

Jyoti anil he said she was a very brilliant student and because of her very compassionate circumstances she was recruited— her lather died— and rendered every possible assistance and shown every possible sympathy. But she went and joined at Banaras and she returned to Delhi only a couple- of days ago and then this very sad incident happened. We are trying to find out details but so far we have not been able to find out any cause. She has written some very tender letters and it shows how noble she was because, even when she was going to commit suicide she had thoughts of her mother and welfare of the family. She also said "My body should be given to be utilised for scientific purposes and not cremated". It shows what high and noble ideals this young lady had. We feel very very sorry, Sir, The matter is with the police and as soon as the police are able to find out something we will give the information.

As far as the recommendations of the Gajendragadkar Committee are concerned, the House is aware that the Indian Council of Agricultural Research is being refused and most of the recommendations have been accepted. . .

DR. K. MATHEW KURIAN (Kerala) : Most of them have been violated.

(Interruptions)

SHRI BHUPESH GUPTA : Now you make one recommendation. In your Krishi bhavan you should have proper security arrangement on every floor, just as in the past the Kutub Minar was used by people to jump down and commit suicide, now it the Krishi Bhavan has got the position. Kindly look after it.

MR. DEPUTY CHAIRMAN : The House stands adjourned till 2.30 p.m. today.

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

The House reassembled after lunch at thirty-two minutes past two of the clock. the Vice-Chairman (SHRI JAGDISH PRASAD MATHER) in the Chair.

THE BUDGET (GENERAL), 1975-76
GENERAL DISCUSSION—contd.

SHRI CHANDRA SHEKHAR (Uttar Pradesh) : Mr. Vice-Chairman, Sir, we are passing through a critical time and our problems are very complex. It is true that it is not possible to have an easy solution of these problems but some efforts could have been made in a better way; this is what I feel. I do not want to blame anybody nor do I want to jump to a conclusion that there could have been a magic solution to these problems but surely I should like to have some more vigorous effort on the part of the Government and especially from the hon. Finance Minister --who is not present here—that he should have given some more purpose and direction to this Budget. Why do I say so ? Mr. Vice-Chairman, if you remember, he is the architect of the 'garibi hatao' slogan. In our Bombay session of the AICC he was the President and he gave the slogan of 'garibi hatao'. Not only that, when the fifth Plan Approach was being drafted he was one of the persons who was very much in consultation. In the preparation of the Fifth five Year Plan document also which set up two objectives for us, i.e. self-reliance and elimination of poverty, he was very much in consultation. I do not know whether this Budget gives any direction or any indication to achieve these objectives.

Mr. Vice-Chairman, Sir, nothing is possible in today's society unless and until there are certain basic economic, political and social changes in our structure. That is possible only if we are able to adhere to our professions to the people and we are ready to take hard decisions to implement our commitments but I do not know what happened to us after having received the massive mandate in 1971. We thought it fit to pursue politics of expediency— expediency to have the *status quo* or

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expediency to rely upon the forces which have been responsible for exploiting the society. It was to be decided by the Government, for more production whether they wanted to rely upon the tailing masses of this country or they wanted to rely upon the big business houses, upon the monopolists. Soon after the 1971 elections, the first communication which was addressed was not addressed to the working classes of this country but to the Chamber of Commerce, and I was one of the few persons in 1971 who dared to say that the Government had left its socialist path and it was not possible to fulfil our commitments. I am sorry to say that I have been proved correct, to my dismay more than what I expected.

Mr. Vice-Chairman, Sir, the long suffering people of this country have some expectations from us, but I feel now they are not in a mood to endure any more. They are the impatient masses, and whether we are able to give any hope to these people, I do not know. This Budget is an exercise in presenting just a draft of a certain speech of the Finance Minister and giving some accountancy of the Government expenditure and Government revenue receipts. Mr. Vice-Chairman, Sir, in the country today we have got 28 crores of people, nearly half of the people, below the poverty line. They have less than Rs. 70 per month. If you take it at the price level of 1960-61, it comes to Rs. 28. This country has more than 70 per cent illiterate people. If you see the absolute figures, their number has gone up after 1947. This is the picture which is presented in the country. And we have been saying that in order to increase production in the rural areas, we shall have land reforms. What has been the fate of these land reforms? It has been accepted by not one but many commissions of the Government, and many of our expert bodies, that it has been a dismal failure. We had this bank nationalisation. We had this cooperative credit. We had these land mortgage banks in order to provide credit

to the rural poor. But what has been the result of all these during the last 27 years, or recently during the few years when we talked of socialism? I was surprised and shocked, and amused too, Mr. Vice-Chairman, Sir, when recently I read the speech of our revered President of the Congress who happens to be a Member of this House, that we shall get a mandate for socialism in 1976. He said that the mandate in 1971 was not a specific mandate. If I remember correctly—and I was involved in it—in 1969 when we had the AICC session in Bombay, we produced an Economic Panel report, and in that report it was said specifically what we are striving for. Not only that. In the Political Resolution, the Congress Party said that there will be many constraints, there will be many obstacles, and we shall overcome all those obstacles and we shall march towards the socialist goal. If our promises can be forgotten so easily, and if we want the people to give another mandate for socialism, full-fledged socialist blast, I do not understand what that mandate and what that socialist blast means.

I should like to give you some broad picture of what our Economic Survey today says. I quote :

"While international factors undoubtedly aggravated the situation, it must be recognised that inflationary pressures of the past two years are basically rooted in some of the arduous inadequacy of our domestic economic structure. . ."

AN HON'BLE MEMBER : Wherefrom are you quoting ?

SHRI CHANDRA SHEKHAR : From the Economic Survey Report presented by the Government of India, a copy of which has been given to you. So this is not a suggestion made by a leader of the Opposition, it is not by any other person; it is the survey of the Government. If there were inadequacies, what has been done by the Government and what has been done by the hon'ble Finance Minister to remove (those) inadequacies? I at least do not

understand much of economics and much of the budgetary policies, but I see no departure from the old ritual that has been performed again and again before this House. What he has said is, and for which I shall like to applaud or appreciate or admire my honourable friend Mr. Subramaniam, that we shall give top priority to agriculture and energy. Is it a new thing? Is it not a fact that even in the Fourth Five-Year Plan we talked of priority to agriculture? Is it not a fact that in the draft Fifth Plan we talked of agriculture and we talked of self-reliance, we talked of elimination of poverty? But by merely talking of agriculture, merely talking of energy, what is going to happen? *Are* we going to have a better performance? I take the case of energy, Mr. Vice-Chairman. Time and again it has been argued by economic experts and even by the Government agencies as to what are the constraints in having more energy. 25 per cent of our energy is hydel produced. Much is made of the drought and the failure of rains. 75 per cent of the energy generated in this country is from thermal. Why is this inadequacy in generating energy from thermal power stations? Three reasons have been given by the Government. They are: bad quality of coal, bad maintenance and bad labour relations. Was it not possible to do something? Has anything been done to improve the labour relations? Is there any indication in this Budget that the labour will be more satisfied because of this Budget and because of the policy that we want to pursue? I remember correctly—I am sorry that Mr. Subramaniam is not here—three years back I had the privilege to sit with Mr. Subramaniam to think about the economic problems of this country and nearabout two years back, the Congress Party came out with a suggestion that there should be wage, income and price policy in this country. It was said that something drastic will be done. Two years have passed. Still we have to know about the income and wage policy. Why does it not happen? You will not have a wage policy unless and until you are ready to

remove the disparities that exists in our economy today.

We talk about Mr. Vice-Chairman. Sir, concentration of economic power. We shall remove it, it is true. No socialism is possible unless and until disparities are removed and unless and until concentration of economic power is curbed. But what has been our performance during the last 3 or 4 years? I shall not go about the past. I shall talk about the recent 6 or 7 or 8 years when we have been talking again and again of concentration of economic power.

Mr. Vice-Chairman. I shall give you some facts and these facts are not based on my assessment of the situation. These are the facts which are based on the figures provided by the Government. These facts speak for themselves. And I am pointing towards these facts not in anger, not in the sense of criticism but I want to emphasize again and again as I have been doing in this House and outside that unless and until you understand the maladies, it is not possible for you to remove them. If you shut your eyes from the maladies, if you do not recognise the objective situation, it is not possible for you to take any curative measures. Mr. Vice-Chairman, I speak about certain figures about 20 big houses in this country, the top 20 big houses, and how there has been growth during the last few years. The figures available with me are from 1964 to 1971. According to these figures, the trend has in no way been reverted or slid back; the trend is the same. As the figures in the Government records are not available for an individual member like me, it is not possible for me to make an exercise but you can see these figures available with me for 31st March 1964 and the next figure is for 31st March 1971. I have compiled a statement in respect of these 20 largest houses. I would only mention one or two cases. In the case of Mafatlal, their assets increased during this period from Rs. 45.91 crores

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to Rs. 172.38 crores, an increase of 278.26 per cent. Similarly, in the case of Imperial Chemical Industries, their assets increased from Rs. 36.89 crores to Rs. 118.59 crores, an increase of 221.47 per cent.

Then, take the case of Sarabhai. Their assets increased from Rs. 31.16 crores to Rs. 97.34 crores, an increase, of 225.65 per cent. I shall give one more instance and that is our Birlas. In their case the assets increased from Rs. 292.72 crores to Rs. 687.38 crores. In percentage it comes to 134.83 per cent. In their case the increase has been phenomenal. The cases which I have tried to study are those of ACC, Andrew Yule, Bangui, Bird-Heilgers, Birlas, Goenkis, [CI, J. K. Singhania, Khilachand, Killicks, Mafatlal, Martin-Burn Sahu-Jain, Sarabhai, Scindia, Surajmal Nagarmal, Shri Ram, Tatas, Thapar and Wnlehand. These are the twenty big houses and in all these cases the increase has been from 66 per cent to 200 odd per cent. As I have mentioned in my speech, this is the statement. I do not know whether you will give me time to read out the whole statement. If it can be taken as part of my speech, with your permission, it will save me the time of the House, but I shall not go into the details. I just want to indicate that this is the position. What has been our attitude towards this problem? When there was a cry that there has been a phenomenal growth of monopolies, there were rebuttals and here I quote in opinion :—

"None of the studies so far conducted by the Government or by any independent agency would support the view held by big business houses, whether in absolute terms or in comparison to the rest."

