

ध्यान दिलाता हूँ कि यदि दिल्ली में आप को नाक के नीचे और आप की जानकारी में इस तरह का भ्रष्टाचार पनपेगा तो देश में भ्रष्टाचार कभी समाप्त नहीं हो सकता है इसलिए मैं सरकार से चाहूँगा कि इस मामले में दखल दे और ऐसे भ्रष्ट आदमी को यू० जी० सी० की नियमनशिप से तुरन्त हटा दे ।

THE VICE-CHAIRMAN (SHRI SAWAISINGH SISODIA): Now, we go to the next item, that is, general discussion on the Budget.

THE BUDGET (GENERAL) 1980-81—  
GENERAL DISCUSSION

SHRI V. B. RAJU (Andhra Pradesh): Mr. Vice Chairman, Sir, there has been a lot of praise showered on the Finance Minister and bouquets offered for the Budget he has presented before the Parliament for the second time this year. And after a second look at the Budget, those who showered the praise are trying to withdraw that and they do not know how to do it. One industrialist has gone to the extent of saying that he had used all the superlatives and adjectives given by his secretary and on the second look he feels very much disappointed. Anyhow, Sir, I congratulate the Finance Minister for his sophistication. In fact, it is a competition between crudity and sophistication. It is not what we present but how we present it. Sometimes the container becomes more important than the contents. That is the salesmanship. And the Finance Minister has proved that he is a master in pinching the pockets of the citizen without being noticed. And it is an art by itself. It cannot be acquired.

AN HON. MEMBER: Picking the pocket?

SHRI V. B. RAJU: So, Sir, it is anyhow his job to do it. If it is in the best interest of the economy and the nation, we would congratulate him and there is no doubt about it. But let this House have a very careful and detailed look into the Budget.

Sir, the year 1979-80 had seen three Governments which did not happen in the past three decades. For the four months, there was the Janata Party Government, for the next five months the Lok Dal coalition, and for the last three months the Congress (I) Government which continues to be in power now. And these three Governments are responsible for the management or mismanagement of the economy of 1979-80. Sir, the year in which we are is a very crucial year and it might determine the near future or the future till the end of the century because the world situation has been very precarious and it continues to be so in terms of economics, politics, security and all that. And the country is also going to face a lot of difficulties. I do not want to go into the details; I will confine myself to economics rather than to politics.

Sir, the cloud, the oil-producing countries and some infra-structure have been found to be the main scapegoats. Sir, we take pride in claiming that we have brought about an agricultural Devolution, that we have taken the fullest advantage of science and technology and that we have solved our food problem. Sir, this is not a complete statement or a correct statement. But, at the same time, I do not want to belittle the achievements of this country in that respect.

Sir, I can quote from the Budget Speeches of the earlier Finance Ministers, and the Budget Speech of the present Finance Minister. He is looking to the favours of the clouds and not to the agricultural scientist or the agricultural administrative machinery. Most unfortunately certain things have happened in the country not actually in this present regime but even earlier. Agriculture which is purely a State subject is sought to be dealt with from Delhi. And it is surprising to still presume that the manoeuvring from here or statements from here will improve the agricultural production. No, We have done a wrong thing in centralising many of the things to which I come later.

