

# SHORT DURATION DISCUSSION ON THE RECENT STEEP HIKE IN PRICES OF SEVERAL ESSENTIAL COMMODITIES CAUSING ACUTE HARDSHIP TO PEOPLE

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK: We shall now take up the Short Duration Discussion. Yes, Mr. Advani. Not here. Yes, Mr. Kailash Pati Mishra

श्री कलाश पति मिश्र (बिहार) :  
उपसभाध्यक्ष महोदय, गेहूँ, चावल, उर्वरकों, कोयले, मिट्टी के तेल, खाना पकाने की गैस आदि जैसी अनेक आवश्यक वस्तुओं के मूल्यों में हाल में की गयी भारी वृद्धि पर, जिसके परिणामस्वरूप लोगों को भारी कठिनाई हो रही है, चर्चा प्रारम्भ करता हूँ ।

महोदय, संसद का बजट सत्र प्रारम्भ होने वाला था । देहरी के भीतर पैर रखने के पहले केन्द्रीय सरकार ने कुछ ऐसे कदम उठाये कि सारे भारत की आम जनता एक प्रकार से कराह उठी है । बजट सत्र जो होता है उसकी एक नैतिकता है, मर्यादा है । एक साल के अन्दर सरकार कितने काम करना चाहती है, कितना व्यय भार है उसके लिए वह करों में कितनी वृद्धि करना चाहती है यह सब उसके जरिये पता चलता है । अधिवेशन अभी प्रारम्भ नहीं हुआ और अचानक कई चीजों के ऊपर इतना भारी कर लगा दिया है, टक्सेज का बोझ डाल दिया है कि आज बाजार में जायेगे तो आम आदमी के जीवन से सम्बन्धित कोई भी एक चीज नहीं बची है जिसके मूल्य में अचानक वृद्धि नहीं हुई है । मैं इसपर जाने से पहले सरकार किन-किन धंधों में फंस कर रास्ता निकालने की कोशिश करती है उसका जरा उल्लेख करना चाहता हूँ । सरकार तीन प्रकार के राक्षसों के घेरे में चल रही है । एक कालाधन का निर्माण करता है जो लगातार काला धन बढ़ाता चला जा रहा है । दूसरी ओर नान-प्लान बजट यानी गैर योजना खर्च की मद में जिस रफ्तार से खर्चा बढ़ता चला जा रहा है उस रफ्तार से करों से आमदनी नहीं हो रही है, आय

नहीं हो रही है । तीसरी बात यह है कि हर साल हमारे देश में जो बजट बनाया जाता है वह डेफिसिट फाइनेंसिंग का बजट बनाया जाता है और उसका गैप भी बढ़ता चला जा रहा है । काले धन पर आप काबू नहीं कर पा रहे हैं । नान-प्लान के खर्च पर सरकार काबू नहीं कर पा रही है । घाटे के बजट पर नियंत्रण नहीं हो रहा है । इन सारी बातों में फंसने के बाद यह सरकार क्या कर ही है ? यह अंधाधुंध ऐसे कदम उठा रही है जिसका सीधा असर आम लोगों के ऊपर पड़ रहा है, उनके ऊपर चोट हो रही है, आम आदमी की कमर टूट रही है । इस संबंध में मैं एक छोटी-सी रिपोर्ट को पढ़ना चाहता हूँ । यह रिपोर्ट किसी ऐरा-गैरा की नहीं है बल्कि पब्लिक इंस्टिट्यूट आफ फाइनेन्स पालिसी और प्लानिंग कमीशन के मेम्बर श्री राजा चेलियार की है । वे क्या कहते हैं, इसको आप देख लीजिये ।

The Report on Aspects of Black money in India by the National Institute of Public Finance and Policy under Dr. Raja Chelliah, now a member of the Planning Commission, confirms what has all along been known: that black money is extensive and growing rapidly. According to the Report, the quantum of black money in the economy might roughly be estimated at Rs. 37,000 crores in 1983-84 or nearly a fifth of GNP as against something of the order of Rs. 10,000 crores in 1975-76.

जहाँ सन् 1975-76 के वर्ष में कालेधन का अंक 10 हजार करोड़ रुपये आंके गए हैं, वहीं धन 1983-84 वर्ष में 37 हजार करोड़ रुपये हो गया । प्लानिंग कमीशन के मेम्बर फिर कहते हैं—

"This is the true index of the burden of evasion which falls most heavily on a small honest (or helpless) section of the population for it is this which support the exchequer through direct taxes."

अब अगर प्लानिंग कमीशन के मेम्बर यह कहें पब्लिक इंस्टिट्यूट आफ फाइनेन्स

[श्री कैलाश पति मिश्र]

पालिसी के चेररमैन यह कहे तो यह सरकार इस दशा में क्या कदम उठाने जा रही है ? मैं जानना चाहता हूँ कि आप कालेधन को समाप्त करने के लिये क्या कर रहे हैं ? सबमुच में देखा जाये तो इस सरकार ने कालेधन को रोकने के लिये कोई ठोस कदम नहीं उठाया है और कोई ठोस कदम उठाने की इस सरकार में क्षमता भी नहीं दिखाई देती है । मैं इस सरकार पर यह आरोप नहीं लगाना चाहता हूँ कि यह सरकार जान-बूझ कर कहीं न कहीं ऐसा मोटीवेशन जरूर देती है जिससे कालेधन में वृद्धि होती है, कालाधन बढ़ाने वालों को छूट मिलती है हमारे पास 1984-85 को रिपोर्ट है और मैं अब 1986-87 में प्रवेश कर रहे हैं । इस बात के प्रमाण है कि यह कालाधन 50 हजार करोड़ रुपयों तक पहुंच जायेगा । एक तरफ तो सरकार कहती है कि हमें रेवेन्यू कम प्राप्त हो रहा है और दूसरी तरफ कालेधन का अनुपात बढ़ता जा रहा है । दोनों में 75 और 25 का अनुपात है आप कालेधन पर काबू नहीं कर पा रहे हैं । इस पर नियंत्रण करना तो बहुत दूर की बात है । कालेधन पर जो नियंत्रण लगाया जाना चाहिये वह आप नहीं लगा पा रहे हैं । इस रिपोर्ट में बताया गया है कि काला धन किस प्रकार से बढ़ा है । राष्ट्रीय सार्वजनिक वित्त संस्था ने अपनी रिपोर्ट में उल्लेख किया है कि चीनी उद्योग, शुगर इंडस्ट्री ने 1980-81 में देश में 122 करोड़ रुपये का कालाधन तैयार किया था और 1984-85 में यह कालाधन 122 करोड़ से बढ़कर 180 करोड़ रुपये से ऊपर तक पहुंच गया है । आपने टैक्स बढ़ाये हैं, तर्क यह देते हैं कि टैक्स इसलिये बढ़ाये हैं ताकि लोग इन चीजों की खपत कम करें । किसकी खपत कम करना चाहते हैं ? क्या समय समय पर प्लानिंग कमीशन, जो पंचवर्षीय योजनायें बनती है, क्या उसने इसकी सफाई की है ? 1979-80 की जो प्लानिंग कमीशन की रिपोर्ट है उसमें बताया गया है कि पेट्रोलियम प्रोडक्ट्स में वृद्धि का जो

अनुपात होना चाहिये वह 9 प्रतिशत होना चाहिये आज इसमें कितनी वृद्धि हो गई है ? 1984-85 में 36 मिलियन टन का उपयोग हुआ और 1985-86 में कितना हुआ है ? लगभग 40 मिलियन टन यह 9 प्रतिशत की वृद्धि नहीं है, यह 6 प्रतिशत की वृद्धि नहीं है यह मात्र 5 प्रतिशत की वृद्धि है, 1985-86 को जब पूरा होने जा रहा है, इसका थोड़ा सा समय बचा हुआ है, इसमें अर्थशास्त्रियों का अनुमान है कि ज्यादा से ज्यादा 5 प्रतिशत से एक आध प्वाइंट ज्यादा बढ़ेगा इससे ज्यादा नहीं बढ़ेगा अभी जब मोटर वैहिकल ऐक्ट के ऊपर चर्चा चल रही थी तो मंत्री महोदय ने बड़ा मजदूर उत्तर दिया किसी ने कहा कि एक तरफ आप पेट्रोलियम के कंजप्शन पर रोक लगाने की बात कर रहे हैं और दूसरी तरफ धड़ले से सीलिंग हटाकर नेशनल परमिट दे रहे हैं कि चाहे जितनी भी वाहन चलाओं । तो इस पर उन्हें कहना पड़ा कि हम इस पर पेट्रोल की खपत में कमी नहीं कर सकते । अगर करेंगे तो प्रगति की गाड़ी रुक जायेगी जब इस तरह की बात आप कर रहे हैं तो कमी की आप बात रहे हैं आखिर पेट्रोलियम गुड्स की कीमत कैसी हो कैसे पेट्रोल की खपत में कमी हो, हम कितने पेट्रोल का उपयोग कर रहे हैं, हाई स्पीड डील की खपत कैसे कम हो, इसका उपयोग किस चीज के लिये करना चाहिये इस पर आपको विचार करना चाहिये । जो लुब्रीकेटिंग आयल है उसकी खपत आप कम कैसे करेंगे ? अगर मोटर, बस या जीप में मोबिल आयल न पड़े तो क्या सरकार बिना मोबिल आयल के देश के अन्दर ट्रक और सारी सवारियां ले जाना चाहती है ? आप इतनी खपत कैसे कम करेंगे किसकी रेकमन्डेशन के आधार पर कर रहे हैं ? क्या यह प्लानिंग कमीशन की रेकमन्डेशन है ? क्या सरकार की कोई ऐसी संस्था है जिसने इसके ऊपर विचार किया है ? लेकिन इनमें से किसी भी संस्था की यह रिपोर्ट नहीं है कि इसमें कितनी कमी हो सकती है । आपने पेट्रोलियम गुड्स के ऊपर, हाई स्पीड डीजल के ऊपर, लुब्रीकेटिंग आयल के ऊपर बढ़ा दिया और जो इंडस्ट्री में आयल का उपयोग होता है उसके ऊपर भी बढ़ा दिया

और बढ़ाने के बाद अपना तर्क देने हैं। लेकिन इसमें आप यह भूल जाते हैं कि जा आप इस किस्म के रेट तय करते हैं वह यही पर समित नहीं रहने उनका प्रभाव उन चीजों पर भी पड़ता है जिन चीजों में उसका उपयोग होता है और इस कारण से राज्य सरकारों को भी भिन्न भिन्न प्रकार के टैक्स लगाने पड़ते हैं जो लोकल वाडीज हैं उनको भी टैक्स लगाने पड़ते हैं। एक वस्तु पर टैक्स लगाने के बाद उपभोग में आने वाली उस वस्तु की कीमत में भारी वृद्धि होती है। यह केवल केन्द्रीय सरकार द्वारा लगाये गये टैक्सों के आधार पर नहीं होता। जब यह चीज अन्तिम छोर पर उपभोक्ता के पास पहुंचती है तो वहां पर उसकी कीमत पर उसका असर होता है। महोदय, कोयले पर आपने बढ़ाया। कितना हो बढ़ा दिया। अलग-अलग रेट से आप बढ़ाने जा रहे हैं। घरेलू उपयोग में आने वाले शाफ्ट कोल की कीमतों में भी आपने वृद्धि कर दी है। कोल पर आपने बढ़ा दिया, बर्टिलाइज्ड की कीमत आपने बढ़ा दी, पेट्रोल पर गैस पर आपने टैक्स बढ़ा दिया और यह टैक्स बढ़ाते-बढ़ाते आप देश को कहाँ ले जायेंगे? इसका कारण चाहे आप कुछ भी दें, आपको स्वीकार करना पड़ेगा कि कम से कम 24 सौ करोड़ रुपये की करों की वृद्धि हो गई है। बाजार पर नियन्त्रण कौन करेगा? कैसे नियन्त्रण होगा? सरकार कमर कस कर बैठी हुई है कि आम आदमी के संकट और आम आदमी की तकलीफ पर विचार न किया जाए। राष्ट्रपति महोदय का आपसे पड़ रहा था। आखिर वह सरकार की नीति का भाषण है। एक वाक्य ऐसा मजदार लगा। वाक्य इस प्रकार से कहा गया कि अगर देश को आगे बढ़ाना है तो कुर्बानी देनी होगी, कठोर समय का सामना करना पड़ेगा, कठिन परिस्थितियों का सामना करना पड़ेगा। यह सरमन्त यह उपदेश किस को दिया जा रहा है? किस से कुर्बानी मांगी जा रही है? देश की गरीब जनता मध्यम वर्गीय जनता को, अरे, वह तो अपनी कमर को संधा नहीं कर पा रही है। जीवन की कठिनाइयों से लड़ रही है। कुर्बानी के लिये किस को आह्वान कर रहे हैं? वह कुर्बानी दे रही हो या न दे रही हो लेकिन आप उसकी पीठ पर डंडा चला कर कह रहे हैं कि तुम को कुर्बानी देनी है। यह अलापते चले जा रहे

हैं। लेकिन आप कर क्या रहे हैं? आप ने इतने टैक्स बढ़ाए। पिछड़े हुये गरीब राज्यों पर थोड़ी देर पहले बहस चल रही थी, मैं सुन रहा था। मैं बिहार से आता हूँ। बिहार की किसी सड़क के ऊपर चले जाइये। आप सीधे आधा मील तक पैदल सड़क पर नहीं चल सकते। अखबार में एक दिन समाचार पढ़ा। धनवाद की एक स्कूल जाने वाली छात्रा ने प्रधान मंत्री को एक पत्र लिख दिया। उस समाचार का हैडिंग छपा था A Little Girl Means. प्रधान मंत्री का ध्यान उसके ऊपर खींचा गया। क्या आपने धनवाद की मड़कों की हालत देखी है? स्टेशन से बाहर निकलना मुश्किल हो जाता है। पुल के नीचे से निकलना मुश्किल हो जाता है। साइकिल और गाड़ियां चल नहीं पाती हैं। घंटों तक कई स्थानों पर जमाव बना रहता है। आप ऐसे गरीब राज्यों को शक्ति प्रदान करने के लिये कौन से कदम उठा रहे हैं? इन 2400 करोड़ में से आप राज्यों को क्या दे रहे हैं? उल्टे आप तो पिछड़े हुये राज्यों को संकट की स्थिति में लाकर खड़ा करते जा रहे हैं। आप टैक्स लगाने हैं उससे एकदम मंहगाई बढ़ जाती है। राज्य सरकारों की आय नहीं बढ़ती है। मंहगाई भत्ते की मांग पर शुरू हो जाती है। वह तो होगी ही, वह रुक नहीं सकती है। पूरे बजट के आऊट-ले पर आप विचार कर के देखिये। जो बजट का आऊट-ले है उसमें प्लान्ड पोरशन का कितना बजट है और नान प्लान्ड पोरशन का कितना बजट है। आप संसद में बैठ कर चाहे जितने भाषण और रिपोर्ट ला कर प्रकाशित कर दें, भारत की आम जनता जो देहात में और ओपण्डियों में रहती है उनके पास जायें तो ऐसा लगता है कि वे दिन-प्रति-दिन रसातल की ओर जा रहे हैं। वहां तो हाहाकार मची हुई है, वह जनता कराह रही है, इसके लिये आप क्या कदम उठा रहे हैं? इससे नहीं चलेगा, इस तर्क से काम चलने वाला नहीं है। एक बार यदि आपने भारत की जनता को देखा नहीं परिस्थिति का विचार नहीं किया आवश्यकता का विचार नहीं किया प्रवृत्ति का विचार नहीं किया जिस रास्ते पर दौड़ रहे हैं एक बार रुक कर घूम कर देश को आप देखिये नहीं तो आप याद रखिये आप इस देश को

[ श्री कैलाश पति मिश्र ]

डबाए बिना छोड़ेंगे नहीं। मंहगाई इतनी बुरी तरह से बढ़ गई है आपको भी यह हिम्मत नहीं होती है कि आप अस्वीकार करें कि इन टैक्सों के कारण मंहगाई बढ़ी नहीं है। कई जगह आपने मंहगाई भत्ता बढ़ा दिया है। सरकारी कर्मचारियों का मंहगाई भत्ता आप को बढ़ाना पड़ा है और आपको बढ़ाना पड़ेगा। और जिन-जिन पदार्थों पर टैक्स लगा कर आपने बढ़ाया वे दूसरी तीसरी, चौथी, सब प्रकार की चीजों को प्रभावित करते हैं। एक भी चीज छूटने वाली नहीं है जिसके ऊपर मंहगाई नहीं बढ़ने वाली हो। फिर आपको और मंहगाई भत्ते बढ़ाने होंगे। आपके हाथ में रिसोर्सेज हैं, साधन बहुत हैं, केन्द्र सरकार सम्भाल लेगी लेकिन आम जनता और राज्य सरकारों की कमर टूटने वाली है इस बात को मत भूलिए (समय की घंटी) मैं एक चेतावनी देना चाहता हूँ, लगता है कि डायग्नोसिस आपकी गलत है गलत सलाह आपको मिल रही है, रास्ते गलत बन रहे हैं। "मानस" का एक दोहा मुझे याद आ रहा है, वित्त मंत्री जी के लाभ के लिये और मैं कहूँगा कि प्रधान मंत्री जी के लाभ के लिये उसका उल्लेख करके मैं अपना भाषण समाप्त कर दूँगा। वह दोहा ऐसा है:

"सचिव, वैद्य गुरु तीन जौल,

प्रिय बोल हीं भय आस," उसके बाद होता क्या है ?

"राज, धर्म, तन, तीन कर  
वेग हो यहीं नाश"

सरकार जिस रास्ते के ऊपर चल रही है अगर वह रास्ता रुका नहीं तो इस सरकार का भी नाश होना अवश्यमभावी है।

धन्यवाद।

SHRI N. K. P. SALVE (Maharashtra): It is an extremely important subject on which we are debating to-day...(Interruptions). It is a serious matter and I would expect you to

show some sense of propriety which you lack, Mr. Sinha.

SHRI INDRADEEP SINHA (Bhar): We are very serious.

SHRI N. K. P. SALVE: I want to address myself to the basic issue which is involved in this subject which we are debating today. The situation which the price rise has created is one in which, it must be admitted, very highly inflammatory speeches can be made which can incite public opinion. One can embellish one's speech with plenty of political Jargons and political shibboleth and one can also derive the satisfaction of very short momentary political gains. But if the national interest has to be served and subserved, I must submit, the matter must be looked at with a much greater degree of restraint and much greater degree of objectivity; otherwise such speeches will become plenty of barren verbiage-tons of barren verbiage-without an ounce of responsibility to the national interest. In order to do justice to the subject, we have to firstly properly analyse the present state of economy and it is necessary for us to evaluate the track record of this Government so far as the management of the economy is concerned and so far as the management of the price mechanism is concerned and, therefore, it is also essential to assess the totality of the situation in which this extremely crucial policy decision has been taken, which policy decision impinges on three extremely important aspects of the economy: one, the disconcerting balance of payments position; two, the trend of increasing subsidies far in excess of the subsidy quantum envisaged in the Seventh Plan; and three, losses of the public sector undertakings. Finance Minister has said any number of times unequivocally and categorically and so has the Prime Minister. Some derisive reference was made to what the Prime Minister said about sacrifice of

the people to which I will advert a little later. But this decision of price rise is an extremely unpleasant decision and it is an extremely painful decision; but I want to make it clear that this decision has been taken neither impetuously nor at the spur of the moment nor a decision which they were compelled to take having been pushed into the corner where we had no option left over. It is best that a decision, hard decision, an excruciating decision is taken when you are at the top of the world, when you are in a position of strength and when your options are open rather than be pushed into a corner of compulsions by circumstances, where you have no options or no choices left. Therefore, we want to make it clear and reiterate that this is a decision which has been taken after mature consideration. It is a deliberate, conscious decision. Also, Sir, when the decisions were taken, as our leaders have explained to us in detail, we were fully aware of the likely repurcussions, political repurcussions, economic repurcussions. We were aware of the reactions of the people at this juncture if there was going to be a price rise. We were also conscious of what the role of the politicians and the opposition parties was likely to be under the circumstances. Therefore, this has not come as a surprise to us. They were bound to exploit the situation. They have been hopelessly mauld and maimed in the Lok Sabha elections and after fourteen months if they were going to have an opportunity, they were going to stick to it for the sake of their lives just as a drowning man sticks to a straw. Anyway, we do not blame them. But I am sure, Sir, they would not want to take an unprincipled and unscrupulous political advantage of the discontent in the country on the question of price rise. But what is the basic issue in this price rise? This has to be considered very objectively. This I put, in all humility, before the Opposition, to kindly consider, whether or not this

is the issue and the issue, according to me.....

**SIRI PARVATHANENI UPENDRA** (Andhra Pradesh): Thank you for admitting that there is discontent in the country. You have made at least one truthful statement.

**SHRI N. K. P. SAVE:** I have not the least doubt Mr. Upendra, that there are going to be hard decisions, in which there is going to be discontent and this is going to get some short-term political advantages and some short-term political mileage to you. But in the long run, the same thing will be repeated which happened in 1984. We do not want you to take care of our political interests. We will be very happy if you people are capable of looking after your interests so that we have at least some sort of an opposition in the Lok Sabha to look at which we will not need a microscope. Please listen to me.

According to me, the basic question is, whether the burden of price rise on the people is attributable to the inefficient and unsatisfactory track record of the management of the economy and the price mechanism by the Government, or, whether, despite a commendable management of the economy and a strong economy, the decision has been taken from a position of strength to firmly avoid a future financial and economic crisis and to ensure an accelerated economic growth. If it be the latter, that is, the performance of this Government, so far as the management of the economy and the price mechanism is concerned, has been very efficient, has been very able, has been very satisfactory and if the state of the economy, overall economy, is highly satisfactory and if we, from a position of strength, had to take certain hard decisions, to safeguard ourselves against an impending crisis in the months to come and the plausibi-

[Shri N. K. P. Salve]

lity and the possibility of our being required to abridge our plans, to curtail our projects, to cut on our investments, whether or not this was the right time to take a decision, discontent of the people notwithstanding. I would request you to base the decisions which have been taken on the sound principles of public finance and not on dubious considerations or on short-term political gains. Therefore, I will come now to the subject of the state of the economy straightaway to make my point clear to you, Mr. Upendra, to the Members on the other side and to the House.

Now, Sir, what are the salient features of our economy today? Look at our overall economic growth the industrial growth, the agricultural growth; buoyancy in investments, buoyancy in tax collections, price stability. Let us put them to a very hard test, to an acid test, to determine whether the decision taken is entirely in the national interests or not. If it is in the national interest, then, whatever you have said, we have a right to ignore them, we have a right to disregard them and, in fact, to look upon it with contempt.

SHRI VIRENDRA VERMA (Uttar Pradesh): Thank you.

SHRI N. K. P. SALVE: What about the overall growth in GNP? 5.3 per cent in the Sixth Plan, which is more than the one that was envisaged in the Plan itself. In 1985-86, it is round about 5 per cent. How many developing countries are there in the world...

SHRI INDRADEEP SINHA: On what base? Calculation on what basis? What is the base year?

SHRI N. K. P. SALVE: Base year is 1977.

SHRI INDRADEEP SINHA: No.

SHRI N. K. P. SALVE: 1960-61.

SHRI INDRADEEP SINHA: No.

You take a base year (1979-80) when production was particularly low and then show a magnificent result. That is jugglery.

SHRI N. K. P. SALVE: I do admit that there can be plenty of jugglery in statistics. Mr. Sinha, lies, damn lies statistic. But at the same time... Would you please listen to me? Consistently have we not been determining our growth on the same basis? We can reach different results differently in statistics, but so long as there is uniformity in the method of calculation, it gives you an idea of the growth. May be in absolute terms one may have something to say, but as long as in terms of percentages we have been adopting a consistent approach, consistent calculation, you cannot find fault with it just now. And therefore this growth rate is there which is an indicia of the overall economic development of the country as such.

And what about the industrial growth. Industrial growth in the first six months in 1985-86 has been in the vicinity of 6.3 per cent and in the month of October and November, it was 8 per cent. These figures are absolutely cast iron and nobody I think will raise serious doubts about the figures I am mentioning in the House. The policy initiatives of Government have created an unprecedented buoyant investment climate coupled with higher savings. There is higher saving and there is an extremely buoyant investment climate which have been accepted by every one concerned. Power generation in the year ending 31st December, 1985, is more by 8.2 per cent. It has certainly not reached the optimal point but we have done a lot and a lot needs to be done. But this is the indicia of the management of the overall economy. Saleable steel has increased by 12.9 per cent. The production of saleable steel has increased and that of fertilizer by 10.3 per cent. Railways have created an all time record in freight traffic movement and the ports

have handled higher quantities of cargo by 13.2 per cent.

The Central Plan outlays were stepped up by 15 per cent, which I am sure...

SHRI DIPEN GHOSH (West Bengal): Leave something for tomorrow, Mr. Salve. You are quoting from the President's Address.

SHRI N. K. P. SALVE: Does it make it inaccurate? Does it make it untrue?

SHRI DIPEN GHOSH: Anyway, leave something for tomorrow.

SHRI N.K.P. SALVE: You will have enough tomorrow to shut you up. You please listen to what I have to tell you today... (Interruptions) Mr. Dipen, what I am trying to tell you is that there is a certain common area in the debate today and the debate tomorrow, and the common area is evaluation of the performance of the Government.

SHRI DIPEN GHOSH: Throw some new light?

SHRI N. K. P. SALVE: You want some new light? All right. Let me tell you something. What about agricultural stocks? I do not know whether you have an idea of that. Agricultural stock today are 25 million tonnes. These figures are not there in the President's Address. It is an increase of 15 per cent. And our output in agriculture is likely to be 150 million tonnes. That is not from the President's Address. There is an extremely satisfactory food situation which has made it possible for us to give highly subsidised food to the Scheduled Castes and Scheduled Tribes and expectant mothers and children. (Interruptions) To Scheduled Castes and children and Scheduled Tribes also.

PROF. C. LAKSHMANNA (Andhra Pradesh): It is only Scheduled Tribes.

SHRI N. K. P. SALVE: You will have your chance. You can say what is wrong.

SHRI PARVATHANENI UPENDRA: It is only Scheduled Tribes.

PROF. C. LAKSHMANNA: This is a point which we have been continuously stressing.

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK): Prof. Lakshmanna, let him carry on.

SHRI N. K. P. SALVE: Please have some patience. Will you have your turn or not?

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK): Mr. Salve, please don't address him. You please carry on.

SHRI N. K. P. SALVE: The foreign exchange reserves today stand at 6,500 crores...

SHRI DIPEN GHOSH: This is the whole difficulty with Mr. Salve.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH): This is for the whole area. In this tribal area whoever is there. Even Scheduled Castes are there.