Again, I quote :—

"A study published by an economic newspaper in respect of the 101 top industrial giants of the country showed that their assets increased only by 7.7 per cent during 1972-73 as compared to 8.2 per cent in 1971-72. Having

regard to the need for accelerated economic development of the country, this rate of growth is not encouraging. In fact, the marginal deterioration in the rate of growth in 1972-73, as compared to 1971-72, cannot be looked upon with complacency."

Again, I quote :—

"It will be hardly correct to conclude that the object of the MRTP Act is only to put down the growth of assets of the larger industrial houses. The MRTP Act aims at preventing concentration of economic power to the common detriment."

If you read this, you will find that it is not a report of the Chamber of Commerce. It is the report submitted by the Company Law Department and which Mr. Bedabrata Barua submitted to this House. This report has been submitted by the Company Law Department on the functioning of the MRTP Act. If I draw the attention of the Government to this problem, is it a criticism or is it to request them to open their eyes? If you want to remove concentration of economic power, with this opinion, is it possible for this Government even to touch the fringe of the problem? It is not possible. The Government in its professions and in its speeches goes on making a virulent attack on monopoly houses, but when it comes to the working of the Act, what has happened to the MRTP Act? When my dear friend, Mr. Raghunatha Kiddy, was there, he said he was going to make many amendments. What happened to those amendments so as to make the Act more effective? Only last year we were assured that some amendments were going to be made in the MRTP Act in order to de-link proprietorship from management. Was there anything possible for the Government to do on this score? The other problem is, not only is this the attitude of the Government, but they do not know many concerns belong to a particular House. In this House, they give one figure; in the Lok Sabha, another figure is given and before the Licensing Committee,

the figure, is different. I give an example. The Report of the Monopoly Inquiry Commission had included 151 concerns of the Birla Group and gave figures concerning these concerns. Then in the Lok Sabha, in the reply to Starred Question No. 1222 dated 20-11-1973, the assets for 1971 of Birla concerns related only to 45 concerns which were registered with the Monopoly Commission. Then in the statement laid on the Table of the Rajya Sabha in reply to Unstarred Question No. 323 dated 6-8-1974, the number of Birla concerns mentioned is 192. And finally, in another statement laid on the Table of the Rajya Sabha on 3-3-1975 in reply to Unstarred Question No. 831, the number of Birla concerns in which inspection was ordered is shown as 208. But the actual number is bound to be more as this represents only those companies in which inspection was ordered. One does not know even the total number of concerns of each group. This is about the Birla Group.

During the last seven years I have been trying to bring before the Government the malpractices of the house of Birlas. But even today, in March 1975, my friend who deals with Company Law does not know the exact figures, or the exact companies which belong to the Birla Group. The same is the case with the other monopoly houses. These figures are from the Government record and so I should like to rely upon the record of the Government.

Mr. Vice-Chairman, what has been the rate of the various investigations and what has been the report of the Government? Again, in many cases—I shall not go into details in respect of these big Houses, the accounts were re-opened and a very nominal fine was imposed on them, and the Government seems to be helpless. It was said that they would be contained. It is not one example. If you see the licensing policy, you will know how many times it has been revised in their favour in the name of developing the backward regions. In the name of going into cement, sugar 4 RSS/75—7.

and many other industries, these big monopoly houses were given freedom in many respects, and, the result is that their growth is getting every day phenomenal, and the report of the Government is that if their growth is reduced by 1 per cent, it should not be taken with complacency. Mr. Vice-Chairman, it is the attitude of the Government. And the industrial growth in the country, if I am correct, was minus two years back, zero point last year and perhaps 1.3 per cent this year. So, Government is satisfied with the overall industrial growth in the country but it is very much concerned about the stagnant growth of 7 to 8 per cent of these big monopoly houses. This is the attitude of the Government, and many of my friends who would like to speak about socialism, accuse colleagues like me of finding fault with the Government. I shall most humbly request them to see these figures and the writings on the wall, in what direction we are moving or what the opponents say. But what our Government, our own department indicates? Is it not enough indication of the direction in which we are moving today?

Mr. Vice-Chairman, I shall like to mention a word about Plan. I have heard brilliant speeches on planning from my friend, Mr. Subramaniam, a good exposition, not in the sense of flattery, but I admire Mr. Subramaniam for his courage of conviction. He can put forth his point of view without any hesitation. But what happened to him when he presented this Budget? He has tried to strike a balance which is incompatible in the situation. He should have one course or the other: course to show in what direction he wants to move. There cannot be a tight rope walking any more in this country about planning. We have been pleading for long. What is left of planning today, Mr. Vice-Chairman? You are also a senior Member of this House. We seldom hear any question about planning. Discussion about planning is a remote thing. Nobody now bothers about planning. I know only two things—the building of Yojana Bhawan and the other, the handsome good Minister like Shri V. C. Shukla, a very dynamic

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personality. But I do not know what he is doing there in planning because two years back we were discussing his Approach to Plan. Then one year back we were discussing the Draft Plan. Now, again we are revising the Draft and we are being told that some Annual Plan is being produced. What is there in the Plan nobody knows. It is reflected, as the Government says, in the Budget of Mr. Subramaniam. That reflection one must have extra intelligence to find out because one does not know what is happening to our Plans, what is happening to our priorities. As I said in the beginning, Mr. Subramaniam, the hon'ble Finance Minister, has tried to emphasise certain areas in which there should be more concentration. But planning is a "forbidden" subject today.

Mr. Vice-Chairman, I shall come to the first point, the agricultural sector. About the agricultural sector the Finance Minister has been kind enough to provide more money, more resources. But has he grown wiser after the experience two years back when he sanctioned some amount? I do not remember the figure for the Crash Programme of rabi production. All the money was a waste. No production increased. The hon'ble Finance Minister may provide the money but what is the strategy for agricultural development? Is there any programme before the Government, before the Agriculture Ministry or before the Planning Commission?

Mr. Vice-Chairman, Sir, the report of the Task Force on Agrarian Relations—I am speaking for the first time after being elected. I hope I can take some more time.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : Still there is a limit.

SHRI CHANDRA SHEKHAR : The report of the Task Force on Agrarian Relations says :—

"The agrarian reform programme can succeed only if it is accompanied by

adequate arrangements for the supply of inputs particularly savings on easy terms for development and cultivation of land."

What is our actual record in this matter? Mr. Subramaniam, the finance Minister, has provided money. But what is the record, what is our performance, whether his attention has been drawn to this problem? I give you some figures. I do not want to sound rhetoric. I want to draw your attention to facts. Out of Rs. 613 crores on co-operative credit distribution in 1971-72, the latest year for which figures are available, a bare 3.3 per cent., or Rs. 20.6 crores only went to the tenant cultivator and agricultural labourer.

3. P.M.

"Among peasant proprietors, those whose land holding was below 2 hectares received only about one quarter, to be exact, 26.2 per cent, of the total co-operative credit. The other three-fourths were pumped into the hands of land holdings above 2 hectares.

Land development banks, too, acted in a similar manner. Nearly three-fourths, or 73 per cent, of their advances in 1971-72 went to those with land holdings above 2 hectares. The bias against small land-holders is quite pronounced. For instance, while the total advance of the land development banks in 1971-72 increased to Rs. 130 crores from Rs. 100 crores in 1970-71, the share of small land-holders up to one hectare declined from Rs. 11.5 crores in 1970-71 to Rs. 7.6 crores in 1971-72, or from over 11 per cent of the total advance to about 6 per cent."

This is the credit disbursement policy of the Government. The more money you give, the more it goes in the hands of the "kulaks". But when the question of giving a higher price for wheat to the growers or farmers comes, the Government comes out with a very radical posture; if you increase the price of wheat from Rs. 105 to Rs. 125, the "kulak" lobby will get the

benefit. But I think nobody knows better than Mr. Subramaniam that it is the poorest sections of farmers who resort to distress sale and they are squeezed, or they can be easily handled by the levy machinery or the Government administration. What could have been the alternative? I suggested in Gandhi Nagar, when we decided to take over the wholesale trade in wheat; Don't make price a prestige point; give a higher price to the farmer and procure as much as you can. Even to-day I shall most humbly plead with Mr. Subramaniam and with this Government: Give a higher price to the farmer and procure as much as you can. If you want to tax the people who are making a huge profit out of agriculture, you should muster courage to impose direct taxes on those who are big farmers. But you do not want to displease them. You cannot have the courage to tax them. And in order to avoid an unpleasant decision, you break the back-bone of the small farmer. This is not going to be a paying proposition. Your levy scheme and all these schemes are going to fail. There is a limit to cleverness. There is a limit to manipulations. If you want to tax, you should tax, as I have been pleading, the big farmers. But for that, the small farmers should not be penalised. They should be given remunerative prices, if you want that (they should feel encouraged to produce more from the land. *Time-bell Rings*) Mr. Vice-Chairman, I shall finish in a few minutes.

I shall not go into the details of land reforms. My friend, Mr. Krishan Kant, and Dr. Z. A. Ahmad are working on that in various States. It is being done. But there is an interesting comment by the Task Force which I shall like to quote. It says:

"In no sphere of public activity in our country since independence has the *hiatus* between precept and practice, between policy pronouncement and actual execution, been as great as in the domain of land reforms."