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later. But what I am trying to say is that if we are still to depend upon the cloud, I think we will not be doing justice to ourselves, either to our skills or to our capacity or be able to bring a breakthrough in agriculture. What has been the breakthrough? It has only been in cereals. Firstly in wheat, and lately in rice. It has been only in cereals not in all foodgrains. What about pulses, which are the poor man's protein, and which are not available in the rest of the world? We are not able to supply them. The per capita availability is going down. Sir, statistically speaking, the per *capita* net availability of pulses which was 70.4 grammes per day in 1956 has gone down now to as low as 44.8 grammes per day. This is the condition of pulses. What is the other protein? Sir, this country, out of compulsions, or, maybe, due to poverty, is, by and large, vegetarian and here the poor man's protein is pulses. It is not available even to import. Then, what has been the progress made in these 30 years of agricultural research. In fact, I had the occasion to remark and make some observations in 1974, if I remember correctly, about the failure of agricultural research in the matter of finding the seed for the medium staple cotton. In the case of long staple cotton actually we made a breakthrough but the industry did not respond and the cultivators in Andhra and Karnataka had actually suffered. When I asked the Agriculture Minister at that time as to what had happened, he said, the industry wanted medium staple cotton. Then, why did you ask for long staple cotton? He said, "First, because we imported from Sudan and Egypt and then we did not get the instructions from the industry." This is the state of affairs. Practically between the field and the laboratory there is no communication, which should have been there. I would say only that much, and stood and said that we did not make any breakthrough in pulses. What about oilseeds? The land under

the oilseeds is going down. We are now importing edible oil. We are finding another scapegoat in oil, both the crude oil and the edible oil. This is the age of oil and inflation is greased by oil. Now, edible oil worth Rs. 600 crores - is being imported and we take pride that we have stopped importing food items. It is not a correct statement. Have you taken into account, Mr. Finance Minister, the cost of import of edible oil plus fertilisers? The import cost of these things is much more than the cost of foodgrains which we imported earlier. So, do you think that in this situation we are now safe in the matter of agricultural production? No. In fact our determined policy and strategy is that we build an industrial superstructure on an agricultural base. Unfortunately, in the last Government, the Finance Minister, Mr. Charan Singh, wanted to raise a controversy about the supposed dichotomy between agriculture and industry which was most unfortunate. Even at that time we had to remark, that it was a rural-urban continuum and that there was no dichotomy. This is a wrong presentation and a wrong interpretation and I think that Mr. Charan Singh and his party lost the game because of the wrong economic policies. Agriculture is still in the red. Now, what is it that we are going to do? What does the budget say about it, about the agricultural economy? What is the push that we propose to give to agriculture in the matter of research? It must come from the scientist. At the moment, we are waiting to see whether the scientist will assure us that we have made a breakthrough in pulses and oilseeds. Sir, that much about agriculture. All said and done, we have had a period of 4 good years for agriculture. From 1975-76 to 1978-79, though there was some decline in 1976-77, we had good food-grains production and agricultural production. That is how the country had seen a good period. After having seen two stable years, two good years of price stability, that is 1977-78 and 1978-79, all of a sudden we see a roundabout

turn early in 1979-80 we find an inflationary pressure, and a decline in industrial production. From this, I judge that we are not in a safe position. There is an erratic movement in our economy which is not because of clouds. Let us not take too much shelter under the vagaries of clouds. We the people of this land, have a knack—this is an infirmity in us—to find a scapegoat for all our failures, and ultimately we search for a scapegoat in destiny and God and poor God is not there to defend himself that He is not responsible...

SHRI BHUPESH GUPTA (West Bengal): If God is not available, we discover the devil,

SHRI V. B. RAJU: Therefore, let us stop talking too much about the natural calamities. These natural calamities have not come overnight; they did not come after this Government had taken in. They have been there; they were there in the past and they are going to be there in the future. And what is the cushion that we have provided? What is the insurance we have provided against it and what is the preparedness on our part?

Now if the cloud does not produce rain from the top, there is the underground water. Have our research workers, our scientists, found it necessary to think about the future? Since fresh water is a scarce commodity on the globe, have they thought of storing it underground rather than store it overground? The overground storage has got many difficulties, apart from submergence of useful land and a lot of evaporation. Have they at all tried to find out and come and tell us, the Members of Parliament that here is a technology to store water underground? A time may come when engineers and scientists have to find a way to store water underground, particularly the flood water. But we do not hear anything about it.

SHRI K. C PANT (Uttar Pradesh): It is, in fact, being done in some countries.