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK): Let him have his say. Your chance will also come.

SHRI N. K. P. SALVE: Sir, they are with their blinkers on. The only thing is, they disturb me. If they have the patience to listen, I will explain.

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK): Just ignore them. Please carry on.

SHRI N. K. P. SALVE: The foreign exchange reserves are extremely satisfactory. We have Rs. 6,500 crores which is ten times higher than it was a decade ago. Sir, there have been

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higher imports. The growth of exports has been marginal and there have been higher imports primarily because of petroleum products, because of oil, fertilizers and sugar, and that has created a disconcerting position so far as the balance of payments position is concerned. So far as our foreign debt is concerned, it is well under control. This is about the general economy as a whole of the country *vis-a-vis* their management.

Now let us come to tax collections. I remember, Sir—Nirmal is here—when the policy announcement was made last time during the budget discussions and certain budget proposals were put forward, there was a scathing indictment by the opposition parties, particularly the parties belonging to the left side, CPI and CPI (M), that the entire budget proposals were a sellout to the rich and the affluent and that larger burden is cast on the poor. That is the burden of the song even today. What has happened as a result? At that time they very vehemently said it. Do you want rational, reasonable and pragmatic rates of taxation and higher and buoyant tax revenues or do you want a populist measure of extremely unrealistic rates of taxation and lesser collection? This is what we have been talking for several years. Ultimately there came a Prime Minister and a Finance Minister who could muster enough courage to deviate away from populism and take to a more realistic approach. Laws of economics are ruthless and political shibboleths and political expediency is not something to which the laws of economics ever yield. First attempt was made to rationalize taxation, first attempt was made to make the direct taxes more reasonable. Here we have the result. We have the result of having the highest growth in the collection of taxes in the decade. The growth rate is 22 per cent which is the highest in the decade, for which the Prime

Minister and the Finance Minister are rightly entitled to highest compliments and congratulations. The Seventh Plan target is envisaged in a figure of 1,39,000 by way of tax collections. We have no doubt whatsoever in our mind that with such a pragmatic approach we will be able, by the end of the Plan to reach the figure of 1,39,000. I want to refer to what one of the economists has said about income tax, because the honourable Member referred to the Chelliah Report which said there is a massive amount of black money which is concealed, which has not been subjected to taxation and it is that money which is creating havoc in the economy of the country. No one can dispute that existence of black money is perhaps the biggest menace to our economy, that is the biggest threat to our economy. But if it has to be taken out a populist measure is not going to take it out. You have got to have such measures which are effective and efficacious, and if there was an effective and efficacious measure, it has been taken by Mr Vishwanath Pratap Singh.

This is the Times of India of 24-2-1986 in which an eminent economist says about income tax—and the honourable Member who initiated the debate will be happy to know what he has to say:

“The Government's achievements in the economic sphere have been equally impressive. At the end of January the income tax was yielding Rs. 658 crores more than the Rs. 1,600 crores it noted last year. Even without taking into account the possibility of a further rise in the last quarter, a normal occurrence, this increase means that somewhere around Rs. 10-000 crores of previous concealed income are being declared this year as a direct consequence of lowering of the tax.”

This is not what I am saying; this is not what my party is saying. This is from the Times of India of 24-2-1986.



My respectful submission. Sir, is a very pragmatic, a very highly result-oriented policy has been enunciated and followed. Not only was it kept at the theory but there has been a very vigorous implementation of the policy, as a result of which this is where we have come. Assuming, but not conceding that there is Rs. 37,000 crores of black money concealed under the table, here is an attempt, here is an approach, which will bring out the entire money some day, if not today. In one year we cannot set right all the wrong which has come about in the preceding several decades. But surely the policy and the management is efficient, is result-oriented and is showing result is borne out by this evaluation assessment which has been made of the tax administration which is an extremely important weapon so far as the economy is concerned.

Sir, what about the price stability? About the price stability, I would like to quote to some figures. In 1981-82 inflation in the country the overall inflation, was 9.3 per cent. The next year it was 2.6 per cent. In 1983-84 it was 9.5 per cent. In 1984-85 it was 7.1 per cent. Between April to February it was 3 per cent. And in 1985-86 the increase is the lowest for seven years.

**SHRI DIPEN GHOSH:** How much together during the last six years?

**SHRI N. K. P. SALVE:** Answer to that, Mr. Vishwanath Pratap will give you if he thinks it is important enough. But I want to tell you and the students of Economics will understand, and I am addressing to Mr. Nirmal—that this massive deficit was there in the Budget. Perhaps it was an all-time high deficit that was there in the Budget. If that deficit had not been absorbed by the growth in the economy, would we have ever achieved this price stability which we have achieved? It is an accident that we have achieved so much economic growth? We have achieved buoyancy in investment. We have achieved buo-

yancy in savings. We have achieved buoyancy in collections. And we have been able to keep this stability despite the massive deficit in the Budget. Is it no tribute to the management, to the efficiency and the manner in which the entire economy of the country has been managed? Has a word been said about all these aspects of the matter? You can run us down that the price rise is breaking the back of the poorest of the poor. Surely one can go on *ad infinitum* and *ad nauseam*. That is not going to solve the problem. Please do understand the real motive, the economic rationale, the prudence and the wisdom behind the decision which the Government was compelled to take the decision.

In this context and in this view of the state of the economy and the performance of the Government, let us analyse the rationale and the soundness of the price rise. I do not want to leave it here; I want to go further and I want to deal, item, how the situation is *vis-a-vis* this decision and how sound and how imperative and how wise the decision was in the national interest in the long national interest, whatever may be the political repurcussion which we might have been suffering at the moment.

Sir, I come immediately to the question of subsidy. I want to make it absolutely clear that at this stage of the development of the country and at this stage when a large section of our people is round about the poverty line or below the poverty line, it is absolutely imperative that we continue the subsidy. We cannot dispense with the concept of subsidy. But the question is, if you don't rationalise the subsidy, if you are not going to regulate the quantum of subsidy some day the whole concept, not only the subsidy but the entire concept of planning, the entire concept of well regulated economy is likely to go haywire. I want to put these figures. It is expected that the total subsidy involved in the Seventh Plan would be of the order of Rs. 16,805 crores. If the pre-

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sent race continues and if the growth of the subsidy is not checked for whichever reasons—there is large consumption of items on which there is high subsidy, five or six items; because there is large consumption, there is high subsidy—if this is not checked then the estimated subsidy by the end of the Seventh Plan is expected to be Rs. 41,000 crores. Can this country afford this subsidy without putting its entire Plan projects, absolutely 4 P.M. haywire, without making the estimates of the entire Plan look utterly ridiculous? If these figures are correct, can this Government be blamed for taking certain measures which it considers rational to frame the long-term policies, the economic policies and the fiscal policies so far as the implementation of the Plan is concerned?

Now, let us evaluate the position of the subsidies. We give a subsidy of 65 paise per kilogram of wheat, 64 paise per kilogram of rice and 95 paise per kilogram of fertilizer. The food subsidy in 1983-84 was Rs. 1,31 crores, which rose to a massive figure of Rs. 2,900 crores in 1984-85 and further to Rs. 3,700 crores in 1985-86. Can you allow this geometric multiplication of subsidy and want the Exchequer not to bear this sort of burden?

SHRI INDRADEEP SINHA: Please explain why was this rise in subsidy?

SHRI N. K. P. SALVE: I will come to it. Higher the consumption of these items . . .

SHRI INDRADEEP SINHA: Is there a higher consumption? There is no higher consumption.

SHRI N. K. P. SALVE: Certainly there is a higher consumption in fertiliser, in petroleum products, in everything.

SHRI INDRADEEP SINHA: You were talking of foodgrains not of fertilisers.

SHRI N. K. P. SALVE: I am talking of foodgrains, fertilisers, petroleum products, handloom Dhosis and handloom Sarees and on all these there is an increase. Unless there is increase in the consumption of these, the subsidy cannot increase.

SHRI INDRADEEP SINHA: You should get the actual figures from the public distribution system.

SHRI N. K. P. SALVE: I cannot argue like this. When it is your turn you can refer to it. This sort of cheap gimmickry does not pay.

SHRI INDRADEEP SINHA: Why don't you give the off-take figures.

SHRI N. K. P. SALVE: If you think in the figures that I am quoting there is anything wrong, when it is your turn you will be able to point out that we have been relying upon wrong figures, on wrong assumptions and that our conclusions are wrong. In the meanwhile . . .

PROF. C. LAKSHMANNA: I want a simple clarification.

SHRI N. K. P. SALVE: I am not yielding, Sir.

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK): Please don't start a dialogue.

SHRI N. K. P. SALVE: I am not yielding. This sort of dialogue is not of my choosing at all. There are interruptions. When I start replying they start interrupting. I can understand they do not like the figures they don't like our assumptions, they don't seem to be liking anything rational coming from us because it does not suit their political convenience.

I maintain that the subsidies are exceedingly heavy and the growth of subsidies is also very heavy. If there may be some miracle by which it can be pointed out that there should be increase in consumption of items and

the burden of subsidies given by Vishwanath Pratap Singh will decrease, I will certainly be happy that they should point out when their turn comes.

Sir, a hue and cry is made when there is a reduction in the amount of subsidy. Take for instance the reduction of subsidy on the kerosene. The poorest of the poor trusted us and sent us to Parliament here. We are here and in several other State Legislatures also we are there. In my own State—Maharashtra—we are trusted by these people. We are also worried about their lot. But these people who are resting the barrel of their guns on the poorest of the poor say that the withdrawal of subsidy or increased price of kerosene which is an indirect reduction on subsidy is a heavy burden. But would one care to evaluate what the heavy burden is likely to be? We have very carefully looked into this matter and we estimate actually that the subsidy on kerosene before the price rise was 85 paise per litre. After increase it is 71 paise per litre. It is 14 paise per litre. And assuming that in a month there is about five litres of consumption per family in the villages, the total burden cast on a family because of the withdrawal of the subsidy or reduction of the subsidy is 70 paise. I concede 70 paise itself is a burden; but in the larger national interest the burden of 70 paise is perhaps the lowest that could be cast on a person. It works out to 70 paise per family every month on five litres of kerosene which they consume. That is one way of looking at the item. Therefore, submit that the subsidy was absolutely inevitable and it was essential that these changes were made.

Now, let us examine the balance of payments position and the entire price rise from the balance of payments position. There is a rise in the petroleum products. Then we will be working. Member wanted me to give some more figures about fertilisers, etc. I want to submit, Sir, it was envisaged in the terminal year of the plan that the total growth of consumption in the

petroleum and petroleum products would be 38 per cent. In the first year itself of the plan that is 1985-86, the growth which has come about is 40 per cent, whereas in 1984-85 the total amount spent on import of crude, petroleum and petroleum products was Rs. 3,500 crores. In 1985-86 it has increased to Rs. 4,600 crores. The import of petroleum and petroleum products in 1985-86 are over 30 per cent which is higher than 1984-85. Actually one needs to understand as to what is the position? There is a lot of criticism that the price of petroleum products has gone down in the world market and why it has been increased in our own country? The mechanics of determining the price may well be appreciated. The burden cost of crude imported was Rs. 2,600 per tonne, whereas the average imported price during 1985-86 was Rs. 2,450 per tonne. That is the price of crude imported in 1985-86 has gone down and still why is the average rate of petroleum higher? And the reason here is for anyone to understand. Earlier in 1984-1985 our imported crude was only 20 per cent and the indigenous production was 80 per cent. This year our import is 33 per cent and indigenous is 67 per cent. As a result of this, the average price per tonne of the oil during 1984-1985 was Rs. 1,625 when the prices were higher. And when the prices of the imported crude had fallen, the average price has come to Rs. 1,635.

Then there is also one more aspect of the matter which I want to bring to the notice of this House that is regarding balance of payments position. Sir, if we are going to allow the consumption of petroleum and petroleum products unchanged, then we will have to depend more and more on imports. Depending more and more on imports without sufficiently augmenting our exports then we will have to borrow money from foreign countries. We will have to borrow loans to pay off our bills on petroleum and petroleum products. When we will be working ourselves into a debt trap, which will take us into the throes of a debt trap.

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Sir, what about the history of 15 countries which are today in the throes of a debt trap, out of which they cannot go. These 15 countries are on the anvil of the political conventions. Either they will be involved in a cataclysmic upheaval or political upheaval where it will be followed by anarchy, lawlessness, violence and disaster. If that is not ever averted the international banking system will collapse. In any case both will mean disaster. In several countries including countries like Nigeria, Mexico, Venezuela which export oil, a better plan was evolved. I am putting this for the simple reason, it was our soft option. Today our foreign debts were very well managed. Perhaps when the IMF loans become due they will be anxious to refinance that loan repayment. But we do not want any loans from IMF. We do not want to entrap ourselves into debt. Whatever we have done is well within our control, well within our resources, then we will be able to pay and if you want to avoid this debt charges because we have the history and are you going to learn lesson from the existing state of affairs of these 15 countries who exercised soft options. We are not yielding to any coercion, duress or suppression. They thought it was best to go in for large amount of borrowings from abroad, perhaps, for illusory growth, perhaps for internal things. Then what happened. The growth was never adequate enough for them to enable them to repay their foreign debts. Whatever the GNP of developing countries, the entirety of GNP cannot be in foreign exchange. They have not been able to pay their foreign debts. They will not pay. A Plan was evolved where they thought the inflation in those 15 countries will be checked. Where they thought if the inflation is checked and more market oriented adjustments were made, they would be able to repay and for this purpose, further 20 billion loans had to be given to these 15 countries and what is the result. I am reading

from the Economic Times, 'The Debt Bomb about Mexico. What is being written here.

"The Mexico was supposed to be the showcase of how the Baker Plan would work. These expectations have been totally upset by the sharp drop in oil prices in the last couple of months. Mexico's oil earnings suffered badly and the country now required 10 billion more in the new loans in 1986 to stay afloat. This way we need 6 billions more than what was originally envisaged. In the end it is written that on the balance, the debt bomb can hardly be said to have been defused. It is ticking, and the likeliest candidate for an explosion could well be Mexico'..

Do you want our country to be the 16th one? Do you want us to go on with wreckless import or do you want that signal to be properly given at a time that we are not going to import beyond what we can pay for out of our own resources and if we are determined to indebt ourselves to borrow only to the extent that we are able to pay out of our own resources? Is there not to be restraint on the import of this item which can go on increasing *ad-infinitum* which we cannot just afford, which we cannot just allow and therefore to prevent our selves from a debt trap whether internal or external, the external trap is far more pernicious and far more dangerous than the internal trap. it is necessary for us to take appropriate austerity measures, it is necessary for us to tighten our belts and and that is what is sought to be done. In the end Sir, I only want to deal with the third aspect of the matter and it is regarding the prices of the coal. The coal prices have been increased. But what is the position of the coal sector? The position of the coal sector is so appalling that they would say and they themselves said that time has come that there was absolute necessity either to collapse on the one side or to increase the prices. What is the situation? The prices of coal were raised by Rs. 2

e. 13.8 per cent. No price is increased in soft coke used as domestic fuel. This price revision was the first in two years. The last rise was in January 1984. Before the latest price increase, Coal Companies were making a loss of over Rs. 1 crore per day. Can you allow this sort of a trend? How long will you allow this sort of a trend? Will it not herald total insolvency on us. Therefore, if the coal prices have been raised, this is the rationale. There has been considerable criticism of our Party that very close to the heels of the Budget Session, this sort of announcement was made tinkering with the administered prices. We ourselves protested to the Finance Minister and Prime Minister that any tinkering with the administered prices, especially if these are for the purposes of raising revenue must be with the concurrence and the approval of the Parliament and Parliament only. Both Prime Minister and Finance Minister have been sensitive and they announced openly that not only we are going to evolve a long term policy on the core sector product prices and that prices will be determined and lay down the parameter within which the prices tinkered with will be increased.

Sir, I would only submit that I do hope that the policy frame will lay down normative standards of costing, that it will lay down norms and measures for optimal capacity utilisation, that it will lay down that the prices will be so regulated that the public sector is not allowed to lose at the cost of the public and to the benefit of the private sector and that as far as possible, the administered prices must not be used as a measure to augment your revenue, Mr. Vishwanath Pratap Singh. I do hope that the parameters of your policy will bring about these things. (Interruptions) It was necessary to have an objective evaluation.

THE VICE-CHAIRMAN (SHRI M. P. KAUSHIK): Please conclude.

SHRI N. K. P. SALVE: Sir, I am finishing in one minute. In the end, I do want to submit that the prices undoubtedly have cast a burden on the consumers and have impelled them to make sacrifices. In the interest of political expediency, this could well have been avoided, but we would have been faced with the prospect of reducing investments, curtailing growth or indebting ourselves beyond our means. For the sake of a better and brighter tomorrow, we have been burdened today when we have the strength to bear the burden. We must not abridge our Plan. We must not reduce the investment needed to provide more schools, more employment, more pure drinking water for villages, more schemes for the rural poor, more roads, more power, more steel, cement and fertilisers, and more production in the core sector. Let us not be worried by the noise which the Opposition is creating so long as we are sure in our minds that all that has been done is entirely for the purpose of catering to the national interest. What has been done is to provide for a better and higher tomorrow; never mind the sacrifices today. So far as the people are concerned, they have always realised where their good lies. Whatever the Opposition may have to say, it will all go waste. I have no doubt in my mind.

SHRI NIRMAL CHATTERJEE: (West Bengal): Mr. Vice-Chairman, Sir, you will appreciate that apart from the subject under discussion, Mr. Salve has also become a subject. Therefore, please permit me to consume some more time than allowed on the subject. Now, to begin with, I have excellent relations with Mr. Salve, partly because I never take any income-tax advice from him . . .

SHRI N. K. P. SALVE: You have never paid any tax honestly. Why take advice?

SHRI NIRMAL CHATTERJEE: I am in agreement with him, I entirely believe him when he says that he is unhappy both about the manner in

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which Parliament was bypassed and also about the fact that raising administered prices had to be a means for resource mobilisation. I entirely agree with him that he is pained, so much so that he is pained out of his wits today.

I will come to some of his arguments also. He says: very interestingly, that he agrees with the concept of subsidy, but he cannot retain that. His agreement is with the concept, not with the subsidies. That is how it seemed to me. I will rather come to the points raised by him, but let me come first directly to the subject itself. We have the benefit of a very interesting debate in the other House. The issues were posed in two kinds of ways. One was in terms of propriety and the other was in terms of why the administered prices had to be raised. From the debate there and elsewhere I know that given the opportunity most members of the ruling party would be siding with us. In fact without their support the bandh of 10th in Delhi and of 11th in West Bengal and Tripura—without their active or passive support—would not have been such a grand success. Certainly the support ranged even to the homes of the Cabinet Ministers, as was seen on the T.V. This support is very welcome. Even then, there is some lack of clarity, some lack of depth in questioning, some lack of depth in answering the problems that face us. Officially there was no answer to this question. There was some answer given that it is perfectly legal. There is no doubt about it that a Government elected with such huge majority has no legal bar to raise administered prices outside Parliament. There is no doubt about it. But there is a warning contained in this kind of activity. In all humility may I remind this House, though not exactly comparable, but yet, the great Nazi Hitler also came through ballot though not with a majority vote. That can be one

direction which, wittingly or unwittingly, some may like to traverse. But the point is it is not a question of legality. The question is certainly of propriety. But I am on another question. I have a suspicion and very frankly I want to put it before you. Why did you have to rush?

SHRI KALPNATH RAI (Uttar Pradesh): In what respect were you referring to Hitler?

SHRI NIRMAL CHATTERJEE: Very simple; he eliminated Parliament while you have only bypassed it. He also came via elections as you have. But after coming to power—if you do not know this bit of history—let me educate you—he eliminated Parliament and introduced what has come to be known as Nazism. We have some phases during the Emergency—I do not wish to exaggerate but I am exaggerating it only as a warning before the House . . .

[The Vice-Chairman (Shri Santosh Kumar Sahu) in the Chair]

SHRI VISHWANATH PRATAP SINGH: Mr. Nirmal Chatterjee, how sacred do you feel that ballot is on the premises of your party and your ideology?

SHRI NIRMAL CHATTERJEE: Our party is fully committed to ballot but not of your variety. . .

SHRIMATI USHA MALHOTRA (Himachal Pradesh): What happened to your rolling plans?

SHRI NIRMAL CHATTERJEE: I am very sorry, you will be retiring very soon; otherwise, we would have enough time to discuss about our rolling plan.

Anyway, let me keep to this subject. My suspicion is something else. I respect the Treasury Benches. I believe that they would not . . .

SHRI N. K. P. SALVE: Do we take it that you believe in ballot?

SHRI NIRMAL CHATTERJEE: We do, not of the Phillippino kind—once again a comparison . . .

SHRI N. K. P. SALVE: You believe in the Indian type!

SHRI NIRMAL CHATTERJEE: Indian type excluding rigging. We are not comparable to the Philippines because there the Government rigged the entire country whereas here according to the Election Commission only a few States indulged in that kind of rigging. Why is it that this sense of propriety was not there earlier? If you agree that it would have been proper, why did you have to rush? That is my question. You had to rush. Otherwise, you also would have been happier along with us to be able to place it before Parliament now. Let us try to figure out that answer. Why did you have to rush? Well, you referred to other points and let me also make a mention. Certainly, India is not Philippines where Mr. Reagan or his Special Representative, Mr. Habib, can go and dictate as to who should be the President of that country. We are not a country of that type. Therefore, many such things which the US imperialism does here, does it here rather in a covert manner and everybody knows that the things which are permissible in Philippines are not permissible here. Therefore, they use different kinds of instruments. Such an instrument is the World Bank, such an instrument is the IMF and such an instrument is the Indo-US Chamber of Commerce. Let me remind you all, including Mr. Salve, of the conditionalities that were entered into when you took that IMF loan. Those conditionalities were never published and they continue to be secret and to the extent they are not secret, they are so because others have given publicity. Everyday there were reports in the Press that there was a continuous correspondence between the IMF and the World Bank on the one hand and the Government on the other. Very recently, the paper "Telegraph" has brought out the offi-

cial letter which says, among other things, that by 2000 A.D., we will have the largest population below the poverty line and therefore, we require credit at a low rate of interest from the World Bank and its IDA wing. You argue that unless we do this, this hike we have to go there. I do submit that this exact symbiotic relationship is somewhat different. You do this in order to get more aid and you went in for secret confabulations and the rush and the hurry and the impropriety were there to cover up something which, I suspect, you might be doing with the IMF and the World Bank. It is because of the secrecy that is there, that I say this.

SHRI N. K. P. SALVE: Is it your case that he had increased these prices because he wants more aid from the US? Is it your case?

SHRI NIRMAL CHATTERJEE: I say that secret confabulations are going on and correspondence is going on. (Interruptions). Confabulations are going on and correspondence is going on in order that as you have said, somebody bails us out.

SHRI N. K. P. SALVE: Who will bail us out?

SHRI NIRMAL CHATTERJEE: Mr. Salve, you referred to the balance of payments difficulties.

SHRI N. K. P. SALVE: Yes.

SHRI NIRMAL CHATTERJEE: Somebody has to bail us out. Nine thousand crores of rupees is a very big deficit.

SHRI N. K. P. SALVE: I reply that we have to bail out ourselves.

SHRI NIRMAL CHATTERJEE: That is what I am coming to. But what is your definition of "we"? (Interruptions).

SHRI N. K. P. SALVE: "We" means India.

SHRI NIRMAL CHATTERJEE: Whose India? It is Salve's India, it is the India of the people who are below the poverty line? We have to discover that (*Interruptions*).

SHRI N. K. P. SALVE: Surely, not the India of the Russians . . .

SHRI NIRMAL CHATTERJEE: It is not; Russians have their own country.

SHRI N. K. P. SALVE: . . . or the Chinese.

SHRI NIRMAL CHATTERJEE: Where they are not adopting you as one of their citizens.

Now, Sir, let me mention that one reason, therefore, is that there is something to cover up. That was one reason why you had to rush it breaking all sense of propriety before the Parliament Session. And, Sir, there is also a second reason.

SHRI N. K. P. SALVE: What is that? Can you tell that?

SHRI NIRMAL CHATTERJEE: Mr. Salve, I would like to ask you one thing. When you took the Extended Fund Facility from the IMF, you did not disclose the correspondence. Have you ever laid it on the Table of the House? You have never done it and, therefore, I ask you and your party leaders: Is there anything done behind the back of the country? I want to see, I want to uncover that, if possible. But I will not go into that further, Sir. I will . . .

SHRI VISHWANATH PRATAP SINGH: I will in my reply give the circumstances which led to that.

SHRI NIRMAL CHATTERJEE: I was demanding that. Please publish a White Paper giving all the correspondences that you are having currently with the IDRB, IMF, etc. If you do that, I will be welcoming it. But let me come to the second reason. The second reason, I was speaking . . .

SHRI KALPNATH RAI: Bogus.

SHRI NIRMAL CHATTERJEE: The second reason is your commitment, the commitment of the Government, as laid down in the 'Bible' of Mr. Salve, the Seventh Five Year Plan, the unchangeable. Now, the Seventh Five Year Plan as well as the Long-term Fiscal Policy have said that the proportion of direct taxes in the total taxes is not what is justified. Both the Seventh Five Year Plan and the Long-term Fiscal Policy have desired that there will be a favourable change in the share of direct taxes compared to indirect taxes. He has assured that there will be no further addition on direct taxes. And yet he has to be consistent. You have to be consistent with what you said. You have to keep your promise to some, and not to others. To those with whom you want to keep your promise you have said: No addition to direct taxes. But if you have to collect resources in the Budget, you have to collect taxes by indirect taxes.

SHRI N. K. P. SALVE: I have stated that at the end of the budget the total taxes collectible are given in the figure of 1 lakh and 79 thousand. According to the present reckoning, even if the buoyancy in the collection is not the same as next year, 1 lakh and 79 thousand figure will be complied with. Whatever you say, kindly talk in the context of our fulfilling the target of the Plan by raising . . .

SHRI NIRMAL CHATTERJEE: You are absolutely right. But only in your context, I am not speaking. I have to speak on other aspects also. If you permit me . . .

SHRI N. K. P. SALVE: I am permitting.

SHRI NIRMAL CHATTERJEE: I will come to that also. The point, therefore, is that the promise has to be kept. And to keep that promise the only method is that outside the



tax revenue you try to raise resources. Outside the tax, this is the non-tax revenue. This oil, this foodgrain—they are not part of your taxes; they are in the nature of indirect taxes. Yet they are not part of the total figure that will be supplied by the Finance Minister under the heading 'Tax revenue'. The percentages of direct taxes and indirect taxes have to be compared. This is the second reason, why they had to rush before the Budget session, before the Budget to collect resources. And there is the third reason.