While admitting the difficulties in a way, the Report concludes saying:

"Considering the character of the political power structure obtaining in the country, it was only nature that the required political will was not forthcoming.*"

What was not forthcoming? It was not only the resolution, it was not only the policy pronouncement, but also this actual will power, the political will power, to deal with the problems which was not forthcoming. How to get that political will power? Mr. Vice-Chairman, Sir, you know that everyday the number of the unemployed in the country is soaring high. In the Bidan Nagar AICC meeting, where the respected colleague of ours, Shrimati Purabi Mukhopadhyay was present, we said: "Half a million jobs to the people", and my good friend, Shri Mohan Dharia, twice or thrice quarrelled with me in this House and said, "You don't know the dynamism of this scheme. It is going to be implemented in one year." On one occasion, Sir, I told Mr. Dharia and Mr. Dhar, "I know the discipline of economic life. It is not our wishes which will fulfil the programme. It is only the economic discipline which will operate and all our wishes will be futile." Now, Sir, where are these five lacs jobs and where is Mr. Dharia? Neither unemployment has decreased nor are these Ministers there now: Neither employment nor these Ministers! Historic forces of economic development are forcing us in a direction, in a particular direction. You may wish for anything. But you will find that you are wishing for something which was not desirable for you. About the employment programme, Mr. Vice-Chairman, Sir, I would not like to go into the figures just now. But, whatever the Government may be saying, you will find that everyday the number of the unemployed is increasing and our production is not increasing. It is true that without production, no solution is possible. But, Sir, what is the fate of our production? I would like to give you one or two figures in this connection. The Report says:

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"Even the rate of growth and pattern of industrial production was no closer to any of our professed objectives of transforming the pattern of production to accord with the consumption needs of the bottom 30 per cent of the population."

Sir, if you see the growth rate in the text-tile industry in 1973 and compare it with that of 1972, you will see that it was —3.5 per cent in 1973; It froze to '0' in 1974! Production of footwear in 1973 was —6.2 per cent and it declined further in 1974 to —12 per cent! Manufactures as a whole remained highly stagnant at 0.2 per cent in 1973 and went up to only 1.3 per cent in 1974! While the 18 principal groups engaged in industrial production recorded a poorer growth, the Survey reveals that the remaining relatively unimportant miscellaneous industries recorded a phenomenal growth of 75 per cent in 1974! What an eloquent tribute to our Plan direction of which we are proud! This is the direction of socialism in which we are moving, Mr. Vice-Chairman, Sir, There is no easy solution. Hard decisions will have to be taken and I think that, with his courage of conviction, Mr. Subvamaniam should have taken the decision. You cannot keep on an atmosphere of uncertainty. Everyday, in the public speeches, you go on talking about nationalising every industry. You say that the sugar industry will be nationalised, the textile industry will, be nationalised, the chemical industry will be nationalised and so on. Everyday, Sir, one Minister after another comes forward and makes some bold and prophetic announcement about nationalisation. But what happens? No nationalisation at all and no step in that direction. The result is that you create an uncertain situation. Neither do you allow the private sector to do something. Take the case of U.P., Mr. Vice Chairman. For the past four or five years, we have been thinking of nationalising the sugar industry there. I pleaded with my friend, "Don't go on professing. If you want to nationalise it, do it today. Otherwise, it will be the doom of the in-

dustry." For five years, there has been no renovation of the sugar industry and now it is a junk in the State of U. P. and now, all of a sudden, after five years, we hear that they will not take over the sugar industry. A few months back I heard a Minister saying this and in the feeling of the Minister is reflected the policy of the Government. A few months back I had heard about the taking over of the chemical industry because my friend, Shri Ganesh, had gone to that Ministry. He ha^ certain ideas. But our ideas do not reflect the objective situation in the country. Why should we exaggerate our opinion and elevate them to be the policy if the Government? This is creating confusion. For once, decide in what direction you should move. You cannot go on "ceding the people iwth the radical slogans of Lenin and go on implementing the policies of Mr. Nixon or somebody else or Chaing-Kai-Shek. It is not possible.

So what they want to do, they should say that. They should not say what they do not want to do.

About the public sector undertakings, Mr. Vice-Chairman, Sir . . .

THE VICE-CHAIRMAN (SHRI MODISH PRASAD MATHUR): Mr. Chandra Shekhar, now you will wind up.

SHRI CHANDRA SHEKHAR : AD right, Sir. I shall finish.

About the public sector undertakings, there' has been some improvement, but two important industries, steel and fertilizer, are doomed for ever. I do not know what are the difficulties. But at least in steel, Minister is there, Secretary is there; there is no equation between Minister and Secretary. Keshav Deo Malaviya was there, and there was a lot of whispering that was going on between the Secretary and the Minister. Now Chandrajit Yadav

is there. We must decide whether the Minister will decide matters or the Secretary. Is the Secretary the super boss over the Minister? I do not know the person. But it is making the whole production stagnant, and the result is that we are fighting amongst ourselves—and, Mr. Vice-Chairman, Sir, this fighting is resulting into more and more difficult situation and creating complex problems.

I shall not refer to the problems of other charges of corruption and all that, because those are being repeated every day by my friends in the Opposition and also by many people outside. But I shall not be out of place, Mr. Vice-Chairman, if I give you only one instance which is not about the corruption of an individual or anybody else. May I invite your attention to para 14, sub-para 2 of the Audit Report 1972-73 for Revenue Receipt, Volume I. I would like to read that para. I quote:

"During the year 1972-73, a total of 315 exemptions were issued under Section 25 of the Customs Act, 1962 by the Central Government having revenue effect of Rs. 241,69,25,312. Of these, in 148 cases involving exemption in each case exceeding Rs. 10,000, the revenue foregone amounted to Rs. 24105.01 lakhs."

Sir, by any standard this is a big amount. And the Audit has said that these have not been genuine remissions. If this is the position given by the Audit Report—once I drew the attention of the Finance Minister about this report, but I got no convincing answer—I do not know about the other money passing from one hand to another. But, Mr. Vice-Chairman, Sir, this is the report of the Audit. If this thing can happen, I do not know what is going to happen to the whole economy.

Then there are so many other things like controls. Those are matters of every day debate. They control only the price.

They neither control the production nor do they control the distribution. They do not control the consumption pattern. If they want to have control, first they should control the production, then decide about the consumption pattern and then decide about the distribution system. Again, I shall not go into details because, Mr. Vice-Chairman, Sir, I have already taken more time. The Economic Survey itself has said that much more can be done on the distribution side. This is the situation. Mr. Vice-Chairman, Sir, if hard decisions are to be taken, may I request my hon'ble friend Mr. Subramaniam to muster courage and take hard decisions. I shall not go out of bounds, but will he take into consideration the suggestions made in the Economic Panel Report of 1969 produced under his guidance and help? He was one of the coauthors of that Report. Is it possible to tax ostentatious living?

I have no time. I will give only one example. There was a suggestion that all the Indians who live in five-star hotels should be taxed one hundred per cent. Parliament is asked to sanction money for constructing five-star hotels for foreigners. But 35 to 80 per cent occupancy is by big business agents, some politicians and some big people. Can't they live in smaller hutments and smaller hotels? Is it not possible for them? You allow these Indians to remain there and also you allow the monopolists and big business to construct five-star hotels here in the city of Delhi. Mr. Vice-Chairman, Sir, you can go on taxing and creating an equilibrium by taxing one sector or the other sector in an effort to see that nobody feels the pangs of taxation. The hon. Finance Minister has almost taxed everything and everybody thinks that he has not been taxed. It is not proper. You will have to tax a certain section. You will have to tell them that you will have to realise that we are the people of a poor country. If the country is poor, it is not poor only for the Government servants or for the working class or for the teachers who go on hunger strike. It is poor for the administrator. It is

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poor for the politician and it is poor for the-monopoly houses. They will have to be co-sharers in this poverty. Unless and until the Government is able to persuade them and unless and until the Government has enough courage to force *hem to be co-sharers of poverty, they cannot do anything. Don't talk of socialism because by doing this you will pollute the very name of socialism. You will destroy the faith and confidence of the-people in the future of this country. I hope that the ultimate victory will be that of the teeming millions who will understand their role in the society and ultimately they will asseit themselves. Thank you, Mr. Vice-Chairman.

SHRI VEERENDRA PATIL (Kaniata-ka) : Sir, I rise to oppose the budget that is under consideration. I do not blindly oppose the budget proposals because I am sitting on the opposition benches. I want to look at it from the practical point of view. I find that there are certain good points in this year's budget. I will be failing in my duty if I do not welcome those goofi points that the budget contains. For instance, the plan size for the year 1975-76 is going to be of the order of 5960 crores which means 23 per cent more than what is provided in the current year. t am happy (hat in the next year, the Government proposes to spend 1116 crores of rupees on development activities and also the Plan. I think the entire Mouse will welcome this proposal because we want more expenditure on developmental activities. Sir, before we consider the next year's budget, let us look back at the promises and the performance. Just now, I had the privilege of hearing the views of my esteemed colleague, Mr. Chandra Shekhar.

He was very sore, very bitter and he was perfectly justified in expressing his dissatisfaction. And, on this side also we are not very happy because we find that the gap between the performances and the promises is very wide.