SHRI V. B. RAJU: As an engineer you know it better. I am also from the engineering community and I know a little about it—Under the peaceful uses of atomic energy, it is possible to make fissure and allow the flood water to go underground so that water table will rise and by use of electric energy we can lift water and save ourselves from the vagaries of clouds. Let it be tried. Therefore, what I am presenting before the Finance Minister and the Government is my appeal to them to think in terms of science and economics. Let them not interpret it in terms of politics. But I find certain political undertones, trying to find a scapegoat in the earlier Government. The earlier Government fell; people threw it out. But you need not repeat it; it is unnecessary; the same thing Janata Government did at that time finding fault with the Congress that they ruled this country for thirty years without bringing in stability in the economy. But the Janata Government did it for two years I am not having any brief for them. With all their mismanagement, with all their failings they maintained for two years stable prices. This is the biggest achievement, I give the devil its due. Therefore, let us not approach this problem from a partisan angle. You have lost precious six months. You were returned in January and you indulged yourself in political acrobatics. Was it necessary? You have wasted the time of the country.

All this misery is because of governmental instability. I do not call it political instability. I want to make a distinction between political instability and governmental instability. The country is quite safe in politics after what we have seen when the electorate are participating in elections in a peaceful and orderly manner; they are returning parties to form the Governments. In fact, it goes to the credit of the electorate in this country, whether they did it with a design or by chance, they have always returned to the Centre a majority party to rule. It is we who have failed. It is not the electorate. The electorate did not create any difficulty for us. In some

[Shri V. B. Raju] States, it may have happened. Hence, Sir, the point is, let us approach this in a healthy way. Let us have more economics than politics. The country needs it. The country is fed up with the partisan politics and the politics of defection. The country is suffering. If it is suffering in its economic life because of inflation, in the political life, it is suffering because of defection. Inflation and defection have become the two evils in our country. Let us get over them. We are sure to get over them.

Sir, in fact, during the last four years, we had had good agricultural production. Now, it is said that it has come down by about 10 per cent in 1979-80. The rate of industrial growth is also related to agricultural development. I would like to draw the attention of the hon. Finance Minister to his own statement. This Government has been taking too much of shelter under drought. If it were so, how could there be a reserve of eighteen million tonnes of foodgrains on 30th May, 1980? I would like an explanation for this. We cannot find such excuses saying 'because there was drought, we were not able to do anything; we had to feed people' and so on. There was drought. I know that. There has been drought. But in spite of this, eighteen million tonnes of foodgrains are there in our godowns. Is the economy suffering for want of savings? My heavens. Look at the bank deposit mobilisation. The foreign exchange reserve, in spite of the trade gap, even now, as has been said by the Finance Minister, is Rs. 4,890 crores. Thanks to the emigrants. Sometime back, we used to call those who left India as part of the brain drain. It is not brain drain. I should say, it is export of services. You get foreign exchange by exporting commodities or by exporting services. You have exported services. You could not employ them here. Thanks to their patriotic feeling and their homeland attachment, on an average, they have been sending nearly Rs. 150—200 crores per month. This has saved us, Mr. Minister. We would

### Discussion

never have faced this serious situation of balance of payments difficulty, if it were not for the homeland feeling of the emigrants who give us money. We should thank them. Instead of this, we criticise them. Mr. Minister, I would like to take some other opportunity to speak on this. I had met a lot of Indians in many foreign countries. They feel bitter when they come to India. They say 'What is it being done?' The insult they get from the Customs officials, the difficulties they face with the Indian Airlines and the way they are being treated. Once in Malaysia, I met a lady in Kuala Lumpur she has secured Citizenship there. She told me 'Sir, I am an Indian, but I have secured Citizenship here; I will never visit India again, my motherland'. Why? When she gets down at the Madras Airport, the Customs man comes to welcome her by saying 'Madam,' how many sarees you have brought?' This is the insult they get. This is the way they are treated. What is it they are doing? They are getting sarees here, not with your foreign exchange reserves, but with money elsewhere.