The third reason is that the collection by way of indirect taxes would mean some prosperity to the States. The excise duty share, 40 per cent plus another 5 per cent, has to be shared with the States.

**SHRI JAGESH DESAI** (Maharashtra): This increase is not going into the coffers of the Government. It will be retained by the public sector.

**SHRI NIRMAL CHATTERJEE**: You are excellent. Your intervention is wonderful. You are not responsible for the public sector. You are not collecting resources for the public sector. Your Budget is only meant for you, for your household and mine and not for the public sector. I do not agree with you.

So, Sir, the third reason is that you wanted to deprive the States by one amoral method of collecting resources which is not indirect taxes under the Budget Sir, these are the reasons. But the Treasury have their own argument. What is that argument? As I said in the beginning, Salveji in his wisdom has agreed with the concept in order to eliminate that. He agrees that there should be subsidies, but not so much of it. I want to put a simple question before the House, before Mr. Salve, before the Finance Minister also, whom I respect. Who subsidises whom? Quite often the Birlas used to say—Birlaji is not here—that they are subsidising their workers. Quite often they were adored

as charitable persons because they are giving employment. If you agree with that point of view, it depends perhaps on the distance you keep your Birlas. Who subsidises whom? It is the workers' tears, the workers' toil that subsidizes the Birlas. Is it true about the Budget, apart from the private sector? Who subsidizes whom? You collect via indirect taxes Rs. 20,000 crores. You collected through this kind of administered prices in the course of last five years another Rs. 10,000 crores. Do you give them back do you give back in your anti-poverty programme that much? Who subsidizes whom? I am raising this question before the House. And also there is a further reason. As you all know, the indirect taxes are primarily borne by the multitude. This is all the more painful. I can give to Salveji that the indirect taxes have become further regressive because of reduction in taxes of the good which are considered luxurious even by the standards of Mr. Salve. So, this term only means that it is borne more by the multitude who are poor. Therefore Sir, when you talk of reduction of subsidies, the question has to be reviewed. I have another question. Why it is that you have selected these items for raising your prices? There are some interesting answers to give. There is one answer. Sir, as you know, I am not making a Budget speech. I have enough stock for the Budget. It is said that we have achieved self-sufficiency in foodgrains. Well, our mentors have pointed out that that is true only at a level of 145 kgs. per year per capita. Very foolishly they brought in China to make the statement that they are also approaching self-sufficiency at a level of 250 kgs. per capita. We achieved a rate of self-sufficiency at 145 kgs. per capita. Why is it so? As you all know, the poorer you are and if you have the money and the benefit of some loan mela, the more you would like to consume of cereals than Salveji or myself. They depend on cereals. And at this low level we are persisting and we are self-sufficient only because the prices are such, the level of

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income of the poor is such that at that level of income, they cannot consume more. And yet you have decided to take away those foodgrains from the mouth of these poor people. And why, Mr. Jagesh, do you know? There is one answer for you and that answer is that we have decided, this came on the 31st of January, here is a news item, New Delhi, February 18, and the title is "Non-basmati export ban withdrawn" and at one stroke Salveji's b.o.p. problem and resource mobilisation problem is being solved. Take food from the mouth of the poor which is of non-basmati variety, export that so that the availability is reduced still more, below that of 145 kgs. You have the export, the blood, the food of the poor people, in order to maintain the balance of payments deficit and in order to solve your resource problem.

Sir, there is more to it. Make a simple calculation. Here are five members in a household. They will be consuming at the rate of 145 kgs. or 150 kgs. a year, some 700 kgs in a year in the household. the price of wheat in the retail is fifty paise more per kg. How much will they pay? Some Rs. 350 more from their budget. Whose budget? It will be from the budget of those, whose income, even according to Planning Commission's estimates, the Minister of Planning is sitting there we are glad, is below Rs. 3000 per year and there are approximately one crore such households. From this measly income you are taking away some Rs. 350 to Rs. 400 per annum for your anti-poverty programme to pay them back that amount and you say...

SHRI VISHWANATH PRATAP SINGH: Could you split this Rs. 350?

SHRI NIRMAL CHATTERJEE: The issue price of wheat has been raised by 48 paise. This is an approximation I take it 50 paise per kg. Now 140 kgs. you multiply by 5 and it comes to 700 kgs. a year. So 700 kgs. multiplied by 50 paise will give you Rs. 350/-. If

you want to take Rs. 50 also from the poor, let it be Rs. 300, I have no objection. Then I come to kerosene. Is it only kerosene? Why is your Salveji shy about your hike in the bus fares. Now, as in the morning, I have mentioned, we have permitted ourselves the luxury of forgetting another concept, the concept of living wage. We are stuck up much too much with the poverty line these days. Those who are struggling along the living wage how much more will they have to pay . . . (Time bell rings)

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): How many more minutes do you want?

SHRI NIRMAL CHATTERJEE: How many minutes have I consumed?

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): You have consumed 27 minutes.

SHRI NIRMAL CHATTERJEE: I will conclude in five minutes.

Now the bus fare in Delhi for a journey is Re. 1 or Rs. 1.50 or Rs. 2 and for two journeys for two members how much more in a year it comes to? Add that to this Rs. 350/-. Will it be nearer a thousand rupees. How much will you get and as I have indicated in the morning . . .

SHRI N. K. P. SALVE: How do you cut the losses of public sector undertaking?

SHRI NIRMAL CHATTERJEE: I will come to that. I will try to see that the public sector undertakings do not lose. And my first proposal would be to eliminate the concern of Mr. Salve in the public sector. Is there any way out? You say you have no other way out. That is a travesty of truth. There are other ways. You are keeping your promise to some and betraying your promise to others. You reverse your policy. Even if you in a mid-summer night dream close to redeem your promise, that there will be

no further direct taxes, you say the language that Mr. Salve used 'soft on rates; hard on collections.' But in fact you are hard on raids on the poor and harder on collections. Is there a payout? Can the public sector run having made the promise over the years that public sector henceforward will be managed in a manner where you keep the management open to workers? Since how long have you been declaring your intention to have it? When do you propose to implement it? Without doing things which strengthen the working class and strengthen the country you do things which divide us and Mr. Salve into two broad divisions that is very rich and the rest and you have to . . .

SHRI N. K. P. SALVE: I want full participation of the employees and workers.

SHRI NIRMAL CHATTERJEE: You have wanted so many things but you have acted only in a certain direction and not in the direction of those things which you declare that you want. I entirely agree with your wanting but I am on the question of implementation. Is there any other way-out? You can encourage and inspire the employees of the public sector. CITU the most feared Central Trade Unions Organisation has already offered their hands of cooperation. Allow them participation. You see the face of public sector completely changed and try to get at not only the ex-Cabinet Ministers as in Calcutta today but when they are in the Cabinet. You can change the face of the public sector. Not only that. You reverse your policies of direct and indirect taxes. Are you not ashamed that while you are taking food out of the mouths of the people the domestic occupancy rate in 5-star hotels is higher than with foreigners. Can't we say that a person may be spending Rs. 40,000 in a year for his household and so we take away 10 per cent of it? Can't you garner these resources except giving concessions to the rich? Can't you garner these resources? Now on excise

duties. Why have you reduced your excise duties on motor cars and then come to complain that too much of petrol is being consumed? I respect and enjoy, as I said, Mr. Salve's speech. I thought that because he is connected very much with sports, he would mention a new record. What took ten years for Mrs. Gandhi and three years for Janata Government is about to be broken in one and a half year's time from the crest of popularity to the downhill. We all enjoy amateurism in flying clubs but here is amateurism at the higher echelons of planning and governance of the country which is dangerous. And more so when the professionals of the World Bank and IMF are breathing down your necks. With this note of caution I conclude.

SHRI P. N. SUKUL (Uttar Pradesh): Mr. Vice-Chairman Sir, I was really amused by a major portion of the speech of my learned colleague who has spoken before me. He started with a reference to Hitler. People, generally, start with a reference to God or to something. But he started with a reference to Hitler and he tried to, perhaps, in his own subtle way, compare the Government of Mr. Rajiv Gandhi with that of Hitler. I do not know what to say. I only pity him and his knowledge and his understanding of things.

Now, Sir the Congress Government has been in power for the last almost forty years, except for a period of three years or two and a half years, when the Janata and the Lok Dal Governments were in power. Therefore for 37 years, this Government stood where it is. If Pandit Jawaharlal Nehru or Mrs. Gandhi had thought of becoming dictators, it was very easy for them to have become dictators. But they were born democrats. That is why democracy is here and we are sitting here and discussing things here in this House and in the other House. Therefore, I would request my Opposition friends not to

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be so irresponsible. Either you are irresponsible or you are mischievous, or, the worst is, you have your own hallucinations and you are suffering from a serious perversion. All these things are not very good and not very healthy for we Parliamentarians who sit here and deliberate amongst ourselves.

Mr. Vice-Chairman, Sir, our country had opted for planned development and the process of planning has been there for the last 35 years with us. We have completed six Five-Year Plans and we are now entering the Seventh Five-Year Plan. And anybody who has anything to do with economics knows that in a developing economy, price rise cannot be ruled out, inflation cannot be dispensed with. Yet, when there is a little rise here and there, whether it is in administered prices or in other prices, our Opposition friends start crying hoarse over it. They forget about their own performance during 1977-79. They say, it was a very small period, a very short period and that, therefore, this should not be remembered or recollected. But, Sir, I wonder how our Opposition friends, who behaved most irresponsibly, when they were in power, can criticise us now when we have had, in the Congress Government, so much of advancement so much of achievements, so much of self-sufficiency in food and other things. With what cheeks they can criticise us and the policies of the Government, I am at a loss to understand. No doubt, the recent hike in the support prices of some essential commodities like wheat, rice, sugar or the revision in the administered prices of coal, fertilizers and petroleum products has caused some difficulty to some. Howsoever little it may be, howsoever insignificant it may be, it has caused some difficulty. But we have to see and we have to know why the Rajiv Gandhi Government, which is determined to root out poverty from this land, which is determined to

make India self-sufficient in all possible ways as early as possible, should resort to this measure. My learned colleague and senior friend, Mr. Salve, has, at length, explained everything.

Sir, the price rise has been caused by three factors. One is, as regards petroleum products, there has been a steep rise in consumption. At the end of the Sixth Plan, import of petroleum products was to the extent of 31 per cent of our total requirements. In the Seventh Plan it is envisaged that 38 per cent of our total requirement of oil or petro-products would be imported. But in the very first year the imports have been to the tune of 40 per cent of our total requirement. So in one year this trend is dangerous. In fact, we have exceeded 38 per cent which was to be at the end of Seventh Plan. In this year alone it is 40 per cent. So it is this trend which is dangerous. From 1979-80 to 1984-85, the growth in consumption of petro-products was 5.3 per cent and during the last 18 months it is as much as 7 per cent. In 1985-86 Rs. 3500 crores were provided for the import of petroleum and petro-products and in this year there has been an increase of 31.28 per cent and instead of Rs. 3500 crores, we have had to spend Rs. 4600 crores. So to check further erosion of our foreign exchange reserves because of these huge imports, there has to be a restriction of imports and restriction of imports means there has to be a restriction on consumption. Now this restriction could also be exercised through rationing of petrol. There could be rationing as there was during the war time. But our Government is not in favour of having any rationing of the kind and that is why the only way left was to have a little price rise.

Now second thing is subsidies. Still after this price hike, the subsidy on kerosene is Rs. 500 crores per year. Before this price hike, the subsidy on kerosene amounted to Rs. 625 crores. So there is a fall of only Rs. 125

crores in subsidy because of this petty rise in price of kerosene—i.e. 14 paise per litre. This is almost no rise when we think of the fact that Government is already subsidising 71 paise per litre of kerosene. Similarly, our subsidy on LPG, still after this hike is Rs. 100 crores per annum. Before the hike it was Rs. 150 crores, on which we have saved only 50 crores of subsidy. It means on kerosene and LPG we have saved, by way of subsidy, Rs. 175 crores only. On fertilizers, the present subsidy stands at the figure of 2,050 crores. Just imagine in 1982-83, it was Rs. 600 crores and today in 1985-86, it is Rs. 2,050 crores. Similarly on foodgrains sold through fair price shops, there is a subsidy of 1650 crores. And only these subsidies on kerosene, LPG, fertilizers and foodgrains amount to Rs. 4300 crores. Now, we must not forget that in 1950-51, the total subsidy given by the Government was Rs. 26 crores. In 1970-71, the total subsidy given by the Union Government was Rs. 94 crores. In 1984-85, it became Rs. 440 crores. In the Sixth Plan the total subsidy was Rs. 13,453 crores and in the Seventh Plan, the amount provided for subsidy is Rs. 16,000 crores. And if the present trends continue, then this subsidy of Rs. 16,000 crores will be converted into . . .

SHRI M. S. GURUPADASWAMY (Karnataka): Sir, it is an important debate. I would request you to consider whether it can be taken up tomorrow because it is a very important debate.

SHRI PARVATHANENI UPENDRA: There is no point in going up to 8 or 9 O'clock.

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (RAJYA SABHA) (SHRI SITARAM KESARI): I would request you, let us sit late and conclude it because tomorrow is the discussion on the President's Address. So, then you will get another

opportunity to discuss all these matters. This has already been decided in the Business Advisory Committee. Had you told us earlier, I could have taken up the Motor Vehicles Bill later, on. Since the President's Address is going to be discussed tomorrow, I would request you to conclude this today itself.

SHRI M. S. GURUPADASWAMY: So far as we are concerned, we have no objection to take up both the discussion on the President's Address and this.

SHRI SITARAM KESARI: Since you can discuss all these things in a speech tomorrow also, let us sit late and finish this today.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Let us continue and see.

SHRI PARVATHANENI UPENDRA: It will go up to eight or nine o'clock. There are 14 speakers still.

SHRI SITARAM KESARI: I can minimize my speakers.

SHRI PARVATHANENI UPENDRA: That won't help.

SHRI SITARAM KESARI: According to the strength of the different parties my time is definitely more than yours and I am ready to deduct our time; I will remove some of my speakers. You all can speak.

SHRI PARVATHANENI UPENDRA: Then you curtail all your speakers.

SHRI SITARAM KESARI: No, I will not.

SHRI PARVATHANENI UPENDRA: At any rate the Minister will justify. What will they say? They will only sing the same song.

**SHRI N. K. P. SALVE:** He is making a very reasonable concession: Accept it and finish. He says there will be another opportunity tomorrow when this subject-matter can be discussed on the Motion of Thanks. He is going to reduce but how do you expect all the speakers to be cut out?

**SHRI PARVATHANENI UPENDRA:** What is there? You have spoken well; it is enough. The Minister will reply.

**SHRI M. S. GURUPADASWAMY:** Let us close it at six o'clock.

**SHRI SITARAM KESARI:** No, no. Let us sit late. I am ready to arrange dinner for you.

**SHRI PARVATHANENI UPENDRA:** And that will lead to further price rise.

**SHRI P. N. SUKUL:** Sir, I have lost four minutes.

As I was telling you about subsidies, in 1950-51 the total subsidy granted by Government was Rs. 26 crores. In 1970-71 the subsidy was Rs. 94 crores and in 1984-85 the subsidy rose to the tune of Rs. 4,400 crores. In the Sixth Plan it was Rs. 13,453 crores and in the Seventh Plan although we have provided Rs. 16,000 crores by way of subsidy, if the present trend continues then this subsidy may swell to a figure of Rs. 41,000 crores and that figure will be equal to the cost of two Plans. So we have also to see whether subsidy should be given, then where to be given, to what extent to be given and till when to be given. Subsidies are no doubt unproductive, but still they are a must for us because we have to help the poor, because we have to help the weaker sections of the society, because we have to bring people above the poverty line. Millions and millions of people are below the poverty line and naturally the Government once they come above the poverty line, will be in a position to

withdraw subsidies gradually, by and by. For example, in the recent few years 100 million people have come above the poverty line. It means, ten crore persons have come above the poverty line. If we take our population to be 75 crores, then as much as 13.3 per cent people have come above the poverty line. And we have helped them through these subsidies to cross the poverty line, too come above the poverty line. So, once people come above the poverty line to the tune of 13.3 per cent, it should be open for the Government to withdraw these subsidies to the tune of 13.3 per cent. But our Government is not withdrawing subsidies to that extent, and only a little subsidy has been withdrawn, as I said. On kerosene Rs. 125 crores have been saved; on LPG Rs. 15 crores have been saved. This is not much. And still when the subsidies are withdrawn, the prices have to rise. For a long time we have been providing the subsidies on various items. Naturally, the subsidies are meant mainly for those who live below the poverty line or who are marginally poor people or who are just above the poverty line. They are not for all. But, still, most of us who do not deserve that subsidy, try to make use of that subsidy at the cost of our own brethren belonging to weaker sections.

The third point is that while working on the Seventh Plan our planners had taken into consideration only the minimum amount of growth. The Plan provided for the minimum growth. However it was found later on that certain targets were not good enough and they had to be exceeded. Especially in the core sectors like the railways, energy and power, the investments were found to be inadequate. Similarly, for the anti-poverty programmes and programmes for benefiting the rural poor and the marginally poor people. So, more funds were required. How to have these funds? Once you have said, 'No further taxation' then how? The prices have to be increased a little to get this money. This increase—as Mr. Salve has already spoken, I

am not going to take time on that-- will also help in solving the balance of payments problem of the Government.

Similarly, Sir, in the case of wheat, sugarcane etc. the support price had to be increased for various reasons. Day in and day out our Opposition friends have been talking of higher remunerative prices to the farmers for paddy, for wheat, for sugarcane. Now, when a little has been given, they ask why it has been given. Yes, otherwise, why were you criticising the hike in the support prices for paddy, wheat and all that? It is not that you were saying. Somebody else was saying. So on the one hand you demand more remunerative prices for the farmers, and then, when a little is provided, you start resenting it. So, this dualism is not going to help us anywhere. It may be a case of behavioural dialectics. That is not going to take us anywhere. I would like to request our Opposition friends that they should not indulge in undue criticism and try to serve the nation and the people better.

Secondly, these support prices had to be revised upwards also because, as I said, the Government wanted to withdraw certain subsidies. Now, even after this hike of Rs. 5 per quintal on foodgrains, the Government has already promised that to the tribals, to the poor people, wheat and rice will be given at the old rates, at the subsidised rates. So, we should not be unnecessarily panicky about this rise in the prices.

Now, as regards inflation whether we are heading towards galloping inflation or whatever be the situation, as the first Speaker, Kailash Pati Mishra Ji was saying, उन्होंने कुछ कहा कि हत्या हो जाएगी या कुछ और हो जाएगा।

I do not remember the exact words, but he was saying inflation is going on . . .

श्री कैलाशपति मिश्र : मैंने यह तो नहीं कहा था, हत्या तो मैंने नहीं कहा था । मैंने अन्त में एक दोहा जरूर कहा था ।

श्री पी० एन० सुकुल : आपने दोहे के बाद कहा था । आपने हत्या की बात कही थी । आपने कहा था कि पार्टी की हत्या होगी या सरकार की होगी । आपने कहा कि इन्फ्लेशन इतना ज्यादा हो गया है ।

श्री कैलाश पति मिश्र : आप शायद हिन्दी समझ नहीं पाये ।

श्री पी० एन० सुकुल : आप रेट आफ इन्फ्लेशन देखिये । मार्च, 1984 में रेट आफ इन्फ्लेशन क्या था । उस वक्त यह 9.2 परसेन्ट था । लेकिन मार्च, 1985 में यह 6 परसेन्ट हो गया । फर्स्ट वीक आफ नवम्बर, 1985 में रेट आफ इन्फ्लेशन क्या था ? वह 4.8 परसेन्ट था । देयर इज ए डाउनवर्ड टेंड । अपवर्ड नहीं है । यह रेट कम हो रहा है, लेकिन फिर भी आपकी समझ में नहीं आ रहा है ।

In the first forty-one months of the current financial year, the rate of inflation has been 3.1 per cent and in the corresponding period last year, the rate of inflation was 5.9 per cent. So, you see from this where we are heading for, what we are achieving and what is the rate of inflation.

I remember Mrs. Gandhi became Prime Minister on 24th January, 1966. It was a year of drought and a very bad economy. And when she took over, in that year, the rate of inflation was 1.2 per cent. The aftermath of that drought was in 1967 and as a result the rate of inflation grew a little and became 13.9 per cent in 1967. But in 1968, 1969, 1970, 1971, 1972, all these years under Mrs. Gandhi's Government, the rate of inflation was much lower. In 1967, it was 13.9 per cent and in 1968 it came down to 2.9 per cent. In 1969 it became minus 1.1

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per cent. In 1970 it was 5.1 per cent, then 3.3 per cent and like that. So, our Government has always been trying its level best to contain inflation and still it has not come above a single digit.

Now, taking the purchasing power of the Rupee, I will illustrate my point. Let us take the last three years—1983, 1984 and 1985. In 1983, the real purchasing power of the rupee was 18.80 paise; in 1984 it was 17.36 paise and in 1985 it was 16.64 paise. So in these three years the real reduction in the purchasing power of a Rupee was 2.16 paise. Now, we take the three years of the Janata and the Lok Dal Governments. In 1977 it was 13.15; in 1978 it was 30.4 and in 1979 it was 28.57. So the fall in the value of the rupee was 2.58. The present fall in three years is 2.16. At that time when they came, they had practically everything—foreign exchange reserves, foodgrains and everything. But that is how they behaved.

Since from the whole-sale price index we get inflation, I will be comparing the wholesale price index of 1984 with 1985. In May 1984, percentage changeover the previous month was 1.2. In May 1985 it was 1.1. In June, 1984, the percentage change over the previous month was 2.4. In 1985 it is 1.3. In July, 1984 this percentage was 2.3. In 1985, it is 1.5. In August, 1984 this percentage was 1.0. In 1985 it comes to 0.3. So comparing these two levels of 1984-1985 and the corresponding periods we come to the conclusion that there is absolutely nothing wrong with our economy, with our fiscal policy and we are able to contain our inflation remarkably well. Sir, if we go through the reports of the World Bank and other international bodies, they have commended our country for keeping the low rate of inflation and for containing the inflation.

Now, I will take up the All India Consumers' price index, because the

labour class is concerned. Sir, you can see in the average consumer price index for the first 11 months it comes to 606 points in 1985, 574.9 points in 1984 and 531.9 points in 1983 respectively. Between 1983-84 there was a rise of 43 per cent. And between 1984-85 there has been a rise of 31.1 points. In fact, our rate of inflation has gone down. It has not gone up. But still I wonder that our friends on the opposite side are trying to incite the people or instigate the people by misleading them about these facts and figures. Now they are agitated because the rate of inflation has come down. If they are so serious about the inflation they should have agitated in 1983-1984 when the rate of inflation was much more than today. Today they are agitating because they have to do something. It is a mechanical affair. (Time bell rings) I will take only two minutes. In the case of the wholesale price index for textile group there has been a fall of 8.5 per cent in 1985, whereas there was an increase of 15.3 per cent in 1984. As regards jute and hemp, etc., there has been a fall of 47.4 per cent in 1985, while in 1984 there was an increase of 74.3 per cent.

As regards paper and paper products, there has been a fall of 0.2 per cent in 1985, whereas there was an increase of 12.6 per cent in 1984. In the raw materials group in 1985 there is a fall of 8.9 per cent, whereas in 1984 there was an increase of 51.51 per cent. In the case of the manufactured products group, in 1985 there has been an increase of 5.6 per cent rise. But in 1984 there had been a rise of 8 per cent.

Sir, here it is noteworthy that the prices of food products have increased by 6.9 per cent in 1985. In 1984 they had increased by 4.8 per cent. The wholesale price index of non-food manufactured products showed an increase of 9.1 per cent in 1984. In the present year, the increase is only 5.2 per cent. Thus, it will be seen that there is absolutely no reason for any alarm.



As regards inflation, our Prime Minister and our Finance Minister are keeping a close watch on the inflationary situation. And they are trying their best to get inflation within the manageable limits.

Now, Sir, somebody mentioned about DTC fares. We can see that DTC fares have been stagnant from 1948 to 1979, and in 1979, there was an increase of 10 paise only. So, from 1948 to 1986, this fare has remained practically the same but for the increase of 10 paise in 1979. That is why the DTC is running at a loss and the loss comes to Rs. 90 crores in 1986-87. But of course there is a psychological impact, because for such a long time, we have not revised the fares. Now if we revise the rates, naturally people feel unhappy, although those are the lowest fares in the country as our Transport Minister has just told us. Earlier, upto 4 km. the old fare was 30 paise. Now upto 6 km. the new fare is 50 paise. (*Time bell rings*)

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Please try to conclude.

SHRI P. N. SUKUL: Sir, our members are not speaking. So, please give me five minutes more. There is curtailment of our speakers from this side. So, why should you grudge it? From 4 to 16 kms. the old fare was 40 paise and now from 6 to 16 kms. it is one rupee. From 40 paise, it has gone upto Re. One and this has created an adverse effect on the commuters. They say, now they are required to pay two and half times more. From 16 to 20 kms. the old fare was 50 paise. Now above 16 kms. it is 1.50. But here, one thing I do not understand. Sir, we have certain DTC Matadors in our Parliament House. We had to pay Re. One previously I mean our Members of Parliament. Now, since two days back, they are charging Rs. Two and that matador does not go

upto 16 kms. That matador does not go upto 16 kms. to bring the Members of Parliament and upto 16 kms. it should be one rupee.

Then, I will request the Hon'ble Minister to consider the plight of the MPs. who against this schedule of rates are made to pay double the rate. So now, before I close, Sir, I would like to make a few suggestions for the consideration of the Finance Minister.

Firstly, since we have to import a lot of edible oils and we are not yet able to produce edible oils to our requirements, for some time, the Government may think of prescribing for economic holdings of growing oil seeds from 5 to 10 per cent of their entire area. You can prescribe it that oilseeds be produced to save foreign exchange and all that.

Secondly, since the price rise upsets mostly the salaried class, so I will suggest. I will take this opportunity to suggest that as in so many other countries, the public servants should be entirely exempted from income-tax. In various countries, it is like that and so long as you cannot exempt them from income-tax, atleast you should exempt their dearness allowances, their CCA, their HRA, their bonus, their compensatory allowances from income-tax. So, that will be giving the public servants and the salaried class some respite from increase in prices.