Sir, I take the current year's itudget which was presented by the then Finance Minister, Mr. Chavai. What is the promise or the assurance that was given to this House and also to the Lower Mouse at the time of the presentation of that Budget? He gave a categorical assurance that he will see to it that the price-line is held under all circumstances and that the deficit financing will not exceed more than what was provided in the Budget, namely, Rs. 126 crores. For that purpose the Government resorted to a heavy dose of additional taxation, which conies to Us. 935 crores, that is the maximum in one full year. And, in the name of containing inflation, they took certain steps, they impounded dearness allowance; they impounded increases in wages and salaries, dividend was frozen, a system of compulsory savings for tax-payers was introduced, and there was credit squeeze. As a part of anti-inflationary measures, vigorous steps were taken against the blackmaiketeers and smugglers under the M.I.S.A. and steps were also taken to unearth black-money. I think we welcomed all these measures in the hope that these are the steps that the Government is taking in order to contain inflation and the results will be according to our expectation. But what is the net result? The net result, I am very sorry to say, is that the hopes that were roused in the minds of the people were belied. The current year is ending with a deficit of Rs. 625 crores, according to the statement made by the hon. Finance Minister. In the year 1974. the prices rose by 27.2 per cent. In two years, *i.e.*, 1973 and 1974, the price-hike was of the order of Rs. 46.4 per cent.

Sir, I would only appeal to the Finance Minister and to his conscience to imagine the plight of the common man today. What is the plight of the common man when the prices are galloping and when you have been taxing the people fevery year? What about the next year's Budget, which is under consideration? You have •gain come forward with taxation proposals of Rs Rs. 288 crores and the unfilled gap is Rs. 225 crores, that is today; according to your estimate that is

the deficit. The deficit was Rs. 126 crores last year and it ended in Rs. 625 crores. My presumption is that the deficit that you have estimated at Rs. 225 crores is going to end up by another five hundred and odd crores and the same Finance Minister, if he is there, will come with a proposal and say that since these were the difficulties, they could not contain deficit financing. And, Sir, prices will rise again and they will rise as they have risen during the current year, at least by more than 20 per cent because there is additional taxation, there is further increase in the inter-State sales tax and a newly proposed levy of 1 per cent excise duty on all items.

Sir, unfortunately, no year passes without any additional taxation. We have yet to see in this House a Budget which is free from additional taxation. I do not want to quote the previous year's figures. I will take the figures from the mid-term elections, in the year 1971-72 additional taxation was of the order of Rs. 500 crores, in 1972-73 it was Rs. 183 crores, in 1973-74 it was Rs. 292 crores and in 1974-75 in full year it was Rs. 935 crores and in 1975-76, it is Rs. 288 crores.

Sir, the only target of the Fourth Plan which was exceeded was the target of additional taxation. Government, during the Fourth Plan period secured 3,900 crores of rupees by additional taxation or by mobilisation of additional resources. In spite of this the budget runs continuously in deficit. I quote the figures of deficit financing:—

(Rupees in Crores)	
1971-72	738
1972-73	680
1973-74	650
1974-75	625

Sir, out of every rupee that is earned today by our countrymen thirty to thirty five paise go into the Government Treasury by way of taxes. The total tax revenue of the Central Government in the year

1965-66 was Rs. 2,061 crores but in 1974-75 it is more than Rs. 6,000 crores. You can imagine to what extent there is tax burden on the common man of the country. There is a limit as Mr. Chandra Shekhar has just now said for levying taxes. We have reached the saturation point. There is no further scope for any additional taxation. But taxes are being levied year after year. After levying so much of tax and after resorting to deficit financing, what is the net achievement? The net achievement today. Sir, unfortunately is, the economy of our country is in a terrible mess. Our country is facing an economic crisis which is unprecedented in the history of our country. Prices are steadily rising; production is falling; economic growth is stagnating; unemployment is mounting; revenue expenditure is going up, almost galloping; *per capita* income is going down; value of the rupee has come down from one hundred paise to twenty-five paise. In the Fourth Plan target, the economic growth was 5.6 per cent whereas the actual growth was only 3 per cent. Sir, industrial growth during 1960—66 was 9.2 per cent but after 1966 it came down to 3 per cent. In 1973-74 according to the Economic Survey that has been made available to the Members, it is 0.5 per cent and in 1974-75 I do not think it is going to be more than one or 1/2 per cent. This is the situation.

While- India takes the second place in the population of the world, so far as gross national production *per capita* is concerned we are unfortunately—we have to say that—placed in the 103rd position. In 1969, Sir, 40 per cent of our population was below the poverty line. After so much of taxation and after so much of deficit financing, what is the position today? According to Mr. J.Dharia who was the Planning Minister till recently, the percentage of poverty in our country is sixty-seven. So, I want to know from the Finance Minister what is growing today in the country, whether poverty is growing or prosperity is growing. You put this question to your conscience and you will find

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an answer. And this is the net result of the progressive policies of the Prime Minister and the ruling party and this is the state of the *garibi liatao* programme. Sir, I want to know who is responsible for this state of affairs. Is it the ruling party or the Opposition? I pose this question because the ruling party is interested always in finding alibis. Mahatmaji used to say, whenever he committed a blunder, "I committed a Himalayan blunder".* But the ruling party is not prepared to own any of their mistakes. They are not prepared to say "Because of our wrong economic policies, because of our wrong approach to the problems of the country we are finding the country in this mess". They are not prepared to own their mistakes. Sir, just now Mr. Chandra Shekhar talked about socialism and he advised the ruling party—his own party—to forget about socialism and that they have no right to talk about socialism.

Sir, those who promised '*garibi liatao*' have brought this country to this pass. They had a massive mandate in the year 1971 but recently the Congress President Mr. D. K. Borooah, while addressing the press conference in Bangalore said¹ that the mandate from the people in the year 1971 was not specific. So, he was going again to the people to seek mandate on socialism in the year 1977. Then one reporter asked him whether the people had not given him the mandate in the year 1971. He said it was not so specific. So, he wanted another lease of life for five years in order to achieve socialism. Unfortunately, we are in the world of slogans. As somebody said⁴ rightly, socialism has taken the place of *mantras* and *shastrms*. Politicians use this word 'socialism' very often like a cap which has lost its shape because everybody wears it. The Socialism that we practice today in the country, it is levelling down, it is not levelling up.

Sir, unemployment. I do not want to deal with this in greater details but it is mounting. According to Bhagwati Committee

report, in 1971 18.77 million people were unemployed and today there are nearly 30 million people who are unemployed in this country. Only the other day the concerned Minister furnished the figure so far as educated unemployed are concerned from matriculates to graduates. It is nearly more than 5 million. Sir, for an illustration I can quote one instance. In 1974 West Bengal advertised 17 vacancies, that too in rural areas, most unattractive jobs and you can imagine the number of applications the Government received. It was more than a lakh. Today, inviting applications and notifying vacancies has become a good source of income to the Government. What happened, I want to know, to half a million jobs? That has been conveniently forgotten. This year there was so much talk about half-a-million job scheme. How much was spent, how much employment was created, we do not have any performance report before us and in the next year's Budget there is no word about half a million jobs. It means that it has been very conveniently forgotten and it has been unceremoniously dropped. I want to know what is the cause for this malady? I must again say that it is a charge against the Government. The present malady or present economic crisis is only because of the wrong policies that have been pursued by this Government. It has resulted in a miserable failure, resorting to indefinite deficit financing. Deficit financing leads to inflationary trends. Sir, money supply, if I quote some figures, is increasing every year. In the year 1969-70 money that was in circulation was of the order of Rs. 6387 crores and in 1974 it is more than 11 crores of rupees. During the last five years the money supply has risen by more than one hundred per cent and the gross national production by only 15 per cent. Sir, money, most of it goes to the poor man and the poor man has **not** got the withholding power and he has to go to the market immediately in order to buy the consumer articles and then he has to spend all the money that he has received. Thus it changes hands and thereby increases the velocity of circulation. There is

no production today in our country. I have already quoted certain figures. There is so much of idle capacity that is not being utilised. I challenge this Government, if this idle capacity is utilised, nearly 90 per cent of the unemployed people that we find in our country today could be absorbed but unfortunately because of so many factors there is so much of idle capacity. Sir, if I quote one instance the installed capacity of steel is 9 million tonnes while the actual production is not even 5 million tonnes. Like that I can quote so many other instances but because I do not have much time at my disposal, I do not propose to deal with these problems in greater details.

Sir, if I close my speech without giving any suggestions, then hon'ble Members on the other side would say that I was interested only in finding fault with the Government. I do not want to do this. We have certain remedies. Although the Government is in the know of these things, they are not in a mood to follow them. Sir, the remedy is that there must be a slogan today in our country "more production". We should not waste our time and energy unnecessarily in this controversy of public sector, private sector, cooperative sector, this sector and that sector. The only solution of all these economic ills is more production. And we have to give more incentives in order to have more production. So far as agricultural sector is concerned, irrigation facilities have to be provided. If there are no irrigation facilities provided to the people, it is not possible for them to increase the food production. Unfortunately, in our country, 70-75 per cent of our land is dry land and only 25-30 per cent has irrigation facilities. Therefore, we must lay more emphasis on irrigation and we must lay more emphasis on utilizing the idle capacity. Again I come to that because we do not have electricity, we do not have power. Therefore, so many of our machines are lying idle, so many of our factories, though they have the installed, capacity, are not in a position to produce goods because there is so much shortage

of power, again because of bad planning. The targets which had been fixed in the Fourth Plan have not been achieved. Not even 60 per cent of the installed capacity of electricity is being generated today in our country. Then there should be immediate reduction in the money supply. And so far as financing is concerned, we must put a full stop to deficit financing and drastic cut should be there on non-developmental activities, *i.e.* on establishments. I can quote one or two instances so far as these non-developmental activities are concerned. What has the Government done? They have committed a great blunder or a grave mistake. They have been expanding the bureaucracy. The empire is so huge or so large today that it is beyond anybody's control, beyond being manageable. Between 1957 and 1970, the number of persons employed only in the Government of India offices rose by 70 per cent. The wage bill alone comes to Rs. 6,000 crores. That means whatever is collected by way of taxes, more than that we have to pay by way to wages. This is the position. Therefore, there should not be any further expansion of the bureaucracy.