SHRI PILOO MODY (Gujarat): With the money they have earned.

SHRI V. B. RAJU: They are getting for their parents, for their friends, for you and me.

AN HON. MEMBER: Saree for you?

SHRI V. B. RAJU: Do not take it literally. I have mentioned only one item. What is it you are doing? How are you dealing with them? I have visited many countries and I have passed through many Customs channels, but not in this way. I am pointing out the administrative difficulties. We do not extend a word of thanks to the emigrants. You know under what difficult conditions they are working in the Gulf countries and elsewhere. We do not have a word of sympathy for them.

Anyhow I do not want to say much on this point. In agriculture sector we should have a break-through.

Now coming to industry, Sir, I will just read one observation made by an economist:

"The working of leading enter-prises with active scrips in the share markets, has been characterised, of late, by high costs, high profits and low outputs, shortages, due to gross under-utilisation of capacity, enale most of them to increase prices of their products, without ¥ear of running into consumer resistance and rake in inventory profits to boot. Despite declining or stagnant turn-over 'Corporate news' continued to be chear-ful."

What is exactly happening in our corporate sector? What is the investment in the corporate sector, both in the private and the public sector, I am not discriminating? Are they really producing? What is it exactly that they are doing? This Parliament was anxious to know about the sickness of our industry. The latest figure which we have had from the Ministry is; The number of those units whose borrowing "eligibility from the banking organisation exceeds rupees one crore, is 344—in this are included more than 40 large and medium units belonging to the monopoly houses—and the amount of bank finances locked up is Rs. 1,050 crores. In one of its reports, the Reserve Bank had said...

I think the Law Minister will kindly help me in drawing the attention of the Finance Minister. If he likes, I will wait. (*Interruptions*) No, Sir, I did not find fault with you. I may be excused. I will request your attention ...

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): My staff is taking verbatim report and they are making a brief Tor me. Therefore, you need not be worried about it. All your points will be replied to. There may be other matters of urge»t importance which we have Therefore, you may

take it from me that all that you speak is taken up by my staff. They are preparing a brief.

SHRI V. B. RAJU: No, n0, I am not making an issue. Since I have great respect for you, I wanted you to hear me, nothing else and nothing more. After all, we come hear to say something and not to give speech alone. It is a matter of feeling and I think not only the ruling party, but the opposition has also some responsibility in this. (*Interruptions*) I am not making an issue.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHIV SHANKAR): Mr. Raju, it was a matter of very urgent importance. Therefore, I had to consult him far a minute.

SHRI V. B. RAJU: No, no, do not make it an issue.

Sir, I was saying something about sickness in industry. And at one stage the Reserve Bank of India had said: There are 8000 small scale units which are sick. There is a total number of six lakh small scale units which are having contact with banks. If we take all these units into account, my estimate is that more than Rs. 2000 crores are locked up in industrial sickness.

How do they draw finances through the banking organisation? How they mis-acquire or misuse the finances, is a matter of serious enquiry. Why has it not been there?

Coming to coal production, coal has again become a scapegoat. Now we are told that because of declining power generation even the coal production has gone down. What a vicious circle? Because there is no supply of coal, there is the shortage Of power. How to break the vicious circle? And to move coa] the Government had to constitute a Committee of Ministers. My good heavens! If the Minister's time ia to be used in moving the wagons, why have

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this Railway Board, why have this topeavy machinery? Mr. Finance Minister, kindly don't take away the initiative and the responsibility of the administration. This is not good. We have already destroyed the initiative oi the States. We have over-centralised everything here. Industrial licensing, industrial financing—everybody must come to Delhi! And \*he latest is, again the political authority has assumed the responsibility of issuing licences here.

*THE VICE-CHAIRMAN (SHRI SAWAISINGH SISODIA):* Mr. Raju you have to conclude now.

*SHRI V. B. RAJU:* How many minutes hare I taken?