Most important, the variation in wholesale prices should be reflected in the retail prices also. We have a bumper crop; still the prices do not fall. We have more agricultural production; but the prices do not fall. There is a reduction in wholesale prices; but the retail prices do not fall. So it is a very peculiar situation. I would like to request the hon'ble Finance Minister to look into this as-

pect of the situation and kindly try to ensure that variations in wholesale prices are reflected in retail prices. And the price-list must be conspicuously displaced in every shop. (Time bell rings) Just one thing more. As regards the hike in petroleum products, our Petroleum Minister is here and I would like to make a suggestion. You see, the prices are so many rupees and 62 paise, so many rupees and 43 paise and so on. There is a shortage of coins in our country. So these figures of 43 paise, 62 paise and so on should be rounded off, if possible. After rounding off, the petrol price should be Rs. 7.40 per litre instead of Rs. 7.43; kerosene should be Rs. 2.20 per litre instead of Rs. 2.25 per litre. And those who use LPG are the worst sufferers. On other products, there was a rise of three to six per cent. But on LPG there is a rise of 12.2 per cent and all housewives are sore about it. So regarding LPG prices I will make a request to the Minister. You are getting Rs. 100 crores on LPG. If you reduce it just a little, it would not be much. Instead of Rs. 57.62, you can, if possible, keep it at Rs. 55. All these proposals will not swell your expenditure beyond Rs. 60 crores, I have calculated. So by giving Rs. 60 crores you can win the goodwill of the people and also facilitate them in getting things.

Lastly, to avoid public sector losses, which is the most important aspect of the situation, the Government must try to ensure that there is maximum possible efficiency in the public sector undertakings, there is maximum possible productivity in the public sector undertakings. All loopholes should be plugged and where necessary, up-to-date technology should be utilised. Also the Government must ensure fair stability of prices in the core sector like coal, POL, power and steel. So, I hope our Finance Minister will give serious thought to my suggestions and try to help the people. I know he

is trying to help the people, but these suggestions involve very little expenditure or overhead charges. So he may kindly consider them.

\*SHRI N. RAJANGAM (Tamil Nadu): Mr. Vice-Chairman, Sir, I am grateful to you for giving me this opportunity to participate in the debate on the recent hike in prices of essential commodities on behalf of my party the AIADMK.

It is inexplicable to me what has prompted the Government to increase the prices of essential commodities. I also doubt whether any advantage will accrue to the Government by this so-called economic step. The avowed objectives of the Government in raising the prices of petroleum products are to curb the consumption of petroleum products and to raise resources for giving a thrust to anti-poverty programmes of the Government. I am of the view that both these objectives will be as elusive as they were before.

In many parts of the world the prices of crude oil have slumped, but we have increased the prices of petroleum products. According to my information it is estimated that 80 per cent consumption of petroleum products is in central public sector and in Central and State Governments and the remaining 20 per cent consumption is in private sector. I would like to know the details of the programme that has been chalked out for curbing the consumption of petroleum products in public sector and in Central and State Governments.

From the exploration reports available it is seen that our country is blessed with enough deposits of oil and gas for achieving self-sufficiency

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\*English translation of the original speech delivered in Tamil.

in petroleum products. If we intensify our endeavours to exploit fully all the available sources of oil available within the country, we can avoid the imports of crude oil. For example, in Narimanam in Cauvery Delta in Tamil Nadu the commercial exploitation is to start soon. It is understood that Cauvery Delta is floating on oil. If we exploit this, then the oil requirement of Tamil Nadu and Southern States will be fully met. Similarly, coal deposits in our country are available in abundance. The Neiveli Lignite Project in Tamil Nadu has enabled the generation of electricity in the Thermal Power Project in Neiveli. The electricity power requirement of Tamil Nadu is being met to a substantial extent by this Thermal Project. If we exploit fully our coal resources, more such thermal stations can be set up so that the consumption of petrol can be reduced. It is unfortunate that the management of our coal mines is deficient in many ways, which compels the Government to increase the price of coal at regular intervals. This causes great hardships for industries throughout the country.

The Government has increased the price of cooking gas. The cooking gas has just now captured the imagination of the people in district, taluka and firka levels. It has substituted kerosene for cooking purposes in middle class homes. There are thousands of applications pending with oil companies for the sanction of gas cylinder. You know, Sir, that there is no production cost for cooking gas as it is a by-product. For each gas cylinder a deposit of Rs. 500/- is collected from the consumer; the Oil Companies do not pay any interest on this deposit. In this background I am unable to understand how the Government is compelled to subsidise the gas cylinder, on account of which the price of gas cylinder has been raised now. The middle class people, particularly the fixed salary income group, will be compelled to revert back to kerosene for cooking purposes. In other words

the consumption of kerosene will increase consequently.

Coming now to the increase in the price of kerosene, the people below the poverty line are the principal victims of this whim of the Government. In the rural areas, kerosene has substituted fuel wood. The use of kerosene arrested the processes of deforestation in the country. On the one hand the Government is talking about ecological balance by giving a boost of afforestation programmes. On the other hand, the Government is compelling the people to revert back to fuel-wood for their cooking purposes, as they will not be able to buy kerosene at this price. The people will start felling trees on PWD lands, in reserved forests and on both sides of the national highways. The Government cannot stop them from the felling of trees, as the oven in their houses is to be kept burning for their survival. The Government swears by the name of common people and their upliftment. You cannot take these people above the poverty line by forcing them to commit the illegal acts of felling trees for cooking purposes. You will bring more people below the poverty line by increasing the price of kerosene and cooking gas.

Mahatma Gandhi, the Father of our nation, advised the Ministers of Central and State Governments in 1948 to first understand the problems of common people and then formulate plans for solving them. He advised them that primary necessities of life must be made available to the common people at prices which they can afford to pay. But this advice has been thrown to the winds. Everything has become political now. The price of essential commodities like rice and wheat has been increased. Though we have made phenomenal progress in agriculture as a result of implementation of Five Year Plans since 1952, we are nullifying the beneficial effects of these Plan results. In the olden days,

[Shri N. Rajangam]

the landlords used to cultivate only 30 per cent of their land and 70 per cent used to remain uncultivated. Now, as a consequence of Zamindari Abolition Acts, the land ceiling laws and such other legislations every bit of land is cultivated. We have achieved Green Revolution. I understand that in the Government godowns 200 lakh tonnes of foodgrains are in stock. It is not that only in Thanjavur, the granary of Tamil Nadu, that paddy is being cultivated but in all 16 districts of Tamil Nadu paddy is under cultivation. Similarly wheat is cultivated all over the country. We have achieved self-sufficiency in foodgrains production. While we are in a position to supply foodgrains to starving millions in Africa, we are raising the price of foodgrains in our country. It is pertinent to point out here what our great Leader Arignar Anna stated in reply to a question about the supply of wheat in Kashmir at Re. 1 per kilo, particular when it had been purchased from America at Rs. 2 per kilo. He said that it was the duty of the welfare State governed by democratic concepts to ensure that the people are not starved. Whatever might be the cost to the Government the people must be supplied with foodgrains at a cost which enables them to buy. The Government should not hesitate even to import foodgrains by taking loan from foreign sources, if the circumstances demand.

I am compelled to say that the recent increase in the price of essential commodities is unjust, unfair and undemocratic. On 28th February the Government is going to present the General Budget for 1986-87. Just three days before the presentation of General Budget, we are discussing about the price rise as a result of Government's decree of increasing the administered prices. This kind of taxation without representation is undemocratic. The Hon. Finance Minister should in his reply inform this House about

the avoidable compulsions to resort to taxation without representation.

Before I conclude, I would refer to the plight of the people in southern States. The essential commodities like pulses are to be supplied from northern States to the southern States. The coal requirement of Tamil Nadu is to be met from the supplies from northern States. The steel products are to be supplied from northern States. By the time they reach the destination in southern States, there is significant increase in prices which affects the economic well being of Southern States. In Tamil Nadu Assembly the increase in price of coal has been discussed several times. In Lok Sabha and in Rajya Sabha also we have discussed about increase in the price of coal at regular intervals. Such increases in the industrial inputs affect the developmental efforts of the States.

I appeal to the Finance Minister to re-examine the issue of rise in prices of primary and essential commodities, which affect undoubtedly the common people who constitute 80 per cent of our population.

With these words I conclude my speech.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Shri Chandra Shekhar Singh, Minister, will not intervene.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI CHANDRA SHEKHAR SINGH): Sir, I would confine my observations to the rise in prices of petroleum products. Three reasons have been indicated for this step taken recently. I would also like to clarify that sometimes Members have pointed out that after the initial rise some very marginal reductions were made. Reductions made were not marginal; they were substantial, in the sense that then the reduction in prices of HSD, LPG and SKO was of the order of 40 per cent, and that of motor spirit of the order of 20 per cent.

The reasons stated by Government, time and again by the Finance Ministers and by others, are three. There has arisen the necessity for larger resource generation to accelerate the pace of development, particularly in the anti-poverty sectors. Then, again, there was the necessity of restraint on the consumption of petroleum products because of the steep rise during the last 18 months or so. And, thirdly, the balance of payments position was extremely difficult. In the coming years it was expected that exports may not grow at an adequate level because of so many factors, including an environment of protectionism all over the world, and hence the necessity to take corrective measures in time.

I would not like to speak on the resource question. The Finance Minister will elucidate this point before the House. I would only mention that manipulation of administered prices has been all the time recognised as an instrument of resource generation. And to the satisfaction of my friends, particularly the CPM friends, whom I do not find now in the House . . .

AN HON. MEMBER: Mr. Sukomal Sen is there.

SHRI CHANDRA SHEKHAR SINGH: . . . I would like to quote the 'Telegraph' which is quite sympathetic to their point of view. In an article, the 'Telegraph' writes and I quote:

"The economy has in the past few years exhibited a tremendous resilience to inflationary pressures. We have, by and large, experienced a remarkable degree of price stability during the Sixth Plan. During the current fiscal year, we have absorbed quite comfortable a record estimated Budgetary deficit of around Rs. 3500 crores. Hence the actual rise in the general level of prices as a result of increased administered prices may be much smaller than projected by the opposition parties."

And it goes on to add:

"If the Seventh Plan investment targets are to be met, then the Government has to use almost every weapon at its command to mobilise additional resources. It is not obvious at all as to why administered price policy should be considered a vastly inferior instrument of additional resource mobilisation."

I would not like to add anything to it. The Finance Minister will certainly enlighten the House on this point.

[The Vice-Chairman (Shri Pawan Kumar Bansal) in the Chair]

About the necessity of restraining the growth of consumption of petroleum products, I would like to elaborate a little. The aggregate consumption of petroleum products increased from 30 million tonnes in 1979-80 to 38 million tonnes in 1984-85 making an average annual growth rate of 5.3 per cent. The annual growth rate from the year 1974-75 to 1983-84 was 5.5 per cent. During the last 18 months, that is from July 1984 to December, 1985 over the same period of 18 months, that is from July, 1983 to December, 1984, the rate of growth exceeded 7 per cent. And during April to December 1985 the rate of growth of consumption of the five petroleum products for which prices were raised was of the order of 9 per cent plus. This was a situation with which we were faced.

A reference has been made to the current international oil market and that the prices are falling sharply and why this could not be passed on to the consumers. Nothing of the like is being thought of or considered even in countries which believe in free market economy, which believe in tax cuts. And there is a general consensus among the analysts that the present trend will not last long and is bound to harden in the very near future. So, we cannot base our po-

[Shri Pawan Kumar Bansal]

licies on such erratic trends, and we have not done so in the present situation. We have to take note of long-term trends and the long-term trends indicate very clearly that our rate of growth of consumption is higher than estimated. The assumption is that throughout the Seventh Plan period the rate of growth would be 6.4 per cent. This situation has been very clearly reflected in the balance of payments position and in the year 1985-86, compared to the year 1984-85, there has been an increase of nearly 11 to 12 hundred crores of rupees of imports of petroleum and petroleum products, which had to be corrected. Steps had to be taken in time to see that this outgo of foreign exchange does not persist and the trend is that even if it cannot be reversed but it can certainly be restrained. So far as the degree of self-sufficiency is concerned, I would like to point out to the House that during the Sixth Plan period, the terminal year, 1984-85 the total crude production in our country was 28.99 metric million tonnes and the demand for crude oil equivalent was 41 MMT. The country thus gained a self-sufficiency level of 70 per cent in oil. It was particularly because we were able to hit the Bombay High and our crude oil production touched a very high figure. But the Seventh Plan projection is that we may not be able to repeat that performance because in oil exploration it is much more of a gamble and we cannot with any degree of certainty that this amount of investment will result in a certain amount of production. So, the projection is that while the demand will go up to 57 or 58 MMT the production will reach the level of 35 MMT and the degree of self-sufficiency during the terminal year of the Seventh Plan will come down to 61 per cent or so. So, we had to take steps to curb this trend and I would like to take the House into confidence that we have resorted to price mechanism but have not relied only on this factor. In future the consumption of petroleum and petro-

leum products will be subjected to two factors, the price effect and the conservation effect. The prices have been raised and just because of the price rise we expect that the demand will decline by 1.2 per cent. The price elasticity of demand has been 0.25 per cent. The recent increase has been of the order of 1.2 per cent. But the expected decline in demand will be of the order of 1.2 per cent. But we are not resting content with just raising the prices. We are adopting a comprehensive plan for the conservation of petroleum products. This has been engaging the attention of the Government during the last one month or so and I would like to tell the House that very soon we shall come up to you and inform you how and in what manner we propose to take those steps in the coming years. We are evolving a package of incentives and punitives, including fiscal ones, to encourage fuel efficiency, to enforce adherence to ISI standards, to compel energy audit and conserve energy in energy intensive industries a large number of measures are contemplated. I had a meeting with the Secretaries of all the concerned Ministries and in April or so we shall be able to finalise our approach to this situation. As many Members have pointed out about the transport sector, I would like to tell them that it may require a review of some of the policies which we have adopted in the past because conservation measures have to be promoted. So, the situation is that we are not only relying on price mechanism to restrain the growth in consumption, we are evolving a comprehensive conservation programme for implementation in all seriousness. I would like to point out again that prices of these products in our country are comparatively lower than the prices in the neighbouring countries like Pakistan, Bangla Desh, Sri Lanka and other countries and we are also, as has been stated by an hon. Member, subsidising particularly the consumers of kerosene oil and LPG. The subsidy on kerosene oil is 71 paise per litre which makes a total of Rs. 500 crores per annum and

Rs. 13 per cylinder which comes to a total of Rs. 100 crores. The subsidy given before this price rise was of the order of Rs. 762 or Rs. 770 crores; it has been reduced to Rs. 600 crores. But it is still being subsidised and I sometimes wondered when I saw the reaction of the opposition leaders to the price rise. I may be wrong; I will be happy if I am wrong on this point but what I read from their speeches and saw their reaction, I found that none of the opposition leaders mentioned about the users of kerosene oil in their protests. They were very much upset about the rise in price of LPG and such other items. You have to see how far this is justifiable because we fully agree that kerosene oil is used by the poorest sections of our society and their interest has to be given top priority in all our consideration.

I would like to mention just one point about how far this would affect the prices in general. I have explained it I think that the other option was of deficit financing. Any rise in administered prices of one per cent affects the general prices to the extent of .2 per cent which actually means that definite financing is nearly 5 times more inflationary than if the resource is mobilised through administered prices. I would not like to take much more of the time of the House.

6 P.M. In the end, I would again make a comparison with the period of the Janata-Lok Dal rule. I am not accusing my leftist friends because, perhaps, they were not associated with that episode, with that disaster. But many of those who are sitting on the Opposition benches, were very much instrumental in taking decisions relating to this vital sector. I have taken the average in regard to two items, namely, kerosene oil and diesel, which affect the people in general to a large extent. During the period December 1977 to September, 1979, in the case of these two items during the Janata-Lok Dal rule the price rise was of the order of 19 per cent. During the two years of our Government...

श्री कैलाश पति मिश्र : एक लीटर कितने में मिलता था, कितना कामत था, इसका उल्लेख कर देते तो ज्यादा अच्छा रहता ।

SHRI CHANDRA SHEKHAR SINGH: As far as SKO is concerned, the rise was 19.4 per cent and in the case of diesel, the rise was 19.6 per cent. In the two years of our Government, I mean, during 1985-86 and I presume that the prices would not be raised during 1986-87—during this period of two years, the weighted average price rise is of the order of 10.6 per cent.

SHRI NIRMAL CHATTERJEE: This is over and above the 19 per cent rise during the Janata Government.

SHRI CHANDRA SHEKHAR SINGH: As against the rise of 19 per cent, during the two years of Janata-Lok Dal rule, the price rise has been of the order of 10.6 per cent during the two years of Rajiv Gandhi Government. I do not know what is the justification for the Opposition parties—most of them, who were very much part and parcel of the Janata-Lok Dal combine, to agitate against price rise just at the moment.

I would only answer just one point raised by Mr. Sukul about rounding off to the nearest five paise or ten paise. The prices which we have announced are ex-storage point prices. The retail prices vary from place to place slightly. That does not relate actually to the consumers. Sir, I would conclude my speech by saying that the state of the economy today, particularly, during the year 1985-86, on the basis of statistics, data and every argument that can be marshalled in this regard, will take us to the conclusion that prices have been managed during this period with great competence and with great success. The Opposition parties by launching an agitation are trying to co-relate the price rise with the level of frustration which they

[Shri Chandra Shekhar Singh]

have reached. Somebody was mentioning that this is like a straw to a drowning man. But here, the man is not drowning. He has already gone down. He has already got drowned and now he is trying to come up with the help of these straws in the stream.

SHRI M. S. GURUPADASWAMY:  
Why do you provide the straws?

SHRI CHANDRA SHEKHAR SINGH: This decision has been taken after cool and careful consideration. This has been done in the larger national interests and this only indicates that we stay in power not because we have to stay in power. We stay in power because we have to serve the people of this country, the best national interests in every possible way. To us, the political interests are not supreme. The interests of the people are supreme. And if we have to take certain hard decisions, difficult decisions, we have to indicate to our country and the world that we are not a soft society, we can take hard decisions, we can take decisions in the larger interests and in long-term perspective of other problems and we are capable of taking the country onward to price stability, prosperity and progress in every sector of the economy. That is our basic approach which makes the difference between you and what we think of it. You are governing some of the States. I do not want to dilate on it what you are, but the way of your governance clearly indicates that for you, the basic principle is that you want to survive. It is not for the people of that State that you are taking all decisions. You are taking decisions first in our own political interest and the interest of the people is secondary in your point of view. So that makes the difference in the Congress approach and the approach of the Opposition parties. So we have provided you straws but we are sure that you will get drowned

and remain at that bottom level with these straws in every situation.

With these words I conclude my speech and hope that the Opposition parties will consider coolly, will think over it again and again how far these agitations are going to help the nation and the people and certainly try to reverse the steps that they have taken in this regard.

Thank you very much.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Shri Gurupadaswamy.

SHRI S.W. DHABE (Maharashtra):  
Do you want to continue upto 9 o'clock?

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): I would request the hon. Members not to take more than ten minutes...

SHRI M. S. GURUPADASWAMY:  
It is not possible.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL):.... because only six people have spoken.

SHRI S. W. DHABE: It is such an important debate. I request you, 14 speakers are there, how can it be finished today?

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): We will continue for some time. I have called Mr. Gurupadaswamy.

SHRI NIRMAL CHATTERJEE: If they reduce prices, we can take five minutes.

श्री रऊफ वलीउल्लाह [गुजरात] : कल ये लोग भारत बंद कर रहें हैं और आज हाऊस बंद करना चाहते हैं... [व्यवधान]

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Let him please continue.



**SHRI M. S. GURUPADASWAMY:**  
Mr. Vice-Chairman, we are indeed grateful for the intervention of my hon. friend, the Minister for Petroleum. He made a few very interesting observations which I should take note of before I say a few things about the main issue.

Sir, he tried to enlighten the House and then enlighten the Opposition about the ways of running the Government, about the ways of managing the economy. Sir, every one of us is aware that resources are needed for financing development. And there are four ways of raising resources broadly: (1) by taxation; (2) by borrowing; (3) by deficit financing; and (4) by raising the administered prices, i.e. by saving. These are four ways of raising resources. I think my friend, the Finance Minister, is well aware that resource constraint is not new to the economy. It has not come all on a sudden. Resource constraint has been there all along. But why has the Government suddenly, on the eve of Parliament session, raised these prices? Of late, by parenthesis I say, Mr. Vice-Chairman, the Government of India is in the habit of resorting to continuous budget throughout the year. There used to be, in the past, only one budget. Sometimes, if there was great need there used to be a supplementary budget. Now budgeting has become a recurring phenomenon. There is a pre-budget before the budget session and a post-budget after the budget session. This phenomenon, I ask my friends opposite, can it be justified? Is it good financial management? We have had successive Plans since 1952. The whole thing is debated before the Plan is formulated and finalized Annual budgets are there. In spite of this we see this phenomenon—a disturbing phenomenon—of bypassing and sidestepping Parliament, destroying the sanctity of budget and budgetary processes. This is my first charge.

My friend talked about raising resources. He waxed eloquent—that resources are required by develop-

ment. Yes, we require resources for development. But if my friend sees the picture that is before us, he will realize that the resources that he is getting are not going to development the development impulses in the economy or the development potential in the economy are not being built up. On the contrary, these resources he is getting from the price hike, from the substantial increase in the administered prices, the hefty increase in the prices of the various commodities to which he is resorting not now but even before, are being increasingly diverted to meet revenue deficit. I would like my friend, Mr. V. P. Singh, to tell me what exactly will be the revenue deficit this year, the current year I anticipate that it will be round about Rs. 5,500 crores. Your administered prices and their increase and what you get from this is going to be diverted to meet the revenue deficit of the economy in the budget. This is my second charge. The country is prepared to bear the burden of development but the country is not prepared to bear the burden of mismanagement of the economy. The country is not prepared to witness the misdirection of funds and resources. This is what is happening.

Mr. Vice-Chairman, I have got a few figures but I do not have much time and I cannot go through the entire thing. The Centre's deficit last year was Rs. 3,985 crores. The expansion of the Reserve Bank credit was Rs. 6,055 crores. The budgetary gap during the entire Sixth Five-Year Plan totalled Rs. 11,027 crores, while the RBI credit during the entire Sixth Plan was Rs. 20,130 crores. Is it financial discipline? My friend was waxing eloquent, "We are the people to save the economy, to save the country, and the Janata Government was not." Is it a good picture. That we can extol?

**SHRI VISHWANATH PRATAP SINGH:** I would just intervene. What has been the effect of these deficits on inflation?

**SHRI M. S. GURUPADASWAMY:** The inflationary trend has been there all long since the Third Plan. I would like my friend, the Finance Minister, to take the cumulative effect, the entire effect into consideration.

**SHRI VISHWANATH PRATAP SINGH:** I was asking about the two years which you mentioned. What has been the effect of the deficit on inflation?

**SHRI M. S. GURUPADASWAMY:** I will give you. I have got the figure. The inflation rate, according to my figure, is 4.9 per cent this year, round about that.

**SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashtra):** You had predicted 15 per cent.

**SHRI M. S. GURUPADASWAMY:** It is 4.9 per cent this year.

My point here is, we should not take this in isolation I have been arguing all the time, the cumulative effective of the inflation plus the price instability created as the result of the inflationary pressures and the operation of the black money has been having an adverse impact on the economy. Nobody can deny that. Nobody can say that our economy is very healthy and sound. There has been price disequilibrium all along. It may be less now. It may be more tomorrow. There has been the price disequilibrium all the time. Your present rise in the administered prices will dislocate this situation, this equilibrium.

Sir, my friend, the Minister, in his anxiety to raise the resources through these means has violated one of the basic factors in economic development, the cost of production. Another factor that has been overlooked, is efficiency, economy in running the public sector enterprises, and the accountability of the public sector enterprises. Where is really the accountability? You have been reckless-

ly resorting to inflate the prices of the commodities of the public sector enterprises. Will it not have adverse effect on other sectors? The prices cannot be raised in isolation. It will have a multiplier effect on other sectors of the economy.

Mr. Vice-Chairman, my friend was waxing eloquently about conservation of the petroleum products. Nobody consumes petrol unnecessarily. But in a developing context, in a situation in which transport is vital for bringing about social change and economic development, petrol will be increasingly consumed. Nobody can stop this. Even with this increase in the prices, there will be increase in the consumption of petrol and petroleum products. This has got to be understood. If the Minister wanted to conserve the petroleum products, why has the Government licensed so many automobile industries to start now? On the one hand you want to have more and more automobiles, and on the other you want to conserve petrol. And you forget that there is public transport also here which affects the common man. Any rise in the price of petrol will affect the cost of running of public transport in this country. He was saying that no Member talked of kerosene. I have talked about kerosene. Perhaps you have been ignorant about that. We have been talking about everything. If Janata Government has done wrong, I am not justifying it. At the same time let us not justify another wrong committed by this Government. I would like fiscal and financial discipline. All of a sudden my friend, the Finance Minister woke up to hard economic realities. In the last one year he was talking in terms of liberalisation, de-licensing and de-control. Now he wants to apply this leverage of price control and use this mechanism for raising resources. All the policies of the Government for the last one year have been oriented towards subserving ten per cent of the people in India. These are elitist oriented policies and

not mass oriented. Your policy has been promoting consumer, culture in this country, a consumer culture confined to a narrow class, a small minority in this country. The masses did not come to your mind during all these twelve months. And all of a sudden you felt constraint on your resources because you are not getting money from abroad. There is no international assistance forthcoming, your foreign exchange reserves are modwindling. You cannot borrow from the international market because interest rates are high and we cannot borrow from the domestic market because there is a limit to borrowing. So, the compulsions and imperatives have made you to resort to this unjustifiable and irrational steps on the eve of Parliament Session. If you had taken us into confidence I would have been very happy, but you have not done that. You want to present a Budget saying that there is no much of taxation. But you have already taxed. Please remember it is not the only one instalment of raise in prices that you have resorted to. In the past also you have done that in the case of cement, sugar, coal steel. The price of every commodity under the sun has been raised. As a result the cost of production has been raised. You are developing a very high cost economy which this country cannot tolerate. The ratio between cost and output is rising. Please remember this. With this kind of high-cost economy, how can you compete in the world? Your place in the international trade is so low that you cannot stand firm in the world. With this high cost you cannot do that. Therefore, Mr. Vice-Chairman, with all sadness at my heart the Finance Minister had been caught in a trap. In a situation like that, with his youthful impetuosity, I am afraid, he has resorted to this desperate and reckless measure which will rebound not only on him but also on the country.

**SHRI MURLIDHAR CHANDRA-KANT BHANDARE:** Mr. Vice-Chairman, Sir, I rise this evening conscious

of the burden—the burden on our people, the burden of illiteracy, the burden of want and hunger the burden of poverty, the burden of unemployment. In fact no party has been more conscious of that burden than ours. I will deal with this burden a little later. But let me deal with some of the points which have been raised by the hon. Members on the other side. My good friend, Hon'ble Prof Nirmal Chatterjee tried to put the old wine in new bottle. But it seems the bottle has already cracked. I do not find any new point which he made. He denied to hon. Member, Mr. N. K. P. Salve a citizenship of China But it looked as if he had conferred on himself the honorary citizenship of China.