Sir, lastly, I come to a very important point. As I said in the beginning, the country is facing the worst crisis and these are the challenges not only for the ruling party but for all the parties in the country. Sir, we must see to it that democracy in our country survives—I am telling this because in a country where there was abnormal price rise, democracy has not survived; I think this has been the experience of everybody who has some knowledge of politics. Our country has already entered the danger zone and we must take drastic steps. We are facing a grave challenge. We want not only the Government to survive, the ruling party to survive, but more than that we want democracy to survive in our country. We do not mind if the ruling party continues in power because we want to see that democracy survives since there is a danger to democracy because of economic malady. Sir, this is possible when there is a clean administration. If the ruling party fails to provide

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a clean administration, an honest administration, howsoever laudable the objectives or plans may be, everything will be on paper only. Why I am telling this is because today unfortunately there is an atmosphere in our country which is surcharged with corruption, nepotism and favouritism. When I discuss about corruption, nepotism and favouritism, I do not want to deal with corruption, nepotism and favouritism which is there at the Centre because I want to confine myself to my State. So far as my State is concerned, unfortunately today there is so much of corruption there. Corruption is rampant in Karnataka. 'At one time it was known for ideal administration but today corruption has become the talk of the street and the talk of the town. I can quote certain instances. Mr. Subramaniam knows because he has also held different offices in the State and at the Centre and I also held offices as Minister and also as Chief Minister and I am not expected to make any irresponsible statement. I am making a statement about corrupt practices indulged in by the Chief Minister of Karnataka with full sense of responsibility and I throw a challenge that if I do not prove these corrupt practices or the allegations that I am making today on the floor of this House, I am prepared to resign not only from the membership of this House but I am prepared to retire from political life. But I want to know whether the Government has any moral courage to take action against that Chief Minister who is indulging today in corrupt practices, who has brought down the image of the ruling party. The image of the ruling party in Karnataka is in gutters. I can quote one or two instances.

SHRI HAMID ALI SCHAMNAD: They want such people who are there.

SHRI VEERENDRA PATIL: If they want such people, it is to our advantage.

SHRI K. CHANDRASEKHARAN: I do not think he belongs to such a category because he is with them in my State.

SHRI HAMID ALI SCHAMNAD: We are speaking about Karnataka, not about Kerala.

THE VICE-CHAIRMAN (SHRI IAG-DISH PRASAD MATHUR): Please conclude.

SHRI VEERENDRA PATIL: I am coming to the last point. I am not going to develop any further points at all. And, Sir, I want to know whether there is any Chief Minister today in our country who has granted valuable land to his own son-in-law. Our Chief Minister has got the privilege a unique privilege of granting 20 acres of valuable land at the outskirts of Bangalore city to his own son-in-law...

SHRI S. S. MAXISWAMY: Shame.

SHRI VEERENDRA PATIL: Where the land value is Rs. 30,000 to Rs. 35,000 per acre...*(Interruptions)* There are members from that side also belonging to my State. He has given those 20 acres of valuable land which belonged to the Panchayat Committee. The Panchayat Committee says that this land is demarcated as grazing land. There is no adequate grazing land and they are not prepared to release it and the Government issues the order withdrawing that land and next day, they issue an order allotting that 20 acres of land. I will read it because I am placing these papers on the Table of the House Sir, this is the Government Order. I have got a certified copy I read the last operative part:

"As per directions contained in Government letter dated 19-7-1974 cited at (5) above, sanction is accorded for the grant of 20 acres of Gomal land..."

—that is, grazing land—

"...out of S. No. 15 of Bommanahalli village of Nelamangala Taluk in favour of Dr. M. D. Natraj..."

who is (he son-in-law of Mr. Devraj Urs, the Chief Minister of Karnataka—

"...for raising herbal garden at an up-set price of Rs. 500 per acre."

This land has been granted to him for raising herbal garden. He is an allopathic doctor, not practising. He has not completed the course also. And he is an allopathic doctor. 20 acres of valuable land which costs today Rs. 30,000 to Rs. 35,000^s per acre, has been granted by the Karna-taka Government to the son-in-law of the Chief Minister. This is the order. And then I go to the next point.

THE VICE-CHAIRMAN (SHRI JAG-DISH PRASAD MATHUR): You wanted to say only one point.

SHRI VEERENDRA PATIL: I want to say only about corruption.

THE VICE-CHAIRMAN: There is no special time for corruption charges.

SHRI VEERENDRA PATIL: I would not take more than 5 minutes.

THE VICE-CHAIRMAN: You have taken enough time.

SHRI VEERENDRA PATIL: The other one is he has allotted, his Government has allotted four valuable sites in a push locality, *i.e.*, Rajmahal Villa, at a nominal price of Rs. 28 to Rs. 30 per square yard, where the land price is Rs. 250 to Rs. 300. A site measuring 80 by 120 costs nearly Rs. 2 J- lakhs. He got it and his daughters got it at a nominal price of Rs. 32,000 to Rs. 35,000. Now, I come to the point. He has not denied it. That is why I say there is no question of an enquiry. He has not denied these allegations. It has figured in the Assembly. These were raised in the Assembly and discussed in the Assembly. Here the proceedings in the Assembly are in Kannada and I am not in a position to place the proceedings on the Table, but if you want, I am prepared to produce these copies also. This is the report which has appeared in a local paper.

SHRI C. SUBRAMANIAM: This matter has already been raised in the Assembly and it has been dealt with. It is all right and the hon. Member may mention it, but I do not think he should go into an elaboration of it because it has already been dealt with in the Assembly.

THE VICE-CHAIRMAN (SHRI JAG-DISH PRASAD MATHUR): You have said enough. The point is clear.

SHRI VEERENDRA PATIL: Sir, I have to make it very clear and you must give me an opportunity....

THE VICE-CHAIRMAN: You will have other occasions. Please conclude.

SHRI VEERENDRA PATIL: I am concluding. All these allegations have been brought to the notice of the Prime Minister. I have been in correspondence with the Prime Minister since September last year. All the opposition parties in the Lower House and Upper House have given in writing a memorandum containing these allegations to the Prime Minister. Although it is 2½ to 3 weeks since the opposition leaders submitted their memorandum, till this day there is not even an acknowledgement from the Prime Minister. I would not have mentioned these things here and I would not have written to the Prime Minister if there is a Lokpal or Lokayukt. I want to know before whom we should shout against these corrupt practices. When the people have some faith in the party, they put you in office. If you indulge in corrupt practice, there is no organisation, there is no agency which we can approach. Therefore, we have to shout here. I am telling you that he has admitted it. He says this in his reply to the debate in the Lower House. Mr. Urs held that he had only one site which was allotted to him when he was a Minister. But it was not until a long time after he had left the Ministry that he had been given possession of it. Two other sites had been given to two of his married daughters, who were no longer members of his family. But the second daughter had surrendered the site allotted to her husband. The first site was then divided and distributed between both the daughters. But the Trust Board had objected to this division and so he had advised both of them to mutually agree on who should keep the site. It had finally been decided that the second daughter should keep it.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): Mr. Patil do not take so much time. You have taken enough time.

SHRI VEERENDRA PATIL: I would just read this and close. Then, he says that he had not interfered in these site affairs at all, nor had he talked to anybody in authority about them. He says that he had not talked to any officer, but they had done it on their own. Then he says both his daughters were married and had their own families. If they had got their sites in the normal course, there was nothing he could do about it and there was nothing wrong. (*Time bell rings*). I would just read this portion and place it on the Table. As for the charge that the Government had allotted a 20-acre piece of land to his son-in-law, Dr. Nataraj, Mr. Urs reiterated that he had not interfered in any manner in this allotment. If Dr. Nataraj had got the land as an ordinary citizen, he was certainly not responsible for it. However, since the matter had been taken to court, he would rather say the court had the final say in the matter. So, he says that he has not allotted, that his department has allotted, that his Government has allotted. And there are so many other such big charges. Unfortunately, you are not giving time . . .

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : I have given, you enough time. Mr. Malaviya.

SHRI VEERENDRA PATIL: Lastly....

THE VICE-CHAIRMAN : No lastly'. You can say at the next time.

SHRI S. S. MARISWAMY (Tamil Nadu) : On a point of order. This is the only occasion when v.c can discuss some of these matters. It is his State affairs. And he is concluding. You must allow him some more time.

SHRI B. RACHAIAH (Karnataka) ; Parliamentary decorum requires every Member who wants to raise some personal

allegations by giving notice earlier to a person against whom allegations are levelled. Here he is raising allegations against a person who cannot defend himself here. He was also the Chief Minister there and these conventions are new to him and these questions have been raised there and the present Chief Minister has given the answers also. And he speaks as if he is free from all these things. People living in glass houses are throwing stones at others. And from 1962 onwards. Seeds of Communism, nepotism, favouritism and corruption have been shown. It is his legacy. ^

THE VICE-CHAIRMAN : You will have your time and at that time, you can give your explanation.

SHRI VEERENDRA PATIL : Let us have an inquiry from 1962. You were also in the glass house. You were my colleague. Now, he makes an allegation; he cast a reflection on me.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) ; Mr. Malaviya. (*Interruptions*) Nothing is to be placed on the Table.

[Mr. Deputy Chairman in the Chair].

MR. DEPUTY CHAIRMAN : Mr. Malaviya. He has been called now.

