thereby re-of the industries and denying remunerative prices to farmers for agricultural goods, is leading the country to a disastrous situations of unprecedented deficit in foreign trade, increasing foreign and internal loans resulting in unprecedented unemployment and urges upon Government for a new economic policy of growth with social justice and full employment. ' "

The amendments were negatived.

THE DEPUTY CHAIRMAN. Now the discussion on the Resolution is concluded. The House stands adjourned for lunch till 2.45 P. M.

The House then adjourned for lunch at forty-eight minutes past one of the clock,

The house reassembled after lunch at forty-nine minutes past two of the clock

[THE VICE-CHAIRMAN. (SHRI M. P. KAUSHIK) in the Chair.]

STATUTORY RESOLUTION SEEKING DISAPPROVAL OF THE COAL MINES NATIONALISATION LAWS (AMENDMENT) ORDINANCE, 1986 (NO. 7 OF 1986) PROMULGATED BY THE PRESIDENT OF THE 7TH OCTOBER,

1986 AND

THE COAL MINES NATIONALISATION LAWS (AMENDMENT) BILL, 1986.—contd.

श्री अश्विनी कुमार (बिहार) : माननीय उपसभाध्यक्ष महोदय, हम लोग कोल नेशनलाइजेशन बिल के प्रति चर्चा कर रहे हैं। इसमें कहा गया है कि न्यायालय में कुछ समस्याएँ हैं पिट हैड्स के बारे में उसको दूर करने के लिए, नियमानुसार करने के लिये यह विधेयक लाया गया है। इस सम्बन्ध में मेरा इतना ही निवेदन है उपाध्यक्ष महोदय, कि सन् 1971 में कोयला खदानों का राष्ट्रीयकरण हुआ और यह सन् 1986 का अन्त आ गया है, 16 वर्ष व्यतीत हो गये। अभी तक जिनका माल लिया गया है, उनको कितना कंपनसेशन देना है, कैसे देना है, इसका निराकरण नहीं हो सका है। लगभग डेढ़ दशक बीत गया है, पीढ़ियाँ बदल रही हैं। इसमें कुछ ऐसी समस्याएँ खड़ी हो रही हैं जिनकी ओर मैं विशेष करके आपके माध्यम से मंत्री महोदय का ध्यान आकर्षित करना चाहता हूँ। जिस समय कोल का राष्ट्रीयकरण हुआ आपने कम्पनी ले ली, उसकी एसेट्स ले लीं, लेकिन उस दिन उस कम्पनी के ऊपर बैंक का जो ओवरड्राफ्ट था वह आपने नहीं लिया। बैंक के ओवरड्राफ्ट के ऊपर ब्याज बढ़ता चला जा रहा है। 16 साल में कितना ब्याज बढ़ जायगा, क्या समस्या होगी, क्या देनदारी होगी, यह विषय है। जिनसे सब कुछ ले लिया वह तो देनदार नहीं रहे। आप कह सकते थे यह हम नहीं ले सकते, इसे सम्भालो। लेकिन वह रकम 16 साल के बाद साधारण ब्याज की दर से भी तिगुनी चौगुनी हो जायगी

इसका कौन देनदार होगा। या फिर 15 वर्ष हाई कोर्ट या सुप्रीम कोर्ट के मुकदमों में जायगा? इसके बारे में निराकरण चाहूंगा।

मैं आपके माध्यम से मंत्री महोदय से निवेदन करना चाहूंगा कि आपने राष्ट्रीयकरण किया, बहुत अच्छा किया, कई समस्याओं का निराकरण किया। 15 साल बीत गए हैं। जिनको जो देना है वह देकर छुट्टी कीजिए। इतना ही मेरा निवेदन है।

आज कोयला खदानों में उत्पादन का लक्ष्य रखा है 2000 में 418 मिलियन टन तक पहुंचाने का। यह देश की आवश्यकता को देखते हुए बहुत आवश्यक है। परन्तु आज जो कोल इंडिया की कार्य प्रणाली चल रही है उसको देखते हुए कई बार शंकाएं उत्पन्न होती हैं। मंत्री महोदय स्वयं शंका प्रकट करते हैं। पत्र-पत्रिकाओं में उनके आर्टिकल आते हैं और लगता है जैसे वे हमारी भाषा बोल रहे हैं—सरकार में भी है और विरोधी दल में भी।

एक माननीय सदस्य : वे आपकी भाषा नहीं बोल रहे हैं, वे आपका मन्तव्य टटोलना चाहते हैं।

श्री अश्विनी कुमार : मंत्री भी रहें और विरोधी दल के नेता भी बनें, यह संगत नहीं लगता।

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK). Don't listen; you go on.

श्री अश्विनी कुमार : कोल इंडिया साल में 6 चेंजरमेंट बदल चुके हैं। अब जो नए आए हैं उनको एक साल बीत चुका है। जिसको एपोइन्ट करें उसको काम करने दीजिए, उसकी रेस्पॉन्सिबिलिटी और एकाउन्टबिलिटी बनाइए। जब किसी का रिटायरमेंट का समय आता है तो उसको एक्सेटेंशन देना है या नहीं देना है यह पहले से निश्चित होना चाहिए। यह पहले से मालूम होता है कि कौन रिटायर करने जा रहा है।