I was reminded of the debate in this very House when we had the IMF loan. I still remember the prophecies they have made and if these prophecies were to come true by now, we would have been like other Central American countries. Sir, my speech is still there in the records of the debate of this House. At that time I predicted that we will not collect the last tranche of one billion dollars. And we have not collected the last tranche of one billion dollars. That is our performance. That is our self-reliance. That is how we have been able to keep our head high in the international field. Nobody can break our backbone. So do not talk of those confabulations with the World Bank and the IMF. We know how to take care of. And nobody can render us weak either economically or politically. Though I can see such efforts are quite vigorous and very strenuous and they are all pervasive. He came out with an ingenious, but not very convincing thesis. It was the commitment of the Government under the Seventh Five Year Plan that has led to this sort of indirect taxation. Now, of course, I must admit that we are committed to the Seventh Five Year Plan and that is going to be our Bible for the next five years and to fulfil the word of that Bible that we will do and

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our actions will be guided by the goals set in the plan. He has referred to some other things to which I will come when I deal with those topics.

Coming to my hon. friend, Mr. Mishra he talked about blackmoney. There is one question on which the Government deserves highest and uniform congratulations that is tackling of blackmoney. I am not a sychophant but the facts speaks for themselves.

As I admitted on the last occasion I have been one of the great advocates of high rate of taxation in my earlier years. I still believe in that because I believe rich people can pay that price for living in such a nice society in India. Ours is a free, open and democratic society. Everything they can have which is not available in any other society in this world. But I have changed my opinion because the high rate of taxation only results in proliferation of blackmoney. It only spreads the cancer of black money which eats the vitals of our national economy. Therefore, I supported and advocated the lowering of the income tax rates and today we have the fruit. The actual figures of collection of income tax are Rs. 652 crores over Rs. 1,600 crores of the last year was given by Mr. Salve that is upto January which is 22 to 23 per cent above the last year. But knowing fully well that the maximum advance tax is paid by the 15th March then it will easily exceed 33 per cent, one third growth in the tax by lowering the tax rate. So let them not talk about raising the tax rate. Let our nation get into the habit of paying the taxes honestly and once we develop that habit, and I think, nobody is more competent than our Prime Minister and our Finance Minister for inculcating that habit of honesty, because as has been said, in the long term fiscal policy, it is not only the collection of taxes but it is improving the morality of the tax payers and to that extent, let me, on this occasion also congratulate the Finance Minister for the raids which

he is conducting. I know there are two sides. I know some of the Members of our party have certain reservations.

SOME HON'BLE MEMBERS: We have no reservations.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: I am glad for that but I must give full support to this. It is not in my one speech but in all the speeches, I have said in this House that you are catching only the small fish. Please catch big fish. For the first time, you caught a big fish in the net. I know that the capacity of the big fish to get out of the net is also considerable, his money power, his influence is greatly visible. I am quite sure, the Finance Minister is not going to let these big fish out of the net and it is for this reason, I want to back up the Finance Minister. I know that vested interests will be after him for the actions he has taken. (Interruption).

SHRI PARVATHANENI UPENDRA: But in your party, they are gunning at you.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: But I want to use this occasion to give my full support to the leader of the House and the Finance Minister for the war that he has declared against black money and therefore, whatever has been said both by Mr. Mishra as well as Mr. Nirmal Chatterjee is really baseless so far as the black money is concerned. That takes me to the more important question of subsidies. Sir, we live in a society where 30 per cent of the vast population of 800 million (Interruptions).

श्री कैलाश पति मिश्र : क्या आप यह कहने के लिए तैयार हैं कि ब्लैक-मनी अब जेनरेट नहीं हो रही है ?

SHRI MURLIDHAR CHANDRA KANT BHANDARE: You referred to the report of the Institute of Public Finance and Supply for that figure of 36 thousand crores. Now everybody admits that by the end of the financial year out of 36,000 crores, of black money atleast 10 to 15,000 crores will come into the mainstream.

The point which I am making is that there is no country in the world where there is no black money. We cannot eliminate it altogether. We will keep it under check. It will not be available for the hoarders, it will not be available for the smugglers, it will not be available for anti-national activities, it will not be available for anti-social activities. Our Finance Minister means it and we back him up. We are going to back them up to see that they succeed in this aspect. (*Interruptions*).

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Mr. Nirmal Chatterjee, please let him continue.

SHRI MURLIDHAR CHANDRA KANT BHANDARE: Now, regarding subsidies, we have 30 per cent of the urban population which lives in the urban centres. 70 per cent of the rural population lives in villages. 30 per cent of the urban population enjoy the fruits of 55 per cent of our national economy. 70 per cent of the rural population enjoy the fruits of 45 per cent of our national economy and we are wedded to equality, we are wedded to remove the disparities but how are we going to do? I think we can do it only by continuing the subsidies for the poor. What has been done in the tribal areas is one step in the right direction. But today what happens is that the benefit of this subsidy is taken also by the rich. For example, you will find that all those affluent families who have, not one gas cylinder but two gas cylinders also get the benefit of the LPG subsidy. You give subsidy on foodgrains. Now the rich also get the benefit of this subsidy. The poor do not get it to

the same extent. We are strengthening the anti-poverty programmes. I have made the suggestion before and I repeat it with all humility for the hon. Finance Minister to consider: Let those whose income is below Rs. 5,000 or Rs. 6,000 a year get all the foodgrains and essential commodities at half the market price. And remove the subsidies as you go to the other income groups. That is the only way. (*Time-bell rings*). Give me five minutes.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Please try to conclude. You are the sixth, Speaker and there are 20 in all.

SHRI MURLIDHAR CHANDRA KANT BHANDARE: There is one thing which I want to say about the public distribution system. I wanted to speak more, but now I will not. Unless we improve the public distribution system, nothing is going to happen. All your subsidies will be eaten away by the middlemen. The kerosene oil will not reach the village or hamlet where only one oil lamp keeps the whole family away from darkness. I would urge the hon. Finance Minister and the Planning Minister — Mr. Ajit Panja is not here—to consider setting up of cooperatives. We must involve the people in the public distribution system. We must involve the people in the setting up of schools. We must involve the people in the setting up of hospitals. The Government cannot give all these things. Their resources are limited. Let them be generated by the people themselves. Let there be cooperative schools of students, parents and teachers. Let there be cooperative hospitals of patients and doctors. And let there be cooperative consumer stores. And give appropriate tax benefits to this public distribution system. In Switzerland, two cooperatives, Migro and Co-ops, have driven away all the multi-nationals. In Maharashtra the cooperative sector has shown great success in agriculture. I see no reason why we cannot do it in the consumer goods.

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The last point which I would like to make is about oil. Oil constitutes 66-2/3 per cent of the energy in our country. We have been talking, year after year, of measures for oil substitution. Sir, it is surprising but true that the costliest fuel in a country like India is not the LPG, is not diesel, but fuel-wood. I have got the figures but I do not have time to give them. I will pass them on to the Minister, if necessary. If we do not give kerosene oil, they will fall back upon fuel-wood, which will be a much greater disaster for our country. There has been the D. V. Kapoor Committee Report in three volumes. There are also many other reports dealing with the question of oil substitution and oil conservation. That is the need of the hour. If you take these measures, then you will be in a position to achieve much more, because price increase is the least effective of all the measures so far as control of consumption of oil is concerned. Now the last but not the least, this is a hard option, no Government likes to be unpopular particularly when it has come up with such great popularity. What great hopes it has given to the Opposition as Prof. Nirmal Chatterjee said! Those who mean to work honestly are not afraid of adverse public opinion. We sacrificed our political power in Punjab and in Assam for the political stability, for the sovereignty and unity of this country and we will not desist from making hard options so that we fulfil the promise which we have made to govern this country for five years, for really raising the standard of the poor, for increasing the production because it is only the development, it is only the increasing of production that will bring up the mass of these people from below the poverty level to a certain amount of living with dignity of living with some comfort, above all with some self-reliance, and that is what we will achieve for our countrymen. Let them face us in the election in 1989 and we will see where they stand and where we stand. Our

plane will definitely go higher because that will be a much later model.

**SHRI GURUDAS DAS GUPTA** (West Bengal): Mr. Vice-Chairman, at the outset let me say that the price hike through administrative notification only 19 days before Parliament session constitutes a flagrant violation of parliamentary democracy. In my opinion Parliament is sought to be downgraded by our Ministers. They are downgrading not only Parliament, they are downgrading planning, Planning Commission. Some days ago we were told that Mrs. Gandhi had been downgraded in a film which was postponed because the Congress MPs have protested against it. Therefore, we are living in a situation when some values are being downgraded by the people who are ruling the country. I call this price hike as a budget before a budget. Price hike has been resorted to in order to give the budget a presentable appearance. The budgetary gap is sought to be reduced and the budget is being made to appear that it is not so anti-people as it actually is. I say that the price hike is again a symptom or a signal of surrender to the pressure of the International Monetary Fund and the World Bank. Somebody here was looking for a proof. Let me quote one who is no other than the Secretary, Coal Department, Mr. H. B. Lal, who, while speaking at a meeting in Calcutta on 31st December last year said:

"The World Bank is insisting on a coal price hike before it could provide 300 million dollar loan for the development of two coal mines in India—Sonepur Badli and Behari in West Bengal and Madhya Pradesh, respectively were planned to be developed under World Bank Finance Scheme."

This is the statement of a Secretary to the Government of India in a particular department and there is no reason to disbelieve that statement. Then again, let me quote the IMF Memo which the Government did not

publish because they cannot publish it as otherwise, they will be in the dock if they publish it. One of our brother-parties, the Communist Party of India (Marxist) — my friend in the CPI(M) — should have quoted it. Let me quote from their party document.

"The Communist Party of India (Marxist) has obtained a copy of the memorandum prepared by the International Monetary Fund setting forth the terms and conditions under which the Fund has agreed to provide the Government of India with a loan of five billion SDRs. The memorandum incorporates a statement of the economic policies submitted by the Government of India and a letter of intent dated September 28, 1981, from Shri R. Venkataraman, the Union Finance Minister to the Managing Director of the Fund. None of these documents has been released by the Government of India to the Indian public. They have been held back from even the Members of Parliament. Our Party has decided to publish this document in its entirety so that the people of India, along with the Members of Parliament could reach an objective judgment on the need for contracting such a loan from the IMF on the derogatory terms and conditions attached—Prāmōde Das Gupta, November 16, 1981, 31, Ali-muddin Street, Calcutta."

This has been published as far back as in 1981 and there has been no rejoinder from the Government of India to say that what is contained therein is a fabrication. Let me quote from the document. Now, what is this document? This document is a memorandum prepared by the Asian Exchange of Trade Relations Department of the IMF laying down the conditions of loan to be granted to India which the Government of India agreed to and it was submitted to the IMF Executive. I am quoting from this document from page 43:

"The authorities are aiming at a reversal of the previous direction of

policies which made domestic markets more attractive than exports."

What does this mean? It means that the Government of India is trying to make exports more lucrative and the domestic market less lucrative. Then it also means subsidy for foreign trade and more taxes inside the country. This is actually the political philosophy and the line of policy which the Government is resorting to. And, Sir, this document, at page 47, incorporates a letter from the then Finance Minister and now the Chairman of this House—Mr. R. Venkataraman, wherein he has agreed to the modalities, and terms and conditions as were being given by the IMF for the grant of the loan. Therefore, if there is any person in this House who will say that the price rise was not dictated to by the IMF and if there is anyone in this House sitting on this side who says, "No; we did it on our own, and not under any pressure from them," then this is the conclusive evidence. Let the Finance Minister and let the Government of India come out with a rejoinder that the publication made by the CPI(M) and the statement that I have read out of Mr. Lal are not correct, and are wrong. Therefore, Sir, this is a blatant surrender to the blackmail of the IMF and this has tarnished the image of the Government and this has tarnished the sovereignty of our country.

Sir, the price hike is only the logical outcome, the logical culmination of the economic policies being pursued by the present rulers. It is only reflective of the political philosophy that they subscribe to. Now, what are the salient features of that economic policy? The salient features of the economic policy are: lifting of the controls on the economy, raising of the limit of assets of the monopoly houses, downgrading of the public sector, privatisation of the economy, reduction of taxes in the corporate sector and in personal income, concession in taxes on consumer durables, lavish liberalisation of imports and open invitation

[Shri Gurudas Das Gupta]

to trans-national companies. This is the political philosophy, this is the economic philosophy, this is the political understanding, and this is the line of planning that the Indian Government is pursuing. As a result of this, Sir, we are giving up our policy of self-reliance and we are giving up our policy of import substitution. What is the effect? The effect is that your mobilisation of domestic resources is getting reduced; secondly, there is more adverse balance of payments; and, thirdly, as a result of these two, you are getting yourself trapped in the foreign-loan-difficulty conspiracy and in the economic conspiracy of the imperialist countries. This is something which is neo-colonialism. You know what Comrade Castro had said. It is an open declaration to the Non-alignment movement that let us say that we shall not pay the loan, let there be a moratorium on foreign loans. That was the stand of Comrade Castro. But Indian Government was saying: No moratorium, we must pay the loan, when we have taken the loan must pay the loan. Therefore, being burdened by the repayment of loan, you have taxed the common people because you have given up the idea of taxing the people who can pay. (*Time-bell rings*).

A few minutes more, because I have. . . .

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): The time allotted to you was. . .

SHRI GURUDAS DAS GUPTA: Three minutes more.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Please conclude within a minute.

SHRI GURUDAS DAS GUPTA: I would expect you to give me three minutes more or five minutes only.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): See my difficulty.

SHRI GURUDAS DAS GUPTA: I can understand. Please give me three minutes only. Let me make my points.

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Please conclude.

SHRI GURUDAS DAS GUPTA: Therefore, when the rich cannot be taxed, it is the poor people who have to be taxed in quest of resources, in quest of payment of foreign loan, in quest of payment of interest on foreign loan. Therefore, you are being dictated and you are being trapped. This price rise is an additional taxation. And what is the extent of additional taxation? The last four Budgets have imposed Rs. 4800 crores tax on the Indian people. In the last Budget you have imposed Rs. 1900 crores as tax, and in this price hike just on the eve of the Budget you have imposed Rs. 1500 crores on the common people. This is the extent. On the other hand in the last Budget you have given concessions of Rs. 1000 crores to those people who can pay. Therefore, the situation is this. The situation is that you are going to get trapped because of the price rise. The imposition of the additional taxation is going to pauperise the peasantry. It is going to restrict the domestic market. It is going to make Indian goods costlier in the foreign markets. Therefore, you are going to get trapped by the policy you are pursuing.

Somebody was talking about black money. India is having at the moment Rs. 40,000 crores of black money. How much of black money have you been able to recover? We have hats off to the present Finance Minister for continuing raids! But how much have you been able to recover? And how long it will continue. You have not touched the fringe of it. There are many people who are not being touched for political reasons. When the black money is about Rs. 40,000 crores, how much do you want to get by these raids? Not more than Rs. 500 crores. Therefore, if you want to raise resources, put a finger on black



money. Not only it is a question of black money, but it is your craze for foreign goods. You are producing 'Maruti' cars; not even 40 per cent of its components belong to India. Sixty per cent belong out of India. Of late you have developed another sector. You developed the public sector and the private sector. Another sector you have developed, that is, screw-driver sector of Hong Kong brand. We are doing the assembling here but you will find when you lift the cones that something made in Japan, something made in Hong Kong, something somewhere else. (Time bell rings).

Therefore, Mr. Vice-Chairman. Sir, in conclusion, since I have no time, I say that the policy that you are pursuing will restrict the domestic market. This policy will pauperise the Indian masses. Therefore, the balance of payment is going to be more and more adverse in the coming period. And this is happening because you refuse to tax the rich people. This situation is bound to continue because you do not put your finger on black money. This situation is bound to be like this because you are inculcating a love for foreign goods. This situation is happening because you refuse to restrict monopoly houses to raise finance. This situation is bound to happen because you are inculcating a love for foreign goods and indulging in extra vacant imports.

With these words, Sir, I send a note of warning that the policy which the Government is pursuing is agitating not the people who are inside the House. It is agitating all sections of people including those who have voted for you. What is the election result in Sangli? What is the election result in the by-elections? Therefore, please do not live in a fool's paradise that you are having the same massive support that you had when you came to power one year back. The popular base is eroding first as a result of the economic policy that you are pursuing. Therefore, I demand on behalf of my Party, the Communist Party of India

the reversal of the economic policy, the reversal of the policy that downgrades the Indian Parliament, the reversal of the policy that protects the monopoly houses, the reversal of the policy that downgrades the public sector, the reversal of the policy that downgrades self-reliance, the reversal of the policy that protects that vested interests in the country. Thank you, Sir.

SHRI DEBA PRASAD RAY (West Bengal): Mr. Vice-Chairman, Sir, while my friend, Mr. Gurudas Das Gupta was making his presentation, I was thinking whether he was levelling all those charges against our Government or against the Government we have got in West Bengal for which his party is a partner because all those charges can be jolly well attributed to the Government that has been installed in West Bengal under the leadership of the Marxist Communist Party and under the banner of the Left Front. I do not want to enter into a debate with him because the time is very short. But I would like to say a few words about the Party that he represents because we were together at one of time. So, his Party is the only Party that always takes a wrong decision at the right hour because in 1977, when the people were not with us, they were with us. In 1980, when the people were with us, they were not with us; they deserted us. So, I do not want to enter ... (Interruptions) into a debate with him. But I would definitely speak a few words about the Government they have been running in West Bengal. But I must clarify that I have stood up to express my support, to express my solidarity with the decision that the Government of India has taken in the matter of enhancing the prices of certain commodities.

Sir, an effort has been made by the Opposition Members to prove that the health of the Indian economy has been so bad that there was no option before the Government but to get into this decision. But if you look at the health of the Indian economy, if we

[Shri Deba Prasad Ray]

Look at the Indian economy, we would see that it looks healthier than ever before. It looks healthier than ever before because the rate of inflation has been brought down to 4.6 per cent. It looks healthier than ever before because the price rise in the recent ten months is confined to the tune of 4.1 per cent. It looks healthier than ever before because the percentage of growth of industrial production has been in recent times. It looks healthier than ever before because the foreign exchange reserve has reached to the tune of Rs. 6,500 crores and the buffer food-stock has come to 25 million tonnes. It looks healthier than ever before because the increase in the rail freight has made a record by itself by touching 9 per cent, and the power generation has also reached to the tune of 16 per cent. So, taking all these factors into consideration, one can definitely establish that the economy of India or the economy that has been actually built by the hon. Prime Minister, Shri Rajiv Gandhi, looks healthier. Then, why has this price rise has been made? Why has this decision been taken? As many of my colleagues and friends have clearly said over here, there is a need to mobilise resources, and to mobilise resources this decision, rather this hard decision has been taken. To mobilise resources, I would agree with some of my friends that there are three options. One option is to get into deficit financing. The other option is to go in for borrowings from foreign markets. And the third option is to raise the prices of certain commodities. If we get into the first option, if we agree to get into the first option, if we decide to get into deficit financing, that will lead to a tremendous inflationary pressure, a kind of proposition which we 7.00 P.M. cannot accept. If we think of getting loans by borrowing funds from foreign countries, my friends from the opposition have spoken about the loans we have taken from the IMF. I thought that they

would be appreciating the Government, that they would be appreciating our Finance Minister, that they would be praising his role, because a hard decision has been taken by him that he did not decide to borrow money from the world market today, which would ultimately create a situation which might take away the independence of our economy, which might create a situation that would actually impose some conditions on our economy and that decision of the Government should have been appreciated by the opposition parties. We know, we know what is the concept of foreign aid. We know what is the meaning of aid given by the developed countries to the developing countries. I would like to tell you for your information that the developed countries which have been giving aid to the developing countries, in the year 1983-84 the developed countries have extended foreign aid to the tune of 80 billion dollars to the developing countries and while doing that they would have taken back in the form of payment of old debts a sum of 96 billion dollars and in the process they made a profit of 16 billion. The role of trans-national corporations has been talked about. Mr. Das Gupta has talked about trans-national corporations. He can go back to Calcutta and can locate all the trans-national corporations which have already reached there under the kind patronage of Shri Jyoti Basu. The Hindustan Lever, the Calcutta Electricity Supply Corporation and various other organisation have already reached there which are being propped up by the Government of West Bengal. The trans-national corporations from 1970 to 1978 in a period of eight years, have invested 4202 billion dollars in developing countries and while doing so they have remitted 1002 dollar to their countries. That is why the global exploitation is going on in the name of foreign aid and our hon. Prime Minister is fighting for the establishment of the new international economic order, has been fighting for the establishment of a new economic order based on equity

and justice. He has taken a decision not to get any foreign aid and he has taken a decision not to borrow money from foreign countries. If we have appreciated his role, when he played this role in the international arena, for the establishment of a new international economic order, today he deserves to be supported by the people of our country. While he has taken a decision to mobilise resources from within, it might make the people swallow the bitter pill today, it might take the people swallow the bitter pill today, but it will lead us to a better tomorrow, which will provide justice and equality to all sections of our people, to all segments of our people. I would like the opposition to appreciate this phenomena of the decision.

AN. HON. MEMBER: But they cannot do that.

SHRI DEBA PRASAD RAY: My friend, I am appealing to their conscience. What is the implication of the price rise? What is the implication of this price rise if you look to wheat and rice alone. In the matter of rice, the enhancement is to the tune of 10.6 paise. In the matter of wheat it is 5.6 paise. But the lower and weaker sections of the people are going to get subsidised wheat and rice. In the matter of rice they are going to get it at a subsidised price and the privileges that they were enjoying before they will get them. The farmers are also going to get compensated because of the support price which has been announced to the tune of Rs. 5 per quintal and in the case of kerosene oil, as my friend, Mr. Sukl, has already narrated, although there is a rise to the tune of 14 paise per litre, but while the consumer is paying 14 paise per litre, the Government is paying 70 paise against that one litre of kerosene oil for the consumption by the people of our country. The decision on increasing the petroleum price has been taken and our hon. Minister has already explained as to why the decision has been taken. An argument

has been floated by the opposition that although there is a fall in the price of the petroleum in the international market, there has been a rise in the price level in the local market and they have asked why this has happened. In 1984-85, we used to import 20 per cent of the crude oil from outside countries. Now in 1985-86, the consumption has gone up and now we are importing 33 per cent crude oil from outside countries for the consumption of our own countrymen and that is the reason why the price has gone up. Now many of our friends have argued that this decision has been taken without taking the Parliament into confidence and that the Parliament should have been taken into confidence.

I would say that at times, decisions are taken like this. When Mr. N. T. Rama Rao took a decision in Andhra Pradesh to reduce the retirement age of the Government employees from 58 to 55 years, the Assembly was not taken into confidence. When the resignation drama was staged by Shri R. K. Hegde in Karnataka, Assembly was in session but it was not taken into confidence. When the water tax has been raised in Calcutta, the Assembly is going to meet on 3rd of March and the West Bengal Government has not taken the Assembly into confidence. At times, the situation forces the Government to take certain decisions which are taken outside the arena of either the Assembly or the Parliament. (*Time bell rings*). Sir, because I seldom speak here and I speak once in a blue moon, I request you to take this fact into consideration while ringing the bell. Sir, the Government of India had to take this decision and why it has done so, I would like to clarify, and clarify whether it could be avoided. Yes, it could be avoided in the language of Prof. Nirmal Chatterjee Sahib, and it is because he represents a State where an alternative economy has been introduced in which he concept of resource mobilisation has no place. They do not believe in resource mobilisation. In the

[Shri Deba Prasad Ray]

Sixth Plan, the West Bengal Government had a total allocation of Rs. 35,000 crores out of which they could manage to spend only Rs. 2293 crores. In the field of education, they were to spend Rs. 275 crores but they could manage to spend Rs. 177 crores only. In the field of water supply, they were to spend Rs. 161 crores; they could manage to spend Rs. 61.12 crores. In the field of rural development, they were to spend Rs. 293 crore; they could manage to spend Rs. 125 crores. Yes, in one field, they could manage to spend more than they should have spent and that is the field of information, propaganda and publicity. Here they were to spend Rs. 4 crores and they could manage to spend Rs. 6 crores. And the role of the West Bengal in the matter of mobilisation of resources may also be understood by us. The Government of West Bengal was to contribute Rs. 874.75 crores according to the original estimates but the latest estimate indicates—do you know what is the contribution by the Government of West Bengal in the Sixth Five Year Plan?—it is minus Rs. 28.37 crores. That was the contribution made by the West Bengal Government during the Plan period. They have to have received Central assistance to the tune of Rs. 680 crores but the latest estimate indicates they have received it to the tune of Rs. 760 crores instead of Rs. 680 crores. And the Government of West Bengal may finally go RBI which had to give overdrafts to the tune of Rs. 599 crores. That is why Prof. Nirmal Chatterjee could manage to say that this is a wrong decision and that there is no need to mobilise the resources because the Government of West Bengal would come before the Centre, before the RBI and take overdrafts. But this is not followed by the Government of India. This path is not followed by the Government of India. We do not believe in it but they believe in the concept of surviving themselves at the cost of the country. But we would ensure that the country survives and

that is why this hard decision has been taken by our Prime Minister, by the Government of India. I would like to tell my friends and hon. Members here as to what the basic objective of rise in prices is. What is the basic objective? The basic objective is to ensure that there is maximum utilisation of energy as well as maximum utilisation of human energy. If you want to utilise the human energy to the maximum extent, you have to give more money to the industrial sector, you have to give more money to the steel plants, you have to give more money to the rural sector, you have to give more money for the implementation of the anti-poverty programme so that the human energy is fully harnessed, is fully utilised and more jobs are created. For that, you need a Budget for anti-poverty programmes as well as a proper balance of payments position. The concept of balance of payments has been argued and discussed by many of my friends. I do not want to go into the details. I would only like to quote one figure. During the Sixth Plan period, import of products was to the extent of 31 per cent of our total requirements. In the Seventh Plan period, it is envisaged that this will be to the tune of 38 per cent. But unfortunately, in the first year itself, of the Seventh Plan period, it has gone up to 40 per cent. This is a very alarming sign and that is why, a hard decision has been taken to ensure that there is no disaster as far as the balance of payments position is concerned.

I would like to say that even to tackle major political problems like Punjab and Assam, even to tackle major political problems like the ones we are coming across on the Western border as well as on the Southern border, we have to have a strong economy. And a strong economy cannot be created by borrowing. A strong economy can be created only when people are prepared to get into the struggle, people are prepared to join the march undertaken by our Prime Minister to create an independent economy

in the country. They are calling for a *Bharat Bandh*. Who are these people? These are the persons whom the people banned in 1984. They have given the call for the *Bharat Bandh*. I would like to say that despite the conspiracy, despite the efforts made by the Opposition to stall the journey of our Prime Minister, the country would be taken to the cherished goal of socialism under the able leadership of Shri Rajiv Gandhi. The journey of our people, the journey of our leader, cannot be stopped by any authority under the Sun.