SHRI HARSH DEO MALAVIYA (Uttar Pradesh) : Galloping prices and increasing inflation have been plaguing our economy and making a mockery of our calculations and estimates and knocking the bottom out of our Plans. Particularly, for the last two years the rate of inflation has been more spectacular than we have ever witnessed before. Whereas during the 65 years from 1873 to 1938 the total increase in the wholesale prices was only 32 per cent, the increase only in four years from January, 1970 to December, 1973 was as high as 60 per cent. In 1973-74 alone, the wholesale price index has risen by 29.5 per cent, on the top of a 30.5 per cent rise in 1970-73. If you take the food articles alone, the percentage of rise in

prices is fantastically high. From November 21, 1973 to November 21, 1974, the index of wholesale prices of food articles with 1969-70 as the base with 100, has gone up from 152.9 to 211.5, an increase of as high as 58.6 points or 38.43 per cent. It was in November, 1973. And the rate of increase in the retail price is bound to be much more staggering. The total impact that this has on the life of our people need not be emphasised; we all know it. It is to be conceded that the phenomenon of inflation is not confined to India alone but it is a worldwide phenomenon. Even in the developed countries the rate of inflation has been 12 per cent, or even more. But this can be no comfort to us because the impact of inflation on a developing country like ours where more than 50 per cent of the people are living below the subsistence level is bound to be far more severe and devastating than in a developed economy.

Sir, foodgrains production, in 1973-74 is estimated at about 107.5 million tonnes against the original target of 115 million tonnes and the final estimate of 95.2 million tonnes in 1972-73 and 105.2 million tonnes in 1971-72. However, the output of all key commercial crops such as raw jute, raw cotton, oilseeds, particularly groundnuts, sugarcane and tea were higher. In some cases like jute and oilseeds, the increase was quite substantial.

The overall industrial output remained stagnant during 1973, and the data available for the first half or so of 1974 point to a further deterioration. The average index of industrial production (base:1960 = 100) without adjustment for seasonal variations, shows a negligible rise of 0.7 per cent against a rise of 7.1 per cent in 1972 and 2.9 per cent in 1971. One should remember, however, that part of the blame will have to be put on the general railway strike in May. The index for the first quarter of 1974 recorded a marginal increase of 0.2 per cent over that for the corresponding period of 1973. ■ The stagnation in industrial output except for the capital goods sector has been due to the

cumulative impact of shortages and bottlenecks in a few crucial sectors, namely, steel, non-ferrous metals, coal and petroleum products, power and transport. The average annual growth rate for the Fourth Plan period works out to about 4 per cent which is not even half of the target of 8 to 10 per cent envisaged in the plan.

As regards employment, the growth of employment in the organised industrial sector, public and private together, slackened during 1973-74. The actual growth rate for April-December, 1973 works out to 1.5 per cent against 3.1 per cent during the same period in the previous year. The number of applicants on the live registers of employment exchanges expanded by 10 per cent from 75.96 lakhs in June, 1973 to 83.54 lakhs in June, 1974. There was a sharp rise in the number of educated unemployed from 26 lakhs in June, 1973. Even the programme to provide jobs for 5 lakh educated unemployed succeeded in providing jobs only for 2.5 lakhs so far.

Look at the investment pattern. The net aggregate investment as a ratio of net national product went down from 11.8 per cent in 1972-73 to 10.8 per cent in 1973-74. The estimates of domestic saving as a percentage of net national product at current prices declined from 11 per cent in 1972-73 to 10 per cent in 1973-74. This was despite an increase of money incomes by 27.5 per cent.

There was in particular a set-back to developmental spending. Public sector plan outlay in 1973-74 fell by 14 per cent, in real terms; it would have fallen farther in 1974-75. I do not have the figures. The prices of investments goods are today 26 per cent higher and the RBI itself admits that it is unlikely that real investment in the current year will show an increase. The state of affairs in private sector is no better.

The combined overall deficit of Central and State Governments during 1973-74 was Rs. 495 crores against the revised estimate of Rs. 861 crores (Budget estimate

[Shvi Harsh Deo Malaviya]
 was Rs. 289 crores}. During the year the tax receipts' rose by 12.7 per cent and capital receipt by 9.3 per cent. The aggregate disbursements were higher by 10.2 per cent; development outlay rose by 13.4 per cent, non-development outlay by 9.5 per cent. Regarding the balance of payments also, it is a very gloomy picture. The balance of payments position has become precarious. The impact of world inflation has been more on the country's imports rather than on exports. The exports shipments between July 1972 and June 1973 were 35 per cent higher whereas imports arrivals were 60 per cent more over the corresponding figures in the previous year. The substantial increase in imports on the Government account is due to large imports of food-grains, higher prices of fertilisers, non-ferrous metals, petroleum and other items. A part of this deficit was covered by improvements in exports, the Soviet wheat loan of 2 million tonnes and the deferred payments arrangements negotiated early in 1974 in respect of a portion of crude import needs.

Foreign exchange reserves which rose by Rs. 244 crores to Rs. 1,126 crores at the end of June 1974 declined later by Rs. 148 crores by the end of September 1974. This was despite various types of drawals from international institutions, like SDRs and others.

No doubt, there are certain factors which are beyond our control, which have contributed to our problems, such as droughts, floods, steep rise in petroleum prices and so on. But the tempo of price rise and our other problems are not wholly due to these factors. Let us be very clear about it. Ultimately we cannot attribute all our problems to droughts, petroleum price rise, etc. We have to realise, and it is important that we should realise, that the present problems are to be attributed also to the vice-like grip of the monopoly capitalists, rich peasants, traders and smugglers and the parallel black money economy which continues to operate in our country despite all the efforts of the Go-

vernment. The need of the hour is to smash this vicious grip by bold, imaginative and fool-proof measures. That is why the nation warmly welcomed the measures against smugglers and also those against inflation like the credit squeeze and others. But we must accept that all our efforts have failed to curb monopolies. The monopoly houses have shown an annual average increase of 10 per cent in their assets during the past few years. And our attitude to monopolies leaves much to be desired. On March 4 last, the Deputy Minister, Mr. Bedabrata Barua, told the Lok Sabha that industrial licences were not denied to the monopoly houses when granting them was in the interest of increased production or exports. Now the actual position is that the Government does not even refer the question of industrial licence to the MRTP Commission, and this is to be very much regretted. And this is a fact.

Now, let us have a look at the growth of our national income and per capita income. According to the Economic Survey for 1974-75, the income growth rates for the last two decades were as follows: During the First Plan, that is from 1951 to 1956, the average annual growth rate of national income was 3.5 per cent and of per capita income, 1.6 per cent. In the Second Five-Year Plan, that is in the period between 1956 and 1961, the national income rose by 3.8 per cent and the per capita income by 1.7 per cent. In the Third Plan period, that is, from 1961 to 1966, the national income increased by 2.5 per cent and per capita income by 0.2 per cent. During the Plan Holiday of 1966-69, the national income increased by 3.9 per cent and per capita income by 1.6 per cent. In the Fourth Plan period, between 1969 and 1974, the national income increased by 2.8 per cent and the per capita income by 0.5 per cent. And, Sir, in the year 1974-75 our national income has risen only by 1 per cent and the increase in the per capita income is only on the negative side. We do not know what it is but it is on the minus side. Even if you take the average growth rate, you will find that the growth

rates were always lower than the targets and this happened in each Plan. You will also find that the growth of national income¹ and per capita income is continuously going down. Well, Sir, I will skip certain points and come to certain more important issues.

What I want to emphasise is that it should be realised that outdated production relations today are the main trouble with us. We have failed to check or exercise any control over private ownership and, because of that, we have no control over productive forces. That this is happening in India is brought out very clearly by the very low rate of income growth and also by the gigantic unemployment problems reflected in the huge unused valuable manpower. The change in the structure of ownership, Sir, is the most important thing and I would regretfully say that planning in India has been used not as an instrument, for introducing structural changes in our economy, but it has been used mainly in terms of investment planning. This emphasis on investment planning can be traced to the influence of the long period of theories of economic development which entirely overlooked the significance of much more essential factors than the factor of investment. Increase in the supply of the means of production and savings is obviously an important factor in explaining the course of economic history of several centuries. But its significance is completely overshadowed by the changing production relations. The failure to assess the importance of the production relations in the sphere of economic activity is, by and large, responsible for the Indian Plans achieving so little. Unless the existing semi-feudal institutional set-up is replaced by a higher set-up of production relations, any attempt at investment planning in areas and sectors where a semi-feudal institutional set-up exists, as in the case of the agricultural sector, will be an exercise in futility. It is only when the institutional changes have taken place that the decks will be cleared for investment planning.

Sir, in this context, I want to state that our failure lies very much in the area of agrarian economy. I want to give certain figures in this connection. Sir, 10 per cent of India's population owns 56 per cent of the land and 50 per cent of India's population is absolutely poor with less than Rs. 40/- to spend a month. 70 per cent of our population is illiterate and 50 per cent of our population lives on less than 20 sq. ft. and they own only 4 per cent of the land and 20 per cent of the people* have no land at all, and they claim less than 1/3 of the total income produced in the country they have access to no other thing and they have no access to higher education which can take them to higher jobs. But, Sir, 10 per cent of the population owns 50 per cent of the land and gets 1/3 of the total income generated in the country. The top 10 per cent of the population owns more than half the total wealth produced in the country and 80 per cent of them are in the IAS, IPS and IFS cadres. The bureaucrats are ruling our country today and they are drawn from the top 10 per cent of our population. Sir, I will not give any more figures and I will be brief in making my other points.