*THE VICE-CHAIRMAN (SHRI SAWAISINGH SISODIA):* 27 minutes.

*SHRI V. B. RAJU:* I am sorry. Sir, this is not the way. The States' initiative has gone. In fact, the States' finances or budgets are balanced by the Centre's resources. In fact, when it is said that the States have become municipalities, it is not an exaggeration at all They do not feel any responsibility in the States. Whenever there is any difficulty, they show Delhi, they show the Finance Minister. It is not good.

Industry is a State subject, only by virtue of Entry 52 in the Union List, the Industries (Development and Regulation) Act was actually passed by this Parliament, unknowingly. Now everything has been taken up here. Even in the matter of small industry Of cottage industry, the cottage industry is promoted by the Village and Khadi Industries Commission and financed from here, and the small industry hv the Small Sca^e Industries CornOMtion. Now through the instrumentality of licensing and finan-

cing, over-centralisation has taken place and the initiative is gone. That is the state of affairs.

We gay that coal shortage is responsible for decline in power generation. I should say more coal has moved to the power houses m 1979-88 than in the earlier years. I think I am right in spying that more, coal has moved to the P<sup>o</sup>wer stations. I have no time, otherwise I could give the figures. More coal has been moved, but the generation is not there. Recently there was a conference of the Power Ministers and a report appeared in the press that the Government of India was thinking of takmg over the sick Electricity Units. I have no brief for the sick Electricity Boards in the States. They are doing awe-fully. But is this the alternative? What is the Union Government doing about power generation for which, it is responsible? Take the concrete case of Delhi which is under its own management. And what about &e capacity utilisation in the nuclear power sector which is managed only by Delhi? It is not more than 81 per cent utilisation. I have got the figure, (rntterruptions) That was actually the figure I got from the Government, but some economists have put it as low as 9 per cent. And what about the DVC? What is its working? Do you want to take the power generation in the States i\* your hands and load your shoulders which cannot carry that load? For heaven's sake, don't think on those lines. Think on the lines of decentralisation. Greater responsibility and greater initiativeTmust be at the local level. This is what you hare to do.

Now since I have not much time, I will not go into many subjects, but I will say one word about the public sector undertakings. Out of the 159 public sector undertakings which are working 69 undertakings have lost in 1978-79 Rs. 517 crores. The France Minister hag been actuary repeating that we have invested more

than Rs. 1,5000 crores in these undertakings. And they are in charge of the infrastructure. When the Finance Minister agrees that there is failure of the infrastructure, failure of industry, then it is the Government of India which comes into the picture for criticism. Because the railways—transport—are with them. For the port congestion they are responsible. They are responsible for coal, energy, that is, oil, which is actually imported from outside and also produced inside. It is the failure of the Government of India. It is all failure of Central planning. So, my only request is, confine your activity, apply your energies, only to those items for which you are mainly responsible and those items which have priority. Look to railway performance; look to coal production; and look to oil exploration.

About oil I would say only one thing. Oil is not meant to be burnt away. Subject to correction, I will make one point. In one statistical information I had seen that there are only 34,000 private cars in China. I do not know whether I am right but, according to that, there are only 34,000 private cars in China. Now, Sir, the Government have raised the price of petroleum products. Your pocket will be pinched. I would like to know what is the number of private cars used by Governmental and allied organisations.

THE VICE-CHAIRMAN (SHRI SAWAISINGH SISODIA): Seventy per cent.

SHRI V. B. RAJU: I watch on the roads as to how many people are going in private cars. On an average it is not more than two—the driver and another person. Our failure to develop the public transport system is a drain on scarce oil resources. You will have to overcome this difficulty if not tomorrow, then the day after tomorrow. What is your long-range planning?

*Discussion.*

SHRI NARASINGHA PRASAD NANDA (Orissa): By then they will be out.

SHRI V. B. RAJU: No, no. They will be there. They are bound to be there. And I wish they complete their five years.