I would like to conclude by quoting a few lines from Tagore. I would like to translate this into English for the consumption of my friends who do not understand Bengali. It is like this: 'Give him also the strength whom you have given the responsibility of carrying on your flag. Give him also enough patience and courage to be able to endure the great suffering that one has to pass through while serving your cause.'

Sir, the people of our country have not only given their flag to our Prime Minister, Shri Rajiv Gandhi. They have also given him enough strength to carry on that flag and he will continue to carry it. The people of our country have not only given him their support, but they are also giving him enough patience and courage to endure hardship which is required to be undertaken, while serving the cause of the people. This has been done and this will continue to be done by our hon. Prime Minister. With these words, I conclude.

उपसभाध्यक्ष (श्री पवन कुमार बांसल) :

श्री वीरेन्द्र वर्मा । कृपया समय का ध्यान कीजिए । सवा सात हो गये हैं और कई स्पीकर बोलने वाले हैं ।

SHRI GURUDAS DAS GUPTA: Mr. Vice-Chairman, Sir, how long we shall be discussing. West Bengal in this Parliament? (Interruptions)

SHRI SITARAM KESARI: Sir, we go by the time which has been allotted to different parties.

श्री वीरेन्द्र वर्मा : दोनों का हिसाब जोड़ लीजियेगा । जितने इधर से बोले हैं और जितने उधर से बोले हैं सब का टाइम जोड़ लीजियेगा ।

उपसभाध्यक्ष (श्री पवन कुमार बांसल) : वर्मा जी, जितना समय अलाट हुआ है इधर उससे कम समय मिला है ।

SHRI NIRMAL CHATTERJEE: Sir, I thought Mr. Kesari stood up to announce dinner because we are waiting.

SHRI SITARAM KESARI: So far as our party is concerned, I have already withdrawn many speakers.

श्री वीरेन्द्र वर्मा : कोई नहीं विदड़ा किया । एक ने भी विदड़ा नहीं किया । एक के बाद एक बोले ।

श्री सतिाराम केसरी : आप लिस्ट सुना दीजिए ।

श्री वीरेन्द्र वर्मा : एक इधर का है एक उधर का... (अवधान)

श्रीमान्, पहली फरवरी को माननीय वित्त मंत्री जी ने और सरकार ने जनता पर नये टैक्सेज लगा दिये । 20 फरवरी को पार्लियामेंट का अधिवेशन उन्होंने बुलाया । 20 दिन पूर्व इसे प्रकार के टैक्सेज का लगाना मेरी अपनी राय में सर्वथा अनुचित है और पार्लियामेंट का अपमान है ।

मान्यवर, मूल्यों में वृद्धि हुई है । कल 26 फरवरी को रेलवे बजट पेश होगा । 28 को माननीय वित्त मंत्री जी जनरल बजट पेश करेंगे । पुनः मूल्यों में वृद्धि होगी । इस मूल्य वृद्धि का किस पर असर पड़ेगा ? अमीर आदमी पर इसका कोई असर नहीं होगा ।

[श्री धीरेन्द्र वर्मा]

जिस देश में 40 फंसदी, सरकार के आंकड़ों के अनुसार, गरीबी की रेखा के नीचे जनता रहती हो, मूल्य वृद्धि का प्रतिकूल प्रभाव उसी जनता पर पड़ता है। विकास कार्यों के लिए पैसे की आपको आवश्यकता है इसलिए 24 सौ करोड़ के टैक्स आपने लगाये हैं। जाहिर है कि बगैर पैसे के विकास संभव नहीं है। पेट्रोल की कीमत बढ़ाई है। सन् 1973 में 1.50 रुपये पर लिटर पेट्रोल था और आज साढ़े सात रुपये हैं। पांच गुनी कीमतें बढ़ी हैं। डीजल आयल की कीमत भी इसी हिसाब से बढ़ी है, सीमेंट की कीमत भी इसी हिसाब से बढ़ी है, लोहे की कीमतें भी इसी हिसाब से बढ़ी हैं, खाद की कीमतें भी इसी हिसाब से बढ़ी हैं। हर चीज के मूल्यों में वृद्धि इसी प्रकार से होती जा रही है।

मान्यवर, संसार की तुलना में हिंदुस्तान एक गरीब देश है। संसार में पेट्रोल, डीजल आयल और दूसरे पदार्थों का क्या मूल्य है और हिंदुस्तान में प्रति व्यक्ति आमदनी के हिसाब से क्या मूल्य है? मैंने अखबारों में देखा कि 5 पाइंट तक 4.9 पैसे, 31 दिसम्बर तक, आपका पेट्रोल का खर्च हुआ है जो कि 31 मार्च तक कुछ अधिक हो जायेगा 5 पैसे से एक या दो पाइंट अधिक।

श्री चन्द्र शेखर सिंह: गलत है।

श्री धीरेन्द्र वर्मा : : गलत होगा, आपने शायद बताया होगा। लेकिन फिर भी आवश्यकता है कि पब्लिक अण्डर-टैकिंग में, गवर्नमेंट के उच्च विभागों में उच्च अधिकारियों के पेट्रोल का राशन किया जाये। मुझे याद है सर हैरिहेग उत्तर प्रदेश में अंग्रेज सरकार के एक उच्च अधिकारी थे और लड़ाई चल रही थी, पेट्रोल की कमी थी, वे साइकिल पर आते थे, कार छोड़ दी थी, क्या हम इकतामी कर सकते हैं, उसी भावना के साथ उसी दृष्टि के

साथ जिसके साथ आपका इकतामी करने का इरादा है? आवश्यकता है इकतामी की।

[उपसभाध्यक्ष (श्री संतोष कुमार साहू) पीठासीन हुए]

डीजल आयल की कीमत आपने बढ़ाई। पेट्रोल की कीमत बढ़ाई। डीजल आयल और पेट्रोल की कीमत बढ़ाने से टैक्सी का किराया बढ़ जाता है, स्कूटर का किराया बढ़ा दिया जाता है, बसों का किराया भी बढ़ जाता है, रेल के किराये भी बढ़ा दिये जाते हैं लेकिन मान्यवर किसान को सिचाई के लिए डीजल इंजन में जिस तेल की जरूरत है उसके लिए उसका क्या कुछ इस प्रकार से बढ़ता है? मान्यवर, मेरे जिले में और पंजाब में जो 5 एकड़ तक के किसान हैं जिन्होंने ट्रैक्टर ले रखे हैं, पांच एकड़ की जो अलाभकारी जोत हैं लेकिन मन्टी परपज कार्यों के लिए ले रखे हैं तो उनका मुनाफा क्या इस दृष्टि से कम नहीं होगा? क्या उनकी कास्ट आफ प्रोडक्शन नहीं बढ़ेगी, उत्पादन व्यय में वृद्धि नहीं होगी?

इस बात को, मान्यवर, आपको सोचना चाहिए। आपने गेहूं की कीमत पांच रुपये क्विंटल बढ़ाई है। सन् 1960 का एक रुपया आज के साढ़े सोलह पैसे के बराबर है। पांच रुपये के कुछ माने नहीं हैं। उपभोक्ता के लिए, पहली अप्रैल से रु. 48 प्रति क्विंटल आपने कीमत में वृद्धि की है। यह इस कारण शायद आपने की है कि हम सब्सिडी को कम कर रहे हैं।

मान्यवर, मुझे फूड एण्ड सिविल सप्लाइज की कन्सल्टेटिव कमेटी में बैठने का अवसर मिला है। तीन मीटिंग्स में लगातार फूड कारपोरेशन आफ इंडिया के फंक्शनिंग पर, उसके बकिंग पर हमने विचार किया और हमने देखा कि भारी गोलमाल और करप्शन और फूड कारपोरेशन की इनफिशियेंसी के कारण आपकी सब्सिडी बढ़ती जाती है। आप कहते हैं कि हम कंज्यूमर को, उपभोक्ता

को सविडआईज करते हैं, अनुदान देते हैं, लेकिन कभी आपका उपभोक्ता को अनुदान नहीं पहुंचा। वह अनुदान गया है फूड कारपोरेशन, खाद्य निगम के भ्रष्टाचार में, उसकी इनफिगेंसी में और मैं, माननीय वित्त मंत्री जी अगर समय देंगे, तो मैं उनको अनेकों आंकड़े इस प्रकार के फूड कारपोरेशन आफ इण्डिया के दूंगा कि जिसमें भ्रष्टाचार ही भ्रष्टाचार उनको बतला सकूंगा कि किस प्रकार की फिजूल खर्ची वहां पर होती है।

मान्यवर, खाद की कीमत भी इसी तरह बढ़ी है। अमरीका संसार का सब से मालदार देश है। हिंदुस्तान दुनिया का 125वां गरीब देश है। जितने भी 159 देश आजाद हैं, उनमें 125वां नम्बर हमारे देश का आता है। आप बोशिश कर रहे हैं कि शायद उसको कुछ ऊपर उठा दें।

**एक माननीय सदस्य :** आबादी के हिसाब से।

**श्री वीरेन्द्र वर्मा :** आबादी के हिसाब से नहीं, गरीबी के हिसाब से।

मान्यवर, अमरीका में जो खाद आज मिलती है, उससे तीन गुणा हिंदुस्तान में खाद की कीमत है। क्या यहां इतने मालदार किसान हैं कि इतनी ऊंची कीमत पर खरीद करके खाद का प्रयोग कर खाद्यान्न बढ़ा सकें और अपनी खुशहाली को बढ़ा सकें? आपने उसके ऊपर भी सविडआई को खत्म करने की कोशिश की है कि हम उसके ऊपर सविडआई नहीं देना चाहते हैं।

मान्यवर, एक और आंकड़ा देना चाहता हूँ। एक करोड़ टन गेहूँ आपने वसूल किया है। कितना किया था, यानी मेरे हिसाब से पांच रुपये क्विंटल आपने दिया है, दस करोड़—(समय की घंटी) क्विंटल के करीब आपने इक्का किया, तो शायद पचास करोड़ रुपये के करीब किसान को मिलेगा पांच रुपये के हिसाब से और, मान्यवर, जो खाद

की कीमत आपने दो सौ, तीन सौ रुपये टन का बढ़ाया है, उसे देना पड़ेगा 400 करोड़ रुपये। तो किसान को क्या मिला और खाद की बढ़ी हुई कीमत पर उसको क्या देना पड़ेगा? यह स्थिति इस प्रकार की है।

किरोसिन, आयल-मिट्टी का तेल कौन खर्च करता है। मारे हिंदुस्तान में गरीब इन्फान रहता है। वह गज मिट्टी का तेल खर्च करता है। मिट्टी का तेल लालटेन में जलाते हैं मान्यवर, मैंने आपको लिखा भी था कि लालटेन केवल गांव का आदमी ही नहीं जलाता है, अपनी सिचाई करने के लिए, घर में रोशनी करने के लिए, उससे घर में बच्चे भी पढ़ते हैं, खेत पर भी जाना है और कोल्हू पर भी रखता है, लेकिन लालटेन पर आपने किसी प्रकार की एक्साईज-ड्यूटी में कमी नहीं की है। लोहे की बाल्टी कौन इस्तेमाल करता है। लोहे की बाल्टी पर आपने कोई एक्साईज ड्यूटी की कमी नहीं की है। लोहे का चूल्हा कौन इस्तेमाल करते हैं? केवल गरीब आदमी इस्तेमाल करते हैं। लोहे का चूल्हा, लोहे की बाल्टी और आपकी यह लालटेन, उन पर तो कमी की नहीं और पैटो मैकम के ऊपर और कृकर के ऊपर जिसको अमीर, मिडलमैन और अच्छे व्यक्ति इस्तेमाल करते हैं उनके ऊपर आपने कम की है। मैं यही दरखास्त करता हूँ कि आपका ध्यान इस तरफ जाएगा।

पावर रेट्स में, मान्यवर, उत्तर प्रदेश की सरकार ने वृद्धि की है। पन्द्रह साल पश्तर जब मैं उत्तर प्रदेश में था, जहां 22 फीसदी पावर में, बिजली में चोरी होती थी, वहां अब 40 फीसदी चोरी होती है। कहां होती है यह चोरी? केवल इण्डस्ट्रियलिस्ट और बड़े-बड़े उद्योगपति यह भारी चोरी करते हैं और नतीजा उमका भुगतना पड़ता है कामन मैन को। चोरी की इण्डस्ट्रियलिस्ट ने, वह एक्सीक्यूटिव इंजीनियर और सुपरिन्टेन्डिंग इंजीनियर से मिल कर चोरी करते हैं, अपने मीटरज को चलने नहीं देते और नुकसान होता है फिर बिजली पर और

[श्री वीरेन्द्र वर्मा]

टैक्सज ग्राम आदमी के ऊपर बढ़ाये जाते हैं।

इसी प्रकार फूड कारपोरेशन की बात में। मान्यवर, आप से बताई है। हमारी सोसायटी का जो आर्गेनाइज्ड सैक्टर है, आज ही आपने प्रश्नकाल के दौरान कहा था कि हमने इतनी कितने दे दी, उनमें कभी-कभी नहीं की, आर्गेनाइज्ड सैक्टर को मंहगाई का भुगतान होता रहता है, इंडस्ट्री में भी जो आर्गेनाइज्ड सैक्टर है उसकी भी मंहगाई नहीं सताती। लेकिन जो 40 फीसदी गरीब आदमी है उसकी मंहगाई का कोई इलाज नहीं हो पाता। मंहगाई से प्रभावित वह गरीब इंसान ही होता है जिसकी तरफ कोई ध्यान नहीं दिया जाता है।

मान्यवर, तीन-चार बातें सुझाव की दृष्टि से कह रहा हूँ। आप जानते हैं कि मैं गन्ने का किसान हूँ। गन्ने की कीमत आपने 24 रुपये क्विंटल की, मिल-मालिकों को कितना मुनाफा दिया, 65 फीसदी चीनी लेते थे उसे 55 फीसदी आपने किया। पहली दिसम्बर, 1985 में 8 महीने के अन्दर दो बार आपने 80 रुपये क्विंटल चीनी की कीमत बढ़ाई, 65 से 55 फीसदी की सुविधा दी और मिल मालिक को अगर गन्ना नहीं मिला तो उत्तर प्रदेश के गुड़ और खांडसारी के ऊपर बाहर जाने पर प्रतिबंध लगाया। लेकिन बाहर तब भी जाता रहा भ्रष्टाचार के जरिए। तमाम पुलिस ने लूट कर रख दिया वहाँ के किसान को और वहाँ के कन्ज्यूमर को। आपने प्रतिबंध हटवाया, धन्यवाद। लेकिन मान्यवर, मिल मालिक ने 28 रुपये गन्ने की कीमत देनी शुरू की उत्तर प्रदेश सरकार ने फिर कोशिश की कि आप बार-बार बढ़ाकर न दें आप खाद दें... (बगव-धान) मैं खत्म कर रहा हूँ।

मैं भह कह रहा था कि मिल मालिक को इस समय इतना मुनाफा है कि वह गन्ने की कीमत 32 रुपये क्विंटल तक देना चाहता है लेकिन उत्तर प्रदेश की सरकार कहती है कि नहीं, आप नहीं देंगे। क्या इससे देश में चीनी का उत्पादन बढ़ेगा, क्या इपोर्ट करने से बच जायेंगे? क्या यह किसान

और देश का नुकसान नहीं है? मान्यवर, मेरा एक सुझाव है देश में चीनी का अधिक उत्पादन बढ़ाने के लिये कि जो मिल-मालिकों को आपने सहूलियतें और मुनाफा दिया है उसको ध्यान में रखते हुये जितनी अधिक से अधिक कीमत मिल-मालिकों से आप विला सकते हैं, दिलाइये, जिससे कि उत्पादन बढ़ सकें।

दूसरा सुझाव, मेरा यह है कि जो बैंडली मैनेज्ड आपकी पब्लिक अन्डरटेकिंग हैं जिनसे कि आपको सरप्लसज मिल सकते हैं और जो कि अधिकतर नुकसान में जा रही हैं उनसे आप सरप्लसज लेने की कोशिश कीजिएगा। वहाँ से ज्यादा आमदनी होगी। टैक्स का गरीबों के ऊपर ज्यादा असर पड़ता है। इसलिये पब्लिक अन्डरटेकिंग के सुधार की तरफ आपका ध्यान जाना चाहिये। मान्यवर, 1975-76 में जितनी ब्लैक-मनी इस देश में थी 1983-84 में, इन आठ सालों में वह बढ़कर, तीन गुना हो गई। जब तक इस देश में ब्लैक-मनी रहेगी तब तक न मंहगाई घटाई जा सकती है और न भ्रष्टाचार दूर किया जा सकता है। मैं आपकी प्रशंसा करता हूँ, आपने छापे मारे हैं, लेकिन यह तो ओशन में डूब के समान है। जितने भ्रष्टाचारी हैं, जितने बड़े-बड़े आदमी हैं, जितने बड़े-बड़े अधिकारी हैं, चाहे कस्टमर्ज के हैं, चाहे इन्कम-टैक्स के हों, चाहे वे बैंकों के हों इन्होंने सारे समाज को लूट कर रख दिया है। आपने छापे तो मारे हैं, उसके लिये बधाई है, लेकिन यह अभी 2-4 फीसदी है, इसमें आपको आगे बढ़ना चाहिये। आपने बेगसर स्पेशल बेयरर बांडज के जरिये ब्लैक-मनी को ही आपने वाइट कर दिया था। तो बताइये जब ब्लैक-मनी को ही व्हाइट किया जाएगा तो फिर देश का क्या होगा? आखिर ब्लैक तो ब्लैक ही है। ब्लैक को व्हाइट करने की कभी भी कोशिश नहीं करनी चाहिये। व्हाइट इज व्हाइट एण्ड ब्लैक इज ब्लैक। एक प्रार्थना यह करना चाहता हूँ कि एक्सपेंडीचर के ऊपर जैसा कि अखबार में निकला था और आपका इरादा है, एक्सपेंडीचर के ऊपर आप टैक्स लगाएँ, मजबूती के साथ, तभी उन खर्चों को आप रोक सकते हैं। और आखिरी बात कहकर समाप्त करता हूँ। मान्यवर, मंहगाई बढ़ती जाती है, टैक्सज बढ़ते जाते हैं,



गरीब पर प्रतिकूल प्रभाव पड़ता है। किसान की कीमत मुकरें करते हैं, पांच रुपये बढ़ाते हैं, देना पड़ेगा उसे 400 करोड़ रुपये जो फॉर्टिलाइजर में आपने 200-300 रुपये टन कीमत बढ़ाई है। मान्यवर, मेरा आम से सुझाव है कि सन् 1970-71 को मूल वर्ष मानकर अगर आप यह कर दें, जैसी कि आप दूरगामी नीतियां बना रहे हैं, हर काम में बना रहे हैं, तो किसान के लिए भी बना दीजिये कि पेरिटी आफ प्राइस रहेगी इण्डस्ट्रियल गुड्स और एग्रीकल्चरल गुड्स में तब एकोनोमी भी आपकी समानता के साथ चलेगी। न किसान मरेगा, न उपभोक्ता मरेगा। उपभोक्ता को मार दिया आपने 48/-रुपये बढ़ा करके और किसान का कुछ फायदा नहीं किया उसे 5/-रुपये देकर। मेरी आपसे प्रार्थना है कि आप इस प्रकार की कोई मैकेनिज्म लाएं, जिससे इण्डस्ट्रियल गुड्स और एग्रीकल्चरल गुड्स के मूल्यों में कुछ समानता हमेशा के लिये बन, न शिकायत इनको हो और न शिकायत उनको हो। इतनी बात कह कर मैं अपना भाषण समाप्त करता हूं। धन्यवाद।

SHRI CHITTA BASU (West Bengal): We are opposed to the recent price hike basically for four reasons. First, the price hike is a deliberate attempt at devaluing Parliament and undermining its authority and prestige. You would agree that these measures diminish the value of Parliament's right of scrutiny and control over the financial affairs of the State. We are opposed to this price rise because it is ruinous to the overall national economy. I shall deal with it later on. We are opposed to this because this tantamounts blatant yielding to the pressures of Western money-lenders, particularly the multi-national corporations abroad. These things are pregnant with myriads of invisible and visible movements which will be very disastrous for economic independence and self-reliance of our nation. Lastly, it is an undeclared war against the common masses of our country. It is amusing to note that many of the Members who spoke earlier said, and the hon. Finance Minister was pleased to agree with them,

that the price rise is for the nation's interest and also for the interest of the people. I do not know what they mean by the interest of the nation and the interest of the people.

I would like to know if it would not erode the real income of the broad masses and reduce the purchasing power of the Rupee. The purchasing capacity of the Rupee came down to 15 paise as far as I know in December, 1985. With this price hike there will be a further reduction of the purchasing capacity of the Rupee and I apprehend it will come down to ten paise only. This will lead generally to the cost escalation across the board. It will destabilise the plan targets and lead to the cut of the real investment in Planning and lead also to time runs of projects resulting in the slow down of the growth-rate which has never exceeded on average 3.5 per cent. This will result in the cost push inflation and lead to a high-cost economy in our country. These are not in the interest of the national economy. These are, to speak the least, injurious to the national economy. I think the hon. Finance Minister will give thought over it. Apart from eroding the real incomes of the wage earners and the salaried employees, this is also going to affect adversely the interests of the broad masses of our peasant community. He has mentioned certain figures. I have got other set of figures to show how this price rise really affects adversely the farming community of our country.

Sir, it is also amazing to note that the Finance Minister has characterised the price rise. I quote: "as a positive step of resources mobilisation". In this context a relevant question arises, who will add to the resources mobilisation? The rich or the poor. Sir, I think the attempt of the Government is to have a luxury resources mobilisation at the cost of the broad masses of our people. Sir, the Minister cannot deny the fact that in his long term fiscal policy he made it clear that this is being borne more by the

[Shri Chitta Basu]

common masses than the rich community of our nation. This is proved by the glaring fact for 1985-86 only 19 per cent is expected to come from the direct taxes and while 81 per cent from indirect taxes. And this Rs. 200 crores price hike is mobilised through indirect tax imposed upon the people. Sir, on the other hand, the Government is very generous even for the resources mobilisation for the rich. His long term fiscal policy states unequivocally, I quote: "Government intends to keep the present rate schedules of taxes". Now the Finance Minister refers to the resources crisis. There is a resource crisis. May I know from the Honourable Minister: Is it not the fact that an impression was sought to be created during the last 12 months that the mobilisation of the resources for the Seventh Five Year Plan would be managed efficiently by the pursuit of the new economic policy which is an economic policy of liberalisation? Now, how does the Government say that this is required for the resources mobilisation? Is it not the Finance Minister's well considered indictment of the economic policies pursued by the Government? I am happy that these were remarks which I take as an indictment of the existing economic policy of liberalisation.

Sir, I do not like to dilate on the subject. But what I want to impress upon him is that the economic policy which is being pursued is going to result in disaster for our country. What is needed is a complete reversal of the economic policy. If we are to find out the strategy, we have to build an alternative economic strategy to meet the crisis. But the Government does not intend to have that alternative economic strategy. Sir, I have no time, otherwise I could have suggested something on which the edifice of the alternative economic policies can be built up. However, I am very much sorry and unhappy to note that that the Government is hell bent on resorting to the increase of adminis-

tered prices. This is necessary according to them, due to the unrelented trend of deficit financing and, therefore, they are to take resort to this kind of imposing price hike by way of 'administered prices'. Sir, in order to prove my contention, I want to quote the statement made by the Prime Minister himself. I quote:

"There was no other way to raise resources. The tax revenues had increased substantially, at the public borrowings were also high. The interest burdens was increasingly swallowing. The revenues raised by the Government was tax and non-tax receipts. The only area left to concentrate was public sector units. They had to become more efficient. (I have got no objection for that) to generate higher margins which could be ploughed back in the shape of resources to sustain the growth."

Therefore, the larger margins means, if it is by efficiency, I have got no objection. But here I find a clear sign is discernible that the Government is concentrating on increasing the prices of those public sector products by way of administered prices.

Now, I refer to the statement made by the Deputy Chairman of the Planning Commission. He says:

"if the cost of production went up, it had to be passed on to the consumers in the form of administered prices."

He is much more candid which he cannot afford to be. The Deputy Chairman of the Planning Commission is very much candid. He says, it must be by way of increasing the administered prices. Sir, the administered prices is the thin end of the wedge—sometimes earlier and it has been increasingly raised and now the hon'ble Finance Minister has come out with the statement saying that he is going to have a long term policy regarding the administered prices. Sir, this action fortifies my argument that the

Government is bent upon increasing the administered prices and by these methods alone, they want to meet the crisis and this method will ultimately lead to disaster and greater hardships for the people of our country.

The last point I want to mention is regarding the subsidy. I have got a figure with me which says that the growth of non-plan expenditure, vis-a-vis subsidies on food and fertiliser. These are the two things which concern the broad masses. Here, I find that in 1985-86, the percentage of total non-plan expenditure was 11.1 per cent of which the food subsidy and fertiliser subsidy was only 1.2 per cent—and now the Government wants to reduce that subsidy which constitute only 1.2 per cent of the total non-plan expenditure. Therefore, Sir, it is not creditable and I think, this is an anti-people policy and this is going to result in disaster for the nation and it must be reversed.

Lastly, some of my hon'ble friends in this House has converted this Parliament into a State Legislature. It is very welcomed to speak of those things, about the performances, about the successes, about the failures of the West Bengal Government, which have been elected by the people of West Bengal in the West Bengal Assembly. But for God sake, do not convert this Parliament into the State Legislature. Last of all, I would like to say the people are rising in revolt and the people shall not allow you to go on in this way and they will resist it and resist it firmly and tomorrow is the beginning of that struggle by way of a Bharat Bandh by which your Government's policies would be defeated and defeated finally so that the people can be liberated from this kind of oppressive, anti-people policies.

THE MINISTER OF STATE IN THE DEPARTMENT OF SURFACE TRANSPORT (SHRI RAJESH PILOT): Mr. Vice-Chairman, Sir, with your per-

mission. I would just intervene for few minutes on the observations made by Mr. Nirmal Chatterjee regarding the fare hike in buses especially in the DTC. Mr. Vice-Chairman, Sir, if you read back the story of DTC from 1948 onwards, there is no revision of fares. In 1948, a passenger used to pay 3 paise for a distance for which he just paid 40 paise in 1986, i.e., after a gap of 38 years. You can very well imagine after 38 years, how much the cost of everything has gone up. It has gone up very high and the Government has to take this decision with a very heavy heart as the Hon'ble Finance Minister has said earlier that to keep the service going, to give better facilities to the citizens of this city, to provide for more safe services, we had to take this decision. As on today, DTC is transporting roughly about 442 lakhs. of people everyday. We travel 11 lakhs kms. per day. We have 5400 buses. With this fleet and with this task, it was becoming very difficult to sustain the service. And every year the loss was roughly Rs. 140 crores, and the total loss of the DTC is roughly about Rs. 522 crores. There was some room for improvement. We took action where we could improve the service. In some sectors where we could see that some improvement could take place, we took decisions and improved them. I am not saying that today we are in the best form. Still there is room for improvement, and we are trying hard to give better service to the people.