Sir, I would like to point out that the most miserable thing which is there in our country today is the plight of the landless labourers and the agricultural labourers. I have got the statistics here, but I do not want to read them out here... (*Time Bell Rings*) ... I have got the statistics relating to the distribution of land to the landless. But, since you have rung the bell, I will not quote them and I will skip them. But the fact of the matter is that our land distribution scheme has been a fiasco. Most of the lands which were supposed to have been distributed are not in the possession of the landless workers and even where they have been distributed, they have been*distri-buted to others and not to the landless! labourers to whom actually they should have been distributed. Sir, about 30 per cent of the population lives at starvation levels and these are the landless and other agricultural labourers. Unless something is done immediately, their fate will be miser-

[Sbri Harsh Deo Malaviya] able. In this connection, Sir, I would like to submit that production relations remain the Achilles Heel of our Indian economy.

Sir, I am sorry, the Finance Minister is not here at the moment. The Budget has done nothing about these things. Of course, he has done a difficult job. He has increased the Plan expenditure and he has given priority to agriculture, food and energy and all that and we welcome those things. But the fact of the matter is that he has done nothing for introducing any structural changes in our economy. There are certain long standing commitments on our part, on the part of the ruling party. Now this is forgotten. We committed as early as in 1969 to nationalise sugar industry and to curb monopolies. There are any amount of concessions to industrialists and monopolists in the name of increased production. Sir, I feel sometimes like crying : "Oh ! increased production ! what crimes are committed in the name. We are giving a further lease of life to monopolists. The statistics were quoted by the hon. Mr. Chandra Shekhar, there is 300 per cent or 200 per cent increase in the assets of monopolists.

Lastly, Sir, I would like to submit that unless we get rid of this concept of mixed economy—either we are for capitalism or we are for socialism . . .

दुरंगी छोड़ दे एक रंग हो जा सयसर होम हो या संग हो जा ।”

MR. DEPUTY CHAIRMAN: Please wind up.

SHRI HARSH DEO MALAVIYA: We have opted for socialism. I can understand that for a short while a certain private sector industry is permitted in our economy, but our socialism is leading to increase in monopolies, which is not the thing to be done. Unless our minds are clear about it, unless we get out of this rut of mixed economy, we shall not be...

MR. DEPUTY CHAIRMAN: Wind up now.

SHRI HARSH DEO MALAVIYA : Two minutes more.

Sir, I would suggest that, first of all, we must be clear about our objectives and let us be sure whether we are for socialistic type of development or not.

I will emphasize that the Income-tax Department and the Board of Revenue—¹ Mudam deputy Finance Minister will tell us—is full of corruption. Something has to be done about it. We have to improve our machinery *la* collect arrears of income-tax which are running into crores and crores. The Wanchoo Committee has submitted its recommendations; we do not know what the Government has done about it.

Now, I come to black money...

MR. DEPUTY CHAIRMAN: You will have to take your seat now.

SHRI HARSH DEO MALAVIYA: We have to resume our attack on black money. We started to act against smugglers in a big way. That was beneficial for the economy. But nothing seems to have stopped smuggling. I agree with other friends on that side and on this side that it is of the utmost importance that we use the unutilized capacity in our industries. Unutilized capacity is a disgrace. If the amount of loss is calculated, it will be running into a fantastic figure. Then...

MR. DEPUTY CHAIRMAN: I will call the next speaker now. Mr. Dhulap.

SHRI HARSH DEO MALAVIYA : I will just finish. Then, about the workers' participation in the management. . .

MR. DEPUTY CHAIRMAN : No, Mr. Malaviya. Sit down now.

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SHRI HARSH DEO MALAVIYA : I have also another point which I have noted. We must end this system of deposits in non-banking companies. I do not know who was the economist who advised introduction of this system of deposit in non-banking companies. It is eating into the Unit TrOst and the Life Insurance. . .

MR. DEPUTY CHAIRMAN : Wind up.

SHRI HARSH DEO MALAVIYA :
Half a minute. . .

MR. DEPUTY CHAIRMAN : No, I
am sorry. Mr. Dhukip. . . (*Iiicmip-ttons*).

SHRI HARSH DEO MALAVIYA :
There was a report in the 'Hindustan Standard'
of Calcutta yesterday that at Gaw-dar in
Pakistan a US naval base is being built up.
We should not grudge our Defence
expenditure. I would request the Finance
Minister. . .

(Interruptions)

MR. DEPUTY CHAIRMAN : Mr. Dhulap.

SHRI K. N. DHULAP (Maharashtra) : Sir, I
rise with your permission to make my
observations on the Budget estimates for
1975-76 presented by the hon. Finance
Minister in this House. I have read parts A
and B of the speech of the Finance Minister. I
also heard the speeches made by the hon.
Members from the Treasury Benches. Some
of the Members from the ruling party have
criticised the budget proposals. Some of them
have showered praises on the hon. Finance
Minister. Particularly, my hon. friend, Mr.
Kulkarni, was loud and vehement in
praising the Finance Minister. He said that for
the first time, the Finance Minister has given
priority to the agricultural sector. He called
his approach as pragmatic. He said that some
practical proposals have been presented in the
present proposals which will give impetus to
the economy. May I remind the hon. Member
that the First Five Year Plan was an
agriculture-oriented plan and the Second Five
Year Plan was an industry-oriented plan. In
the Second Plan, there was talk about heavy
industries, basic industries, core industries,
removal of unemployment in the country, etc.
Then, in the Third Plan there was much talk
about agro-industries and other schemes.
Nobody knows when the Fourth Plan started
and when it finished. There plan holiday and
so many things came. RSS/75—8

in. The draft of the Fifth Plan has not been
completed and the yearly plan is before the
House for the consideration of the House.
Here too, the hon. Finance Minister came
before this House and said that he was going
to give priorities to the agricultural sector
which is the most important sector in our
economy. What is he going to do? He says
that certain measures will be adopted for
augmenting the agricultural sector. He will
see to it that good quality of seeds, high-
yielding varieties, etc. are supplied to the
agriculturists. Fertiliser production is going
to be increased in this country. He referred to
surface and ground water. He would like to
have organised farmers' service societies and
credit provided to the farmers in time. These
are not the new things. I am a Member of the
Consultative Committee for Planning. A
meeting of the Committee was held on 4th
February 1975 and I have received, the
minutes today.

MR. DEPUTY CHAIRMAN: Mr. Dhulap,
the proceedings of the Consultative
Committees are not generally quoted in the
House. You can say what you want, but
don't quote them.

SHRI K. N. DHULAP: Since 1972-73, the
Planning Commission has given priorities to
the agricultural sector and the improved
seeds, fertilisers and other inputs have been
supplied to the agriculturists in a big way. All
these things did not have any desired effect
whatsoever as far as the agricultural
production is concerned. So, Sir, these things
have been implemented and inputs have been
supplied to the agriculturists but in spite of
that the production is stagnant and the supply
of fertilizers, to a certain extent, has been
stagnant, and there is no desired effect as such
seen and felt by Government.

Sir, as far as the research in agriculture is
concerned, the Finance Minister has come
before the House and said that he will pay
more attention to agricultural research and see
that whatever schemes are taken up
concerning our production they will be met
with immediately by our research centres.
That is what he stated. But, if

[Shri K. N. Dhulap]

you take into consideration the back performance of the research which has been organised by the Agricultural Research department, you will be simply dumb-founded to see that—I am referring to the Draft Five Year Plan, page 3, paragraph 1.15, regarding Agricultural Research— whereas a limited provision for undertaking agricultural research was visualised in the State Plans, main effort was envisaged in the Central sector of the Plan. The total provision made for agricultural research schemes to be financed by the I.C.A.R. was initially placed at Rs. 57.15 crores and later increased to Rs. 61.23 crores. Against the above outlay, the pace of expenditure was extremely tardy in the initial yeais. In the first year of the Fourth Plan, the expenditure was only Rs. 3.5 crores. There were as many as 64 schemes in which no expenditure was incurred. In the second year the pace of expenditure somewhat picked up to reach a level of Rs. 6.3 crores. Even so, 16 research schemes did not get off the ground. This was the research in the Fourth Five Year Plan. In spite of the heavy outlay, very big outlay research, the moneys were not utilised properly and therefore it goes to prove that the Department concerned is not doing everything possible to see that whatever outlays are provided are exhausted in the implementation of the schemes.

As far as irrigation water, surface water and underground water is concerned, the Minister has referred to the river-water disputes and he has in his speech stated that the disputes are pending for a long time and the disputes are dragging on without a solution for a number of years. Sir, if that is the state of affairs, who is to be blamed? It is the responsibility of the Central Government, which is sitting here. The disputes are between different States and it is the responsibility of the Central Government to intervene and see that these disputes are settled as early as possible. At the Centre the Congress Government is ruling and in some States also there are the Congress Governments in power. So, if they were made to solve these disputes as early as possible, the

solution would have been there but because of some political considerations these disputes were not solved. I will refer to Godavari and Krishna disputes. A solution has not been found out and the Central Government has not exercised itself to give any solution. The Maharashtra Government has suggested some schemes which are pending clearance for a very long time. 66 irrigation schemes are pending with the Central Government; out of these there are 41 medium projects in the Godavari basin which are awaiting clearance from the Central Government which will release 21 T. M. C. of water. So, what is the harm in giving clearance to these 41 medium project schemes which are awaiting a decision of the Government for a long time. Therefore, I would urge upon the Finance Minister to see that in the interests of increasing agricultural production in the country, these medium schemes projects of the Maharashtra Government in the Godavari basin should be given clearance as early as possible.

Sir, one important point is, the hon. Finance Minister has taken into consideration only the physical aspect of agricultural production and he has completely neglected the human aspect. If you want to increase agricultural production, it is important to see that the farmer who is working in the field is rewarded properly for his labour and he is given a proper price for his produce. Therefore, what is required is that remunerative prices should be given to his agricultural produce. You may give him water facilities, you may give fertilisers but if he has no money and if the prices of the inputs are high, he cannot invest money unless and until he finds his business of agriculture remunerative and will not produce more for this country. Therefore, I request that this human aspect also be taken into consideration.