Now the only alternative is coal. I am not saying any new thing. And you have to go in for electricity. Oil is not meant to burn away. Scientists say that there are 10,000 petrochemical products which you can bring out from crude oil, including food. And we are burning away oil. The world has done it. Humanity has committed that mistake. The whole of European industrial civilization is built upon cheap oil which was available in the Middle East and all this has happened after the second World War—not earlier. Now coal is the prime thing, the secret.

Please concentrate on railway transport. Because of the failure of the railway transport, road transport is having primacy. If all the fuel that road transport consumes is used in rail transport, it will carry five times the load. So, this is a national waste. No doubt, road transport provides employment, but if you look at it in terms of the quantum of goods carried it is a national waste. (*Time bell rings*)

Sir, many things are there. I will take just two minutes more and complete. Sir, about taxation ...

SHRI PILOO MODY: Salve? Salvation?

SHRI V. B. RAJU: Sir, I don't want to save much, with the concessions that he has given. But there is one thing to which I would like to draw the attention of the Finance Minister. He has levied seven per cent on bank interest. He has imported some new things. Some good things are there, like the Import-Export Bank and other things. With this 7 per cent bank interest. I think he is taking away Rs. 211 crores. Then he has

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given the facility for the public sector enterprises to take to private borrowing. Already the private companies are borrowing. Now with the public sector industrial enterprises and others also borrowing; The market rate of interest will go up. If, they get at 18 per cent from the banks, they will offer 13 to 14 per cent in the market and directly take it. Only the other day the Deputy Governor or the Governor of the Reserve Bank was saying that in Calcutta, there are organisations which pay 36 per cent. If you have already nationalised so many banks. What about their future? Who will go to banks? And why should one go? With the high rate rate of interest, who will borrow? The Reserve Bank Governor has already said that 1.2 per cent more of interest will be transmitted to the borrower. Who will go in for borrowing? Only those who have not to repay and who do not mind any rate of interest because they have a scarce market.

AN HON. MEMBER: And pass it on to the consumer.

SHRI V. B. RAJU: Inflation is going to be very high. Already it is 20 per cent. It would be no surprise if it goes up to 35 per cent. We are going to have a very bad time.

Lastly, I would say that there is a lot of wasteful expenditure in the Budget. You have not said anything about this food-for-work programme. You yourself remarked in your Speech that there are so many 'deficiencies and you would not leave a word of compliment. Now I will call this food-for-work programme as the

food-for-'fraud programme. I would like to submit that the inquiry report or the investigation report by the Planning Commission be placed on the Table of the House. We are interested to go through it. The Planning Commission has given a report on it. The Finance Minister is a gentleman, an experienced man, a good-natured man. What has be clone? There is a provision of Rs. 340 crores for the rural employment programme. Mr. Minister, this is what you have done. What is the rural employment programme? Do you think that the problem of unemployment in the country can be solved by these ad hoc programmes? You are wasting the money. This will go as doles. It will be as bad as the food-for-work programme. It is the case of the same wine in a new bottle. This is what has been done.

Sorry, Sir, that I have taken a little more time. Thank you,

THE VICE-CHAIRMAN (SHRI SAWAISINGH SISODIA): The House stands adjourned till 2 o'clock.

The House then adjourned for lunch at two minuter past one of the clock.

The House reassembled after lunch at three minutes past two of the clock., the Vice-Chairman, (Shri Dinesh Goswami) in the Chair.

#### **PAPERS LAID ON THE TABLE—contd.**

##### **Notifications Of the Ministry of Finance (Department of Revenue)**

THE VICE-CHAIRMAN. (SHRI DINESH GOSWAMI): The Minister of Finance to make a. statement.

THE DEPUTY MINISTER IN THE MINISTRY OP FINANCE (SHRI MAGANBHAI BAROT): Sir, I fecg to lay on the Table of the House e copy each (in English and Hindi) of the following papers of the Ministry