Sir, when we raised the fares, we took care to see that the poor citizens were not affected. The students were specially taken care of. No change was made in their fares. We did not touch the resettlement colonies which are also a segment of poor citizens. And even when we raised the fares, we have taken care to see that the commuter who travels over distances in Delhi still pays the lowest in comparison to other places like Bombay or Madras. You cannot compare with Calcutta because Calcutta is not respectable in the eyes of the people as

[Shri Rajesh Pilot]

far as transport is concerned. They say that Calcutta is not at all good. When you compare, you have to compare yourself with an efficient corporation, not with an inefficient system. In Madras, the average is 8 paise per kilometre.

SHRI NIRMAL CHATTERJEE: Is it an honest view of yours that the Calcutta transport system is the least efficient?

SHRI RAJESH PILOT: That is what the people of Calcutta say, not we. They say that the service is not good.

SHRI GURUDAS DAS GUPTA: You should not cast any aspersion. Can you tell us what 'respectability' means?

SHRI RAJESH PILOT: 'Respectable' is when the service is good to the citizens. It should be respectable to the citizens.

SHRI GURUDAS DAS GUPTA: You are speaking on behalf of the Calcutta citizens?

SHRI RAJESH PILOT: Yes.

SHRI GURUDAS DAS GUPTA: The Minister is speaking on behalf of the Calcutta citizens.

SHRI RAJESH PILOT: I can speak on behalf of every citizen. Is there any restriction?

SHRI GURUDAS DAS GUPTA: Let the Minister speak, but not cast aspersions on the premier city of Calcutta. Calcutta is not only a premier city but a citadel of culture, sports, everything. Let him not denigrate Calcutta.

SHRI RAJESH PILOT: Let me clarify, Mr. Vice-Chairman. I have gone on tour to Calcutta (*Interruptions*)

SHRI DEBA PRASAD RAY: The Minister has not denigrated Calcutta. He says something on behalf of the citizens of Calcutta. The hon. Member cannot presume that he has the monopoly right to represent the people of Calcutta.

SHRI RAJESH PILOT: Let me clarify. I have talked to the hon. Chief Minister of the State. When I was in Calcutta, people approached me as Minister of State for Surface Transport and told me that the condition of roads in Calcutta is very bad and that the transport facilities are not at all good, and the buses are not in good condition. That is how the people feel. I said, it is a State subject and I will talk to the authorities concerned. I called on the Chief Minister—You can check it and I mentioned to him, "Your road condition and transport condition are very bad, and the people are very unhappy about it." He said he would do something about it. You can verify.

In Bombay a citizen pays roughly 10 paise per kilometre. In Madras it is 8 paise. And in Delhi, even after the fare hike, it is 7 paise. We are still one of the cheap transport systems in the country.

Sir, we have also to take into consideration that we have extended facilities as a help to the handicapped people. Today a handicapped person in Delhi travels free. We have also taken some measures to help war widows. Today a war widow and her dependants travel free in DTC buses. Freedom fighters travel free. We give concession to sportsmen who have won honour for the country. We thought that the citizens could share a bit of the burden with the Government so that we could improve the service. We are planning to induct nearly 1,000 more buses. So whatever we get from the fare hike will be fully utilised for the people in Delhi and for the people who come to Delhi and travel in DTC buses. Let me assure the House

that the Government has no intention to earn money from the DTC service. We will do our best to improve the service. The Government has no intention to earn a single paise from the DTC service. That is the assurance from the Government. And what has been done has been done after great consideration to improve the service and for the interest of the people, so that better service is provided. There were accidents and in my speech, I think in 'Janvani', I had mentioned it. There was a lady who was travelling in an over-crowded bus. She had a child in her lap. She was in a hurry to reach somewhere and she could not perhaps wait. The other people in the bus did not offer her a place. As she was standing and travelling her child fell off from her lap and got crushed. Now, seeing all such incidents would you not approve of better services? Ask that lady if she would pay a few paise more and have a better service. So, these are the intentions of the Government. The Government wants to improve the service and that is why the price hike has been done. Still we are the lowest in comparison to Corporations like those of Madras and Bombay. This is what I wished to explain to the House.

PROF. C. LAKSHMANNA: Mr. Vice-Chairman, I would like to draw the attention of the House to two important actions of the Finance Minister which go to prove his love for the common man and his disinclination towards the industrial class. A few months ago while addressing the FICCI the Finance Minister said:

"I want to unmask the secrecy about the Budget. Therefore, I would like to assure you that there will not be changes in the taxes that you people have to pay, so that you will realise your responsibility and help in the collection of revenues."

When he made this statement I was a little happy that this would apply to

all sections of society, that he will not resort to the type of things he subsequently did for the common man. But even then I had a lurking fear, a fear which proved to be correct by the end of January when he went into the price hike. Sometimes the Finance Minister is very candid. I must compliment him on that. He said, "Perhaps, yes, by raising the administered price I was able to deny his share for the State . . ."

These may not be the exact words but he made a statement to that effect. I would like to point out that by resorting to raising the administered prices you not only taxed the common man, the poor man, . . .

SHRI VISHWANATH PRATAP SINGH: If his State had got its share, perhaps he would have agreed to the price hike!

PROF. C. LAKSHMANNA: I am coming to that point also.

I would like to share a document which is not my document, which is a document of the Government. It is known as the Economic Survey 1985-86. It says, "There is a legitimate concern in the country . . ." — If we show that concern, all the members of the Treasury Benches would **stand up and say**, the Opposition is showing a false concern; but this is what is stated in that document—

"There is a legitimate concern in the country about the impact of changes in administered prices on the inflationary situation. Prices of some of the important consumer items such as food-grains and sugar, distributed through the fair price shops and petroleum products, are determined by the Government. Prices of important inputs into the industrial production such as power, steel and coal are also set by the Government. When these prices change, there is an immediate impact on household budgets as well as on the input cost of industry which can lead to further increase in prices of final products."

Now, this is an indictment on the . . .

**SHRI VISHWANATH PRATAP SINGH:** I had put my signature to that document.

**PROF. C. LAKSHMANNA:** Yes, I said that. This is a document signed by you only. It is an indictment on the step taken by the Finance Minister of the Government of India in raising Rs. 2000-odd crores at the cost of the common man through his important items. And what are they? Rice, wheat, fertilizer indirectly, kerosene, cooking gas and transport.

**SHRI CHITTA BASU:** Coal also.

**PROF. C. LAKSHMANNA:** Yes, coal also. These are the items by whose taxation the common man in the streets, the common man in the villages, will have to pay his penalty. Then immediately the Finance Minister and the Prime Minister of the country will stand up and say, "Look. The position is very difficult. The balance of payments position has become very bad." But this very document had the naivete to say that the balance of payments situation, which was thrown out of gear in 1979-80, was rapidly brought under control and the position of our foreign exchange reserves is strong. This is the survey of the economic situation in the country and it says that we are in a strong position and there is no problem with regard to our balance of payments.

**SHRI VISHWANATH PRATAP SINGH:** It relates to 1985-86.

**PROF. C. LAKSHMANNA:** Yes, it is for 1985-86 and you are projecting for 1986-87 also which is not far off and it is not separated by a hundred years.

**SHRI CHITTA BASU:** That would be worse still.

**PROF. C. LAKSHMANNA:** Yes. But what is important is that while he is doing all these things, he addressed a meeting of the public sector industries' executives and some industrialists and he said, "Unless we do something about it, the balance of payments position will become bad and unless you increase efficiency and do something, we will have to resort to things which I do not want

to." and which he promised he would not resort to. This is what he has said in a sense. Now, what does this mean? It means that he recognises that the concessions by way of liberalisation which have been given to the rich represented by the industrial houses and the multinationals have not borne fruit. This is what he himself has gone on record as having said. Therefore, if those people are not prepared to oblige the Finance Minister and the Prime Minister of this country by stepping up production and if what has been the target for imports till the end of the Seventh Plan is not fulfilled even within one year and if the export falls by 74 per cent, then is it the fault of the common man? Has the Government ever thought about it? Therefore, instead of trying to see the problem in the proper perspective, instead of trying to see the sectors which have a responsibility to pay to the exchequer, you are seeking to tax the easy sectors, the dumb sectors, the sectors which cannot be easily provoked. It is these sectors which you are attempting to tax and you are trying to say that it is the Opposition which is trying to instigate. Let there be no misconception about it. There is so much of discontent in the country and there is so much of enchancement in the country that I accuse the Opposition parties that they are not able to take advantage of it. I am at least glad that today they are able to realise and feel the pulse of the people and come forward with a 'Bharat band' call only to voice not their resentment, but the resentment of the common man, the resentment of the people spread all over the country. But, if you want to live under an illusion, if you want to have a false impression, please do that. But the people are not going to excuse you. Whether the things that have been happening subsequent to December 1984 are an indication or not, whether you are prepared to take those indications or not, it is written on the wall and the writing is very clear and if you are not going to open your eyes to the writing on the wall, you alone will be the sufferers and not the Opposition parties. Therefore, there is no point in saying that the administered prices have to be increased only to do this and that. Then, one of the honourable Members

said that while they have raised the administered prices, the amount will stay with the Corporations. I will just read out one small statement.

"The increase in profits from the petroleum products will not go to the oil companies, but they would all be appropriated into the Central Government Budget since the oil companies cannot retain more than a fixed percentage. The increase in wheat prices by 18 paise a kilo and by 30 paise a kilo from April 1, will also help the Government in cutting down the losses of the Food Corporation of India."

8.00 P.M.

That is all. A bare 5 per cent per kilo will go to the farmer. See the rise is 30 paise. The farmer will be benefited by 5 paise. All of us, particularly Members on the other side, proclaim their love and affection for the common people, for the small, farmer, for the marginal farmer. But see, 30 paise will be collected, out of which only 5 paise will go to the farmer and 25 paise will be appropriated by the Union Government. That means, they will become the bigger middlemen. Therefore, there is no point in simply saying that the administered prices and the revenues accruing are not necessarily coming. At the same time, the Finance Minister, the Prime Minister and the Minister for Petroleum and everybody has been saying that there is three-fold increase in prices... (Time bell rings) The word used is generation of ....' This is the first.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Please conclude.

PROF. C. LAKSHMANNA: Secondly restraint on consumption growth, and, thirdly, looking after the balance of payments. These are the three reasons given.

Coming to restraining the growth of consumption, this Government has been always claiming to have an integrated policy towards the problems in regard to the rural development. I am very happy about it. But when it comes to the question of consumption by the poor man, that integration disappears. I warn you, if you want to restrain consumption of kerosene by the poor farmer, by the poor villager and if you want to restrain...

SHRI VISHWANATH PRATAP SINGH: Do you know, if you have connections with the poor in the village, how much kerosene he consumes in a month?

PROF. C. LAKSHMANNA: Five litres. This is what was stated by one of the Members. I am not claiming that knowledge. I am accepting. (Interruptions) Likewise, what is happening if you want to restrain this consumption by the middle class people, of cooking gas? There will be a heavy pressure on conventional fuel sources like wood and coal. It will offset all that has been taken over a period of five, six or ten years in terms of social forestry, afforestation, etc. because very recently there was a report as to the extent of need for fuel wood for about 10 years hence. And if you are going to...

SHRI VISHWANATH PRATAP SINGH: A simple question. How much fuel will be alternatively consumed by... (Interruptions)

PROF. C. LAKSHMANNA: I think this is a very simplistic question, and I request the Finance Minister and the Planning Commission to go into this, because I do not have the machinery to work out...

SHRI PARVATHANENI UPENDRA: You should ask Mrs. V. P. Singh. She will be able to tell you.

PROF. C. LAKSHMANNA: You have the machinery with you. You should go into it and afterwards place a report before this House, and if it is not substantive, then you tell me. (Interruptions) I think this is a very loose talk about 'bade admi', who was talking, and the Minister has the experience of it. Let us, therefore, not talk of 'bade admi'. (Interruptions)

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Please conclude.

PROF. C. LAKSHMANNA: Now, when we talk about the rise in prices, etc., the Finance Minister and the Government of India have got a very good answer and they will immediately go to three things: inflation rate, consumer price index and the wholesale price index. Every time, they will go from point to point. Every

time they will resort to giving the point to point inflation rate, the point to point c.p.i. and the point to point wholesale price index, always forgetting and never remembering that the cumulative impact of this point to point inflation is the one which is making the common man, the average man, the marginal man groan under the weight. Therefore, by simply giving the point to point inflation rate, etc., you will not take away the burden, the burden which is real; the burden which is being felt by the common man day in and day out. And simply you may try to allay our fears, you may try to allay our doubts. You may try to shut the mouths of a large number of people, but you will not be able to shut the thinking man, of that so-called unthinking people. And when he wakes up, I think that will be very bad. Therefore, I would even now request the Finance Minister and the Prime Minister to please come down to the ground, have plans which will be beneficial, have plans as prepared on the ground. There is no point in flying. Especially, you people for a while had the flight of imagination and you had been in the flight. The time has come to come down. And try to have programmes keeping this common man in mind, for whom you have so much of sympathy. All of you have been expressing sympathy. But do something by way of altering the policies of a year and a half which have been constantly going away and away from the common man and socialism. There is no point in bringing in the word of socialism in the last minute as it is alleged. There is no point in



bringing in some of the things in the last minute only to satisfy the larger canvas. I request you to kindly consider these things seriously and give your thought to them so that really your Budget will not be much more burdensome in the days to come, in the months to come, and the years to come. Thank you, Sir.

#### SHRI RAMESHWAR THAKUR

(Bihar). Mr. Vice-Chairman, Sir, whenever there is a price rise, particularly of the commodities of common consumption and wherever there is a levy of indirect taxes, there is a genuine concern among the people of the country. The recent price rise in petroleum products, fertilizer, coal and foodgrains has caused some concern in the minds of the people. But if you see the circumstances under which such prices have been raised in an objective manner, you will be able to appreciate the situation. The hon. Finance Minister himself has explained the circumstances at length under which the Government had to take very unpleasant and difficult decisions. In the other House, as you also heard in the media, he has explained the various options in a convincing manner. The hon. Petroleum Minister as well as the Transport Minister have also explained their part of the situation under which the decisions were taken. The hon. Prime Minister, while sharing the concern, took a bold and pragmatic view and immediately a substantial reduction was made in the prices which were recently raised. Not only that, he has assured that the people belonging to the poorer sections will continue to get the foodgrains which are being supplied at a very subsidised rate, particularly to the tribals, the Harijans and other weaker sections of the community in the remote rural areas. Not only that, he has assured that larger provisions will be made for the benefits of weaker section and poorer sections of the community. He has also assured that the process of growth and development in all aspects of economy will be continued and the laudable objects of the Seventh Plan will be fulfilled. If we see the discussions in this House, we find apart from the political overtones, the economic aspect of the whole situation has been considered very precisely, coolly and objective-

vely. The price policy and the process of economic growth have a very close relationship. Firstly, we find that price variations indicate the general economic conditions in the country. Secondly, the price movement are significant to the Government which indicate the nature of control and regulatory measures the Government have to follow. And, then, thirdly, in a large country like ours, which is still predominantly agricultural, the prices have an important role to play, the fulfilment of the objectives of the various plans, at present our Seventh Five-Year Plan. We are now discussing the question of prices. If we have a look to the past performance, it is not for the first time that there has been some rise in the prices. In fact, the rise at present is very minimal as compared to the price situation during the last six Plans. In the very first Plan we had the main objective to combat the inflation and there we had succeeded. That was the first time when we had complete success and the gross price index was only at 99, at the price level of 1952-53, and the foodgrain prices had gone down to 95, cereals to 88 and pulses to 77. That was the golden period. But in the second Plan, we find that the deficit was Rs. 948 crores. There was a gradual rise in prices and between 1955-56 to 1960-61, the rise was 20 per cent. This was because the additional input was not fully responsive and there was deficit balancing in the Budget. So far as the Third Plan is concerned, the price position deteriorated further, particularly after the Chinese aggression in 1962 and the famine conditions we had in two of the years of that Plan period. Between 1961—1966, the prices of foodgrains picked up and they were higher by 40 per cent; in the case of cereals, they were higher by 45 per cent and pulses 76 per cent. In the Fourth Five-Year Plan, the price position again deteriorated and continued to do so. From the very first year, the price rise was higher by 7 points, in the second year by nine points, in the third year again by 7 points, in the fourth year by 19 points and in the fifth year by 47 points. During the Fifth Five Year Plan, we find again the situation had not improved and the price rise continued to increase particularly after the Budget of 1979-80.

[Shri Rameshwar Thakur]

We find in February 1979 when Chaudhari Charan Singh presented the Budget, the price rise index rose from 185 to 224 in that year. So, it is not the first time that we are having it. In fact, we find during the Sixth Five Year Plan, in the beginning we started in 1980-81 with a very difficult price situation and inflation. There was world wide inflation. In spite of that, we were able to stabilise the prices. We took a number of measures during that Plan period. Even the steps were taken in 1983 when the prices had risen, by cutting down expenditure, by not having fresh recruitment as far as possible and also by better management of inputs and thus the financial position improved substantially and we had a real stability in the prices. What do we find in the Seventh Five Year Plan. If we see today the Economic Survey of 1985-86, it says, the wholesale price index increased by 3.1 per cent between the end March, 1985 and January 25, 1985, which is the lowest increase in this period over the last 7 years, that is 3.1 per cent. This has to be appreciated. Then, during January and February 1986, certain administered prices were raised and the document says: However even after taking into consideration these factors, the inflation in 1985-86 is likely to be lower than what it was in 1984-85. This is important. This lowering down in inflation rate has been achieved as a result of effective supply management policy and maintaining a tight control on the growth of money supply. There have also been other steps taken which are very important. We find that in agricultural commodities during 1985-86, there has been some rise in wheat, vegetables and sugar but other food items remained stable or had declined in prices; also in jute, cotton, tea and coconut etc., there has been a fall and actually there was glut in the market about which great concern was shown by the Members here. Sugarcane prices have been raised from Rs. 14 in 1984-85 to Rs. 16.5 per quintal in 1985-86; procurement support prices have also been raised from 1.54 per cent to 17.86 per cent. That is the rise during the year 1985-

86 over the previous year. Then the savings rate there has been an increase. It used to be 6.5 per cent in the first Plan; it has gone up to 23 per cent during the Sixth Plan and the target for the Seventh Plan is 26 per cent. Similarly, long-term fiscal policy has been announced. It has been hailed by all sections of the people in both the Houses here and outside, throughout the country. We find that even in cases of taxes, by reducing the tax rate to 50 per cent level, there has been increase of about 24 per cent during the last ten months and it is expected that in the case of personal tax this will rise up to 38 per cent during this period. There has been an increase and around development during the Sixth Plan in spite of rise in population. The long-term fiscal policy states that in spite of developments about 37 per cent of the people are below the poverty line and therefore there is a thrust to implement the Seventh Five Year Plan which is the largest plan and which is much more than the combined outlay of all the plans, First to the Sixth Plan. For this, naturally, a number of steps are required to be taken. I would like to make a few suggestions for the consideration of the hon. Finance Minister. One is, there should be a provision for a long-term administered prices and wages policy. Also, strict economy measures should be introduced in the case of all expenditure including Government expenditure. There should be a substantial increase in the capacity utilisation of all undertakings, including public sector undertakings. There should be more people brought into the tax net. There has been effective implementation of the tax policy and this has given good results. But a large section of the people could still be brought into the net through effective survey measures. We have also to see that the subsidy which is there should be gradually reduced. Otherwise, the burden will increase, as has been indicated in the Plan document. Particularly, the long-term fiscal policy in para 3.7 says that there is scope also for reducing the scale of food subsidies by bringing down unit costs of procurement, distribution and storage through measures such as minimising transit losses and rationalis-

ing handling and movement of foodgrains. It has also said, in regard to fertiliser subsidy, that efforts should be made towards reducing costs of manufacture. Measures exempting fertiliser project equipment imports from customs duty have given some good results or likely to give good results in the future. There should also be incentives to economise so far as energy is concerned. The other suggestions contained in the long-term fiscal policy should be effectively implemented.

I would like to say, so far as our public sector undertakings are concerned, where we are expecting a lot of resource mobilisation, there should not only be fuller capacity utilisation, but there should also be a greater degree of cost reduction, efficiency, productivity as well as profitability. There should be more allocation to the anti-poverty programmes which will really provide employment to a large section of the people in the rural areas. I would also like to suggest that there should be effective implementation of the programmes in the Seventh Five-Year Plan, which is essential in reducing prices in the long-run, to provide relief to the poorer sections of the community, particularly, in the coming Budget, to the extent it is possible.

I conclude by saying what the Prime Minister has said while addressing the National Development Council when the Seventh Five-Year Plan was being finalised—I quote:

“The Seventh Plan call for a tremendous effort to mobilise resources. The whole gamut of our economic policies will be oriented to stimulating growth, promoting savings and investment, and reducing social and economic disparities. Our new initiatives are already beginning to yield significant results, belying fears and apprehensions. The Budget strategy of rationalising tax rates and strengthening enforcement has succeeded. Tax revenues are up. The industrial climate is buoyant. Productivity gains are taking place in almost every sector.

Our basic economic policies, industrial, agricultural, scientific and technological, have served us well. They have given us tremendous strength. We shall carry them forward.”

I hope, these words of the Prime Minister, if faithfully implemented, will really give good results for all sections of the community in the years to come.

#### SHRI GHULAM RASOOL MATTO

(Jammu and Kashmir): Mr. Vice-Chairman, Sir, I am one of those who is a robust optimist in regard to the economy of our country. The only problem which we have to care of is the management of this economy. The resilience of our economy can be gauged by the mere fact that Shri Gurupadaswamy has said that the gap in the current year would be of the order of Rs. 5,000 crores, but as a student of economics, my humble submission, my humble estimate is that our deficit would be Rs. 6,000 crores. Why I am optimistic is that despite the fact that we have a deficit of Rs. 6000 crores, our rate of inflation has not, according to you, gone up to more than 4 per cent, or according to Mr. Gurupadaswamy, beyond 5 per cent. This shows the resilience of our economy. But I do not understand why we should come to the people for these budgetary provisions by stages. I heard the hon. Finance Minister in the Janavani programme. I have also heard his speech in the Lok Sabha and my friend, Dr. D. P. Roy, also spoke about it. There were three ways open for him. One was to increase the administered price, the other was deficit financing and third is borrowing. Now if deficit financing is there, in spite of this deficit financing we have shown to the world that our economy is resilient. Then why should we fight shy? If the Finance

[Shri Ghulam Rasool Maiti]

Minitser comes out in his Budget and tells the nation that we have a deficit of Rs. 10,000 crores and at the end of the year if this deficit goes down to Rs. 8000 crores, we will give him credit for that. Instead of that if he says the deficit is only 2000 crores and then comes by bits during the course of the year, thus swelling it up, to my mind, it is not good budgeting and needs to be rectified immediately. I hope the Finance Minister, while presenting his next Budget, will take care of all these things and not do such a thing again.

The other point which I want to make is, apart from the rise in the administered that he has announced, there are other issues also that have come up. We passed an innocuous sort of Bill in the last Session of Parliament. I have had a little talk with the Finance Minister on that subject, but I do not want to discuss that till after the Budget. My estimate is that even the Opposition Members or the Members of the Treasury Benches do not know that innocuous Bill is going to give to Government an amount for in excess of the administered prices, but nobody has taken notice of that and I do not want to discuss it at this stage. If an occasion arises, I will discuss it in my speech on the Budget.

Another point which I want to make about the administered prices is that three days back I was listening to a commentary on the BBC. They said that the price of oil in the international market had gone down to 14.50 dollars which is 50 per cent of what it had been during the last 10 years. The situation

in the international market is such that on the one hand the international prices are coming down by 50 per cent, on the other we are increasing it day by day. After all there must be some relationship between our price rise and the price rise in international market. This has to be borne in mind.

Since the time at my disposal is short I will discuss some other issues when I speak on the Budget. I have only to speak about places like Jammu and Kashmir and hill areas which are entirely dependent on the transport system. The price hike that takes place in transport charges and in petrol etc. directly affects all our commodities. We import even vegetables, eggs from outside and right now, I have got a report from Srinagar—I went there two days ago and came to know—that the truck rate has gone up by Rs. 1000 from Jammu to Srinagar because it is 200 kilometres away from the railhead. We have to do something so that those States which are entirely dependent upon transport by road like the North-Eastern States or Jammu and Kashmir—will at least get some relief. While I say that the price rise is completely disproportionate to the international price, I want to make a small suggestion to the hon. Finance Minister. If he has taken the stand that whatever administered prices that he is going to fix will have no relation to the international prices, he should, in consonance with the prices of wheat and other commodities, have price equalization of petroleum products. Sir, I have before me here the prices of petrol. In Hyderabad, for instance, it is Rs. 8.27 per litre whereas it is Rs. 7.55 in Delhi. It is higher in Srinagar. At least as in the case of food-

grants and sugar, let him give this small relief to the people that the price equalization scheme will also apply to petrol and petroleum products. This is a very small thing that I would request him to do.

Now, Sir, I would also like to tell him that the decrease in the prices of petroleum products that he has announced is grossly inadequate and I humbly request him that he should be bold enough to bring down the prices of petroleum products, in consonance with the international prices, to such an extent as to give tangible relief to the poor masses because the hike in the petroleum prices has a direct bearing on the cost of all other commodities.

Sir, I want to tell the honourable Finance Minister that at least from what I have seen in the newspaper reports I have not been convinced about his argument as to why the price hike was announced only a few days before the session of Parliament. There is no doubt in my mind that the Government has absolute power to announce administered prices at any time of the year and on any occasion, but I would like to tell him that heavens would not have fallen if he should have waited only a few days more and announced the same price hike on the first day of Parliament session so that at least the sanctity of this Parliament could have been upheld. These are the observations that I have to make right now, but I would appeal to the honourable Finance Minister that in his reply if he comes out with some tangible relief in the administered prices, I would be obliged.

Lastly I would only request him to consider one thing very seriously. With regard to foodgrains he has said that he has raised the prices of atta and rice and he is going to raise them again from the 1st of April. I would request him that he should stop there and whatever rise that has already been effected in these foodgrains should remain static till such time as the long range administered price policy is announced by him.

These are the observations I make and I hope he will react to my suggestions. Thank you.

SHRI VISHWANATH PRATAP SINGH: Mr. Vice-Chairman, Sir, I have heard with great interest the comments of the honourable Members. There has been a lot of wisdom and also a lot of fire. There was a tirade from some of the honourable Members in the benches opposite—that Government has unleashed an undeclared war on the poor... (*Interruptions*)... I remember every word of it. They said that it has robbed the poor of their food has taken away the light from their huts and it has been a burden. I do not deny that there is a burden. Yes, food is for the poor, you can argue; petrol is also for the middle class, I agree; kerosene is also for the poor. Somehow I don't want to raise State issues. But in Calcutta water is only for the rich, and, therefore, it has been taxed! The water rates have been increased.

SHRI NIRMAL CHATTERJEE: Please excuse my intervention. The Municipal Corporation's imposition of water rates excludes the poor. Only 20,000 houses are involved in Calcutta. I am sorry that the Finance Minister is missing this much.

SHRI MURLIDHAR CHANDRAKANT BHANDARE: This cannot be raised only for 20,000 houses. How can it be done under the Municipal Corporation Act?

SHRI NIRMAL CHATTERJEE: There is a tax rate. Only certain rates are imposed. (*Interruptions*)

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Let us hear the Finance Minister.

SHRI GURUDAS DAS GUPTA: Mr. Vice Chairman, Sir, will the Finance Minister grudge imposition of tax on the people living in many storeyed buildings? Basti dwellers, no. Middle class, no. The multi-storeyed buildings have been taxed. He is definitely opposed to it because he has not been taxing the multinationals, monopoly capital and black money. It is quite consistent with his political philosophy.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Let us discuss that in the Budget.

SHRI VISHWANATH PRATAP SINGH: I hope your account-keeping on water is correct.

The point is that we know as politicians the price one has to pay. When you hike up the prices, they affect everyone across the board. And I know that it also increases the price of the Opposition, the political price, when we make a price hike.

AN HON. MEMBER: He should not envy it.

SHRI VISHWANATH PRATAP SINGH: No. We have consciously done it. Had we gone only by the political instincts of self-survival, we would not have raised the prices. And that much politics, we know. The price rise will not be greeted with banners. Being political beings, being elected beings, yet, when we decided on too unpopular a measure, it is not that we are not aware of the reaction. But we have to weigh many things and then come to a conclusion finally on the way out. Polemics, perhaps, can solve politics, but polemics cannot solve economics. And here I will not resort to polemics. I want to take the House into confidence, share with the House and also the Members on the opposite benches the whole scenario in which the Government had to take this economic decision. Sure enough, there are learned Members in this House. I

would also seek their advice on how we should tackle a national problem. It is a national problem. This debate on the price rise is not a mere hike debate. It goes to the core of the economy and how we manage the economy. We cannot take it just as a Government action for one period of time. And I want in this House to take the hon. Members to those issues.

One issue that was raised is that we are in a tight corner and that finally we had to do this. Yes, I see there are pressures in the economy. I will come to that later. But the economy as such in this year has shown resilience, shown buoyancy. The industrial growth has picked up. Our performance in power, railways, core sectors has improved. On tax and revenue raising there has been a tremendous success. We are not constrained. It has been tried to make out that because of the long-term fiscal policy we have given a statement that tax rates will not be raised and therefore we have come into a problem. That is how the case has been stated. Because we cannot raise tax rates, it has been made out the only alternative we have got is to raise prices. Nothing can be more erroneous or wrongly perceived as this, because here is a Government which in this year has raised revenue and which is record in a decade. How do you confront with this fact? How can you charge the Government which has come with a record revenue to the coffers? There has been a buoyancy not only in the indirect tax collections as has been made out, but also in the direct taxes. What we have in the direct taxes is something like 23 to 24 per cent when the Budget had envisaged only 12 per cent or something like that. So, I tell you that we have no constraint on taxes' side.

Here is the Plan Document. It envisages in the Seventh Plan Rupees one lakh thirty-nine thousand crores will be gross tax revenue receipts. I guarantee that we will fulfil this and there will be no constraint on the tax side. So, let us not make a case and bring it before the Government that here is a Government which cannot raise revenue th-

rough taxes. It has done it and it will do it. The direct Tax realisation as a percentage of the GDP has gone up and that is the acid test of our policy that we presented last year in this august House.

**SHRI NIRMAL CHATTERJEE:** So have in ~~direct~~ taxes.

**SHRI VISHWANATH PRATAP SINGH:** With high regards to Shri Nirmal Chatterjee the personal direct taxes do not fill the coffers of the Central Government. It does not help me to reduce taxes and it does not help me to spend money on subsidies. 85 per cent of the personal direct taxes go to the States. The point that has been made is that we did so because by the price mechanism the States will not get a share.

**SHRI PARVATHANENI UPENDRA:** That is true.

**SHRI VISHWANATH PRATAP SINGH:** But I think that is a question of debate on revenue sharing and not on the price hike. Yet I will not make that point. It is between us and I know seriously you are not making that point.

**SHRI PARVATHANENI UPENDRA:** Since you have looted us, we are grudging on that.

**SHRI VISHWANATH PRATAP SINGH:** Let me remind you that every State Plan outlay for 1986-87 has gone up by 20 to 25 per cent from last year. And this buoyancy in tax realisation and finance Commission's flows have gone to the States.

The point is made that we are in collusion with the rich. This whole year is a testimony that we have not compromised with however rich a person may be when it came to tax realisation for the poor. If Anybody is having the share of poor in his treasures, we will open those locks for the poor. They know it fully well. There is no question of any conspiracy with the rich. So let us make

charges which in your heart feel is correct and true. For the floor I can allow it, that is another thing.

Sir, then the wonder remains yet why the administered prices were raised? Now here I will take the House into total confidence and share with the hon. Members where I shared the strength of the economy and where the pressures or tensions of the economy are there. I suppose each price rise is symbolic of one challenge that we are facing in the economy. As regards coal price hike, the coal companies were making losses to the tune of Rs. 1 crore per day. Could we wait for more days when you ask for what was the urgency?

**SHRI M. S. GURUPADASWAMY:** What about the efficiency?

**SHRI VISHWANATH PRATAP SINGH:** I will come to that. We will take care of that. We cannot go on loading inefficiency to the people. There is no discrimination on that aspect.

Sir, regarding coal, fertilisers and petroleum products, I will take three problems that we have been facing and the pressures which we have in the economy. The loss on coal per day is symbolic of the resources generation problem that we have in the public sector and some of the losing areas of our public sector. Public Sector has played a very important role. It will continue that role. But when there is a problem, it is better to talk about it.

Regarding fertilisers, subsidies are important. We shall not give up subsidies. But fertiliser subsidy within five years has gone up by 1,000 per cent. In 1980-81 it was Rs. 170 crores, whereas in 1985-86 it is Rs. 1,700 crores.

Regarding petroleum products, an hon. Member has said that....

श्री कैलाश पति मिश्र : ग्राम कृपा करके यह बता दीजिए कि चाहे फर्टीलाइजर हो, चाहे कोल हो, जहाँ भ्रष्टाचार है, जहाँ माफिया गैंग काम कर रहा है, उसके कारण

[श्री कैलाशप्रति मिश्र]

जो घाटा लगातार हो रहा है वह देश की सारी जनता पर लादा जाना चाहिये क्या ?

श्री विश्वनाथ प्रताप सिंह : नहीं लादा जाना चाहिये । इसमें कोई दो राय नहीं है हमारी और आसकी ।

There is a genuine point. There is no question of making stand on it.

Thirdly, petroleum brings in BOP in the kitty, reaching in the very first year of the Seventh Plan 40 per cent imports on our total consumption, whereas the Plan had envisaged in the Seventh Plan that it will rise from 31 per cent to 38 per cent imports on our total consumption. But in the very first year of the Seventh Plan we are importing 40 per cent of our total consumption. So public sector losses, bulging in subsidies, balance of payments are the core challenges we are facing in our economy today.

Now, having spelt out the problem is not enough. There is a problem. But how do we get about it? In this I will come first to public sector and administered prices, all I will join together.

In the Fifth Plan what was envisaged? that the public sector will be financing about 53 per cent of our plan. In the first year, the load that could be put on the public sector was about 37 per cent. 63 per cent came from budgetary support, took up what the load could not be put to the public sector. Now what happens if there are continuing losses is that either it gets reflected as price rise or larger deficits. It is a problem. So, I agree where it is pointed out that resource raising should not be through prices but should be through efficiency and this is a point we do perceive and we have strictly committed ourselves that the efficiency of the public sector has to improve. Our Prime Minister has said that from high cost economy, we have to come to low cost economy and there is no option. I see no option without increasing the efficiency of our public sector. Because money which we are putting is bringing 7 to 10 per cent. If the return is 2 per cent or 2-1/2 per

cent, one day the financial system is to come to a grinding halt. But I do agree, here the workers, the Government and the Management have to come together. We will have to take workers into confidence. May be, some day, we can come and collectively discuss. Those hon'ble members, who are working with the workers' union and the Government and the public sector can come together and try to find out as to how we can tackle these problems. By this, at no moment, I would give the impression that public sector role will, in any way, be diminished. I want to make it clear that the public sector has been the hub of our efficiency. It has been engine of our economy. It continues to be so and would continue as the commanding heights of the economy. Only we want to know the contributions from the investments that have been made because there is the people sector also to which we owe an obligation. For this, we want to come with a policy paper and in this very Session, we will come with the policy paper and in this very Session, we will come with the policy paper on administered prices because the fear has been expressed and many hon'ble Members have said that you can bring hike in prices any time you like. That is not the case. I will not go into this. It has no relevance with the today's debate as to how many times the prices have been raised. It has been raised twice during Janata Party Rule. But these are not the essence of the debate. Some time later, I will make these comments and cross-comments. What will be the main objective. First, of course, is efficiency, second is maintaining the fair stability in core sector on administered prices like coal, POL, freight and steel. Now, the core sector inputs has a multiplying effect. Then for cost evaluation normative standards of capacity utilisation idea has to be studied. On that basis the costing should be done so that inefficiency which is there or any mismanagement which is there of the public sector should not be transmitted to the peoples' sector. And if we can come with some longer assessment of these commodity prices, we can give a fairly stable period. Or alternatively, instead of coming with large jumps of price hikes, small adjustments can be made within certain



guidelines. It is a question of debate as to the modality that we can adopt. But at the same time, I will plead with you where the costs of inputs have gone up. For instance, in fertiliser, on imported sulphur the increase has been a few hundred rupees per tonne. Or where wages go up or where the capital investment or the capital cost is higher, what can be done? Some increase we should again absorb by increased efficiency. We cannot pass on 100 per cent, but some percentage we have to pass on. Otherwise what will happen? We will be subsidising the private sector to make huge profits by keeping even the genuine costs of the public sector down. They do not transmit it in our system to the consumer. And if we depress the prices of the public sector unduly, that will be mopped up by the private sector. Do you want the private sector to go on making huge profits out of the public sector? If you bleed the public sector this way, you create a wrong impression about it and one day people will say: it is no use; it is making losses. Here I would plead with you that we have to take a balanced view. And the Government is prepared to take a balanced view on this.

The other aspect is of subsidies. Now subsidies are necessary. Why is it necessary? If the present system were totally equitable, then there would not be any poor in our economic system. But precisely because the present economic system does not deliver the economic benefits to the lowest rung, it is necessary that the State takes out resources from those who have it and through the subsidy system give the resources directly to those who do not have it. That is the rationale of the subsidy. While we have to do this, we want also to see to what dimensions it has now come. Here again I will agree that if the overhead charges are heavy or there is leakage in the management, we should look into it and try to bring down the overhead charges so that the whole subsidy benefit goes to the consumer rather than get absorbed in between by overhead charges. Now with the rate at which the subsidy has grown, if we are to continue for five years at the same rate of growth, the total subsidy in the Five Year Plan will

amount to Rs. 41,000 crores. The Plan has provided for about Rs. 17,000 crores. If we deduct Rs. 17,000 crores, even then it will mean about Rs. 24,000 crores more, equal to one year's Central Plan. Here is a hard economic choice. And Mr. Nirmal Chatterjee once raised this issue: how much we will invest in consumption development and how much we will invest in—Mr. Nirmal Chatterjee, you can define it: what is the other alternative you put?

**SHRI NIRMAL CHATTERJEE:** I would put it once again. In a vicious manner, one of the quirks of the IMF and the World Bank is to lead us into only anti-poverty programmes in the name of helping the poor so that there is no long-term objective that is realised. And my criticism was that the public sector investment is being put at a very low level as against the private sector investment. That is one of the characteristics of the Seventh Five Year Plan also.

9 P.M.

**SHRI VISHWANATH PRATAP SINGH:** My argument is over. He has pleaded my case. The real issues are there. It is our core issue. I think when we come with the policy paper on administered prices, these choices are not extreme. But where to strike a balance? That is the delicate art of administration and government. We have to strike a balance; otherwise, what will happen? We will have a system as Mr. Nirmal Chatterjee apprehends and has ascribed to IMF and World Bank, that capital investment is going down, is coming to a grinding halt and all your resources being pumped into subsidies. He also opposes that. I think we have a common ground there. The real way of tackling this problem—it is not that we are hemmed—is producing cheaper grain. Even today our grain is several times costlier than that abroad. If we produce cheaper grain, our problem of subsidy and making cheaper grain available to the poor can be solved. So greater productivity is the answer we can give to this economic problem, as well as subsidisation to the poor who cannot get enough to eat. Here, when our Prime Minister talks of techno-

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logy and talks of technology in agriculture, it is very necessary. The economic problem is the problem of feeding the poor, below the poverty line, and modern technology has a bearing on it.

Now coming to deficit financing Mattoji said our economy has shown resilience and it has absorbed larger deficits. I will not try to play with deficits. It is a dangerous thing. A Finance Minister has to be a little conservative. But it is also true that last year, in 1984-85, we had a deficit of the order of Rs. 3900 crores. Last year's budget represented a budget estimate of Rs. 3300 crores. In between we passed several Supplementary Grants. Yet, the inflation rate of these two years in macro variable has been very creditable. It has been in a single digit; the double digit, etc. is not there. There are two factors so far as deficits are concerned. One is GDP has a bearing. If our GDP has gone up, it can take, if our production has gone up, it can absorb larger deficits. So, the root of deficit is not totally closed to me. But I cannot play indiscriminately on it. The leeway is very small. That is all. I will finish that.

Now, the point is in the overall. If investment in agriculture, if investment in core sector, slows down, finally the inflation rate will be very much higher. We are talking of prices today. With lower production, with lower generation of incomes, in the agricultural sector, there will be no way in which you can control prices. Then it will come in a permanent fashion, it will come in a non-administered fashion, against the will of the Government and with no control. So we have to put in investments in these sectors so that we can fight a sort of scenario where we permanently get into a spiral and then we try to get out of it. Coming to POL, I related it to the balance of payments issue and the facts and figures have been given. Then you say, "When the prices are coming down in the international market of crude, why have you hiked the prices? You have given us a jolt. We thought that since the prices are coming down in the international market, in the coming year's Budget the prices might come down."

Well, I can only say that in a car there is the driver and there is the passenger. The driver's duty is to reach the passenger to his destination as comfortably as possible. But, if the driver sees something ahead which the passenger may not be seeing and if he applies the brake, the passenger may get a jolt and he may ask the driver why he applied the brakes suddenly and give a jolt. But it was in the interest of the passenger that the brake has been applied. Otherwise he could have gone smoothly and met with a bigger accident. Therefore, it was necessary to give a signal that it is a costly form of energy that we are using in terms of our foreign exchange. In the balance of payments we do have a problem in the sense that we are walking into a debt trap and we will never be able to come out of it. But the country is strong enough to stand up and make any sacrifice that is needed. It has made sacrifices for its independence and it has fought for its independence and for achieving economic independence also the people will stand up and will be prepared to make any sacrifice that is needed and we do not have to have any doubts within India. But, yes, we have the responsibility of payment of the IMF loans. Oil, which was our main saver of foreign exchange will not be available to the same extent it was available and it will not be available to the same extent in the Seventh Plan as it was available in the Sixth Plan and our concessional funds are drying up. There is a pressure for commercial loans which are a high-cost money and this year the exports did not pick up at the rate which was expected. So, if you are seeing this scenario, is it not right to give a signal to the country that here we have to be cautious? At the same time, we have to remember what the Petroleum Minister has said. He said that this fall is temporary and we just go on consuming and when it is hiked up, we become so dependent that we are hit three times more than what we are hit today. But it is not only the POL that we have to adjust ourselves to. We are trying to see quantity-wise also, we are putting some restraint. The rate at which it was going, we want to put some restraint on that also because it is the basic energy need. Otherwise develop-

ment will be affected. At the same time, we have to go in for energy conservation in the country. Railways, I agree, have...

SHRI PARVATHANENI UPENDRA:  
Can I disturb you for a minute?

SHRI VISHWANATH PRATAP SINGH: Yes.

SHRI PARVATHANENI UPENDRA:  
You say that you have to put a restraint on the consumption of petroleum products. But our experience in the past has been that whenever the price has been raised, everybody thinks that he should save petrol and he thinks like that during the first few days. But, later on, people continue to consume the same amount or more. Do you think that you can really put a stop in this way?

SHRI VISHWANATH PRATAP SINGH: The point is that it is not that there will not be any increase, but the rate of growth can certainly be affected the rate at which it will increase can be checked by a person.

Then, there is inefficiency not only in the public sector, but also in the private sector and this energy should be used effectively and efficiently also. But a signal has to be given with regard to that.

Then, we have to improve the performance of the Railways. It has improved very creditably this year. In power also, there has been an improvement this year and we have to maintain that improvement in the power sector and we have to think of alternative sources of energy and coal being the basic thing, we have to see to what use it can be put to. On the balance of payments side we have to see what the items of import are on the agricultural side. The items of import are edible oils and sugar. A heavy foreign exchange drain is there on these two items alone. We gave a signal to the farmer. It may make us self-sufficient in foodgrains. I am sure if we give a remunerative price to the farmer on these counts within two or three years we will be free from im-

porting it and get rid of the flow of foreign exchange. But there is no painless way to self-sufficiency. On these items if there is shortage or there is problem. We will have to live with a little price rise rather than go the easy way of imports and depressing prices. Here also, while we have constraints, we are making quantitative cut in the imports of edible oil.

Now, you will also say on capital goods and the screw-driver technology. I quite agree that we should have a look into it. Where it is screw driver technology, our foreign exchange anyway goes up to 90 per cent of the finished product that would be brought and the prices are hiked up. It is giving us nothing. We are going to make this exercise and where in the name of collaboration or indigenisation or only Indian name is there and it is almost practically no material foreign exchange saving, we will try to look into it and make corrective efforts. At the same time, our trade with rupee payment area with socialist block becomes important, because here the free foreign exchange need for trade is not there. We do not get into the BOP problem with the socialist bloc. So it does assume importance. The quality and price rise being equal, we should have a thrust to identify things that we could buy from the socialist blocks. There are many things we go in for. There are absolutely the latest technologies that are as good. And this perception is with the Government, and we are doing this exercise.

Now, about one thing let us be honest. When you go out to make a noise as much as you like—and you should do it because that gives you political mileage; why shouldn't you do it? (*Interruptions*)

SHRI PARVATHANENI UPENDRA:  
The word "noise" is not the correct word.

SHRI VISHWANATH PRATAP SINGH: What should I say? I can't say "song". (*Interruptions*) I can also say "song" if that song really makes that noise. (*Interruptions*) But as hon. Members are being put the question, I do

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not want to do arithmetic with the stomach of the poor. It is not in good taste.

श्री वीरेन्द्र वर्मा : यह तो दोनों ही कर रहे हैं। यह दोनों का टूट-टूट फिट है।

SHRI VISHWANATH PRATAP SINGH: But sometimes one has to say: please just work it out. It is correct, it is my experience in my village side also, that so far as the workers would be concerned, his consumption in a month would be about 5 litres of kerosene. At 14 paise, it works out to 70 paise per month. It is a burden. Even one paisa is a burden. But the whole scenario, the total scenario, is: Do we have the courage to ask him also to share and also to provide for his future? We do not have a right to ask him, unless we provide for his future. At the same time, it is against every 14 paise per litre; you are still giving about 70 paise. You are still burdened in a much greater proportion than you have put on him. We will continue to shoulder it. There is no question about it. I have said so.

Now, coming to some of the points. I want to mention, one is about the cost of administration also we will have to look into, that is, those areas of the non-Plan expenditure. Seventy per cent means defence, interest and subsidies. I was seeing the chart of administrative cost to total expenditure. It has been maintained at 9 to 10 per cent. This figure is not drawn percentage-wise. Yet, where efficiencies can be done, we are doing that. We have to give a thrust to exports. Some Members do have reservations about exports. But in the critical area of foreign exchange earning, where we need it, we will have to earn that foreign exchange. Now the question came up of the World Bank and the IMF and the dictates of the World Bank. Well, I think, those Members who are more senior to me in the House must have heard this on every occasion of the debate. When we go to the annual Ramnala we hear the same 'samvad' every year. So if it is a 'samvad' then it is all right; I don't have

to answer it. But if you seriously mean it, I think, India is one country in the developing world which has stood up against conditionality and increasing conditionality. And we stood up and said so. And you have asked as to why. May I say that before we came in 1980, before we took up the IMF loan, there was a year 1979-80? And in that year, the wholesale price index shot up by 22 per cent, the national income fell by 4.7 per cent, the industrial production declined by 1.4 per cent, the imports increased by 34 per cent and the infrastructure was in a shambles. And that was the background of forcing the country to go in for a loan from the IMF. There are people who are asking why we have gone to the IMF. It is this Government, after improving the conditions of the economy, that said that we will not take any further IMF loan and that it would go back. So, let us not pick up the past.

SHRI GURUDAS DAS GUPTA: Mr. Vice-Chairman, Sir, will he answer my straight question whether it is true that the Coal Secretary...

SHRI VISHWANATH PRATAP SINGH: I have answered it. The other question that was being raised...

SHRI GURUDAS DAS GUPTA: Whether it is true...

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): Let him finish.

SHRI VISHWANATH PRATAP SINGH: The whole debate is there. The Budget is there. We will discuss it.

SHRI GURUDAS DAS GUPTA: Has the World Bank insisted upon the rise in the coal price or not? And here is the statement of the Coal Secretary.

SHRI VISHWANATH PRATAP SINGH: I tell you that there is no question of yielding to any pressure what so ever excepting the needs of our country and our countrymen. I tell you that. I have no hesitation in saying it.

**SHRI GURUDAS DAS GUPTA:** There is the statement of the Coal Secretary...

**THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU):** Coal Secretary is not all.

**SHRI VISHWANATH PRATAP SINGH:** Coal Secretary is not the Government of India. (Interruptions) It is like a Municipal Corporation. Municipal Corporation is not the West Bengal Government, when you raise water taxes.... (Interruptions)

**THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU):** Please do not interrupt.

**SHRI VISHWANATH PRATAP SINGH:** Then Kailash Patiji who initiated the debate and many Members asked as to why we have brought it just before the Budget. May I just remind you that in the last seven years the prices have been raised 12 times outside the parliament, and that in 1979 it was done twice within two months, once on 17th August and the other on 11th November outside the Parliament.

श्री वीरेन्द्र वर्मा : वह भी गलत है ।

**SHRI VISHWANATH PRATAP SINGH:** So far as the various Corporations, etc. go, now the coal is losing Rs. 1 crore per day. Do you mean that we wait for another Rs. 30 crores to go? About the base year, a point was made. The base year for the Sixth Plan is 1979-80.

**SHRI NIRMAL CHATTERJEE:** The Janata Government provided you that base year.

**SHRI VISHWANATH PRATAP SINGH:** Yes. But who was responsible for the base year performance?

**SHRI M. S. GURUPADASWAMY:** You supported that Government.

**SHRI VISHWANATH PRATAP SINGH:** There is some impression going on that for this Plan...

**SHRI M. S. GURUPADASWAMY:** Please do not forget that you supported that Government.

**SHRI VISHWANATH PRATAP SINGH:** Let us not bring that thing. There is another thing. It is also being said that the Seventh Plan base year has been changed and, therefore, the Plan has been cut by 6 per cent. The base year remains 1984-85. The base year has not been changed. This impression should not go.

About manufacture of vehicles and licences for manufacture of cars being issued, and at the same time talking about reduction in the consumption of oil, it is the fuel-efficient cars which will save fuel, which are being encouraged, and recently in the case of a luxury car we have not allowed the licence. Then, one thing was asked which I have not replied, namely, why, when international prices are coming down, have I raised the prices of crude and it looks very anomalous and contradictory? Here the basic fact should be remembered that the imported crude, even today, after its fallen price, is Rs. 1,000 per tonne costlier than the Indian crude absorb this basic fact. Now, in 1984-85, the percentage of the imported crude was 20 per cent. This year, in 1985-86, the percentage of imported crude to total consumption, is 33 per cent. So, when a costlier crude is being mixed even after reduced prices with the cheaper domestic crude in a higher percentage than the average price of the crude goes up. Our domestic production is cheaper by thousand rupees a tonne. So, in spite of reduced prices in 1984-85...

श्री कैलाशपति मिश्र: एक चीज जरा बताई जाये, कौस्ट प्राइस कितनी है और टैक्स जोड़ने के बाद उसकी प्राइस कितनी पड़ती है ?

**SHRI VISHWANATH PRATAP SINGH:** This is what the average price of

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oil the weighted average, last year was namely, Rs. 1625, when only 20 per cent, though costlier crude, was coming, and this year, it has gone up to Rs. 1735 per tonne, though it was cheaper crude than last year, but the percentage because it went up from 22 to 33 per cent, and that crude being costlier than the Indian crude, the net prices have gone up.

श्री कलाश पति मिश्र वित्त मंत्री जी,  
जरा मेरा इतना प्रश्न था कि इम्पोर्टेड-क्रूड  
की कोस्ट प्राइस क्या है ?

SHRI VISHWANATH PRATAP SINGH: I can give the details but this is the basic fact, the broad fact that I want to bring to your notice. In the end what I want to say is, well, if you want to treat the people and you want to behave as a doctor, well and good. But do not behave like a doctor who earns his living on the fear of the patient and enlarges his fears and thereby tries to perpetuate his livelihood on year patient by your fear as

a doctor and you go to him. So far as we are concerned, when it comes to any decision making, we will not save our skin when the interests of the country are concerned and its future is concerned. One road less, one hospital less or one project less, nobody will come and ask the Finance Minister, why? But the next generation will come and ask what did you do for us from this Government? To them we will reply, yes and we solidly stand by that.

THE VICE-CHAIRMAN (SHRI SANTOSH KUMAR SAHU): The discussion is over.

The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at twenty-five minutes past nine of the clock till eleven of the clock on Wednesday, the 26th February, 1986.