With these remarks, Sir, I conclude.

SHRI S. P. GOSWAMI (Assam): Deputy Chairman, Sir, after a lapse of two years I have come again to this Rajya

Sabha. I became victim of political conspiracy. Somehow I have come back and I am happy that I am able to speak the mind of the people and make my conscience clear. So, this is my first speech and I hope you will be a little liberal and give me some more time because many things happened during the two years I was away. There are many things in my mind. I have been mixing with all kinds of people, bottom and top.

Sir, I must congratulate the hon. Finance Minister for his Budget Speech and the Budget because there can be nothing better than that under the present fiscal conditions. In 1971 when we got the massive mandate from the people to go ahead with our policy of democratic socialism and when our Prime Minister took over the portfolio of Finance also, she gave certain directives. It was for the first time that a Finance Minister gave certain directives. The Prime Minister was not a finance expert or a mathematician; she is a patriot, a politician; she knows the mind of the people. Therefore, she gave a realistic directive as to how we can remove the poverty of the people and how we can bring up our country. In Mr. Subramaniam's Budget also I have found certain such things.

Sir, though I have come again after two or three years, I have not changed much since. Therefore, what I spoke two or three years before I will repeat. I am not going into the mathematics of the Budget. I did not study the mathematics of the Budget. What I am vitally concerned with is the basic philosophy or basic policy of implementation of what is indicated in the Budget. The Finance Minister also said about that basic philosophy. What is that? We want implementation. The Budget figures can be worked out by the Finance Ministry; sometimes they make jugglery and sometimes they give intellectual and mathematical calculations. But here, as representatives of the people we are concerned with the vital basic problems of our country and our people and how we can solve them. Four years before, I

think, we pledged to the people, we promised to the people before we got the mandate, certain things. Now it is only a question of implementation. And today we must implement them.

But, Sir, when we go On, we have developed certain complacencies, and now we have forgotten all those things which we committed. When we read the Planning report, when we read the Budget speech and when we read committees' reports, we see that the programme and everything is all right. But at the implementation stage we find nothing; something seems to be wrong somewhere. Therefore, Sir, it is high time that our Prime Minister should consult some of her trusted colleagues and then she should consult some people at the bottom and she should evolve a very courageous policy by which our country can go towards democratic socialism.

After Independence, due to our tariff policy and due to our Customs policy, industrialists and rich men have grown, as Mr. Chandra Shekhar has said. They have amassed wealth at the cost of our common people. More than 50 per cent of our people are below the poverty line. Today there is inflation in India. I have studied some of the causes of inflation in other countries—in Europe and in the West—but their economics do not apply to India. Our inflation is something different. Here parallel black money operates. Due to our national policies, a rich class has grown who can purchase anything at any price. There is a customary class of rich men and ostentatious men who will purchase anything. If a man with black money goes to purchase one kilo of fish, he does not ask for price. If the fisherman asks for Rs. 100, he will throw a hundred rupee note. This is black money.

We see from the Budget that we have to economise; we should curtail unnecessary expenditure. Where is that? This is bureaucracy. I am not against bureaucracy. There should be; some sort of bureaucracy. But how does it

[Shri S. P. Goswami]

develop? In one Ministry there is one Secretary, one Additional Secretary, then Deputy Secretary, Under Secretaries and so on. I do not know what they do. I have worked in industry two years ago and I have experience about the secretariat, how they manipulate it, I cannot understand. They are in the hands of capitalist class. Reduce the number. There should be one Minister and one Secretary. There should be one man responsible for a particular job. With duplication and triplication you cannot find out who is responsible. Officers in Delhi have grown like anything. There is duplication in the States. There is duplication in respect of Agriculture, Education and so on. Secretaries are growing like anything. I can understand that there should be an Education Minister at the Centre and a Minister of Agriculture. There should be one Secretary to give directives to the States. Why are there so many? No body knows. We have inherited this system from the British but this bureaucracy is neither British bureaucracy nor it is feudalistic nor it is capitalistic. It is something which will kill us if we do not curtail it. Send these officers into villages. In agriculture, you should have more top men. There are no demonstrators in the field to help agriculturists. There should be research institutions for agriculture. There should be technocrats. There should be some other things, but not these officers and assistants. Now you see files and files and papers and papers. There are so many files. You go to America and other places; they have got big industries and they manage with the least officers strength.

MIRI K. CHANDRASEKHARAN. Mostly on the telephone.

SHRI S. P. GOSWAMI: They do not have so much of files, noting and drafting. You go to Russia Russia is different; China is different. There is one party, dictatorial party. We have neither dictatorial form nor the democracy. Ministers go on increasing. Recently, in my State the number of Ministers was increased by the Chief Minister. It seems the idea is

that in every sub-division there should be a Minister to look to the implementation. But then what happens? You will have Sub-divisional Ministers. I could have understood if they would have abolished the Sub-divisional Officers and made the Ministers the S.D.O. but the S.D.Os also continue and the Ministers go on increasing all through. Increase in the number of Ministers is not going to increase the efficiency. I could have understood if they would have abolished the posts of sub-divisional Officers and made them Ministers of the Sub-divisions. Then, where is the decentralisation of power, the Panchayats, the Co-operatives, that we talk of? There is a directive but that is not implemented. We passed the Panchayat Bill in the States. But we do not give them powers. Something drastic must be done about decentralisation of power. We need not develop Delhi; we should curtail Delhi. If Delhi goes on developing like the Moghul Empire, it will go down again and the history will be repeated.

SHRI S. S. MARISWAMY: It appears it will go.

SHRI S. P. GOSWAMI: It will go. Our civilisation is rich; India is a vast country. I could have understood if there had been proper planning. Now they have realised and they have stopped construction of the big buildings. What should be done in every village is. there should be a building, a two-storeyed building where there would be a godown, where there would be a consumers' co-operative store and where there will be a purchase office. Now there are certain essential consumer goods, some 10 or 12 items. It is very simple. Cereals, soaps, then oil for cooking, some dal and pulses, such essential things like standard cloth, could be sold there. But for that, the public sector has to make a start. This private sector, these cloth merchant! and all these people, are producing highly costly cloth for export and for making profits. They do not produce standard cloth. Therefore, something must be done for the consumer goods.

Then another thing is about Parliament. We go on sitting for 7 months and 8 months in Parliament. We find sometimes we go on for ever. Parliament should sit only for 4 months maximum, in one year. During rest of the months, the MPs and the MLAs should go to the villages and work with the people and implement the policies. Let us pass less number of laws. We have been passing so many laws and laws and nobody knows. We pass so many laws like land laws, ceiling laws, this and that but nobody implements. Pass less number of laws and implement them.

Another thing I find is, we are appointing so many Parliamentary Committees, Select Committees and the committees are never ending. When an opposition member also becomes a Committee member, he also goes on extending it. If a Committee is appointed as Parliamentary Select Committee for a law, then that Committee can finish the work within a month or two and give suggestions. But these committees go on throughout touring the whole of India. One classical example I give you. Last time I opposed this Children Adoption Bill. Now it is for more than 3 years that the Committee goes on extending and extending. The Bill requires 7 days but it is going on and on. We are really hypocrites. In India today we find, as nowhere in the world, food is adulterated, soap is adulterated, politicians are adulterated—all hypocrites. I do not say all; there are many saints, many good men but many of us have become hypocrites.

SHRI S. S. MARISWAMY : Majority of them.

SHRI S. P. GOSWAMI : This is the civilisation, India has produced today. We boast of our culture. We boast of our what not. Today we know what it is. Then, why do you not pass certain laws giving stringent punishment to food adulterators and politically corrupt men? Whether a politically corrupt man is in my party or in their party, he should be punished severely. I do not say like Jawaharlal Nehru that he should be hanged by the

lamp post. No hanging. If you hang him, he would be free. Give him imprisonment for twelve years. For food adulteration, give severe punishment. If he is a politically corrupt man, be he a Minister, MLA or MP, he should be given imprisonment for twelve years.

SHRI VEF.RENDRA PATIL: You address that side.

SHRI LOK NATH MISRA : Ministers are on that side.

SHRI S. P. GOSWAMI: All sides. Sometimes your Swantatra party also has Ministers. When I say it I do not say that Ministers only are corrupt. We are also corrupt. Politicians who acquire more property should be punished. There are so many enquiry commission reports. Some of your opposition Ministers have also been found to be guilty, but they are not punished. Pass such a law that whoever is a food adulterator, whoever is politically corrupt, is punished. Then, there are many social workers in our country who fill the pro-forma for getting money. There are many schemes. This reminds me of one thing and that is political pension. The idea of the Government is those who are genuine freedom fighters and who are helpless should be given some pension. Now, this political pension has become a business, a career-seeking thing. Thousands and thousands of people are after this political pension. Those who do not know anything about it, those who are born now are claiming it. There are many people who say that they had been to jail for six months or this and that. Restrict it. Stop this political pension. Most have died. There may be some few freedom fighters. Select them from the State. Everybody knows who are the freedom fighters. Those who are rich men, those who have amassed money, those whose sons are executive engineers are also getting pension. You have invited politics in political pension. Why do you do that? Now, the application has become like a cement permit application. I feel ashamed of it. I was a freedom fighter. When I find some of the military contractors, some of these swindlers, I

[Shri S. P. Goswami]

feel ashamed. Seven days back one gentleman came to me. He met me and wanted me to become the President of the freedom fighters. He printed the names of some MPs and he made a business of it. I did not know of it. I asked him why without my permission he had printed that I told him that I would not become the President. They want to collect money. Therefore, there should be serious thinking about it. I got a letter from the Home Ministry saying if there is anybody left, please come and attend the meeting. I did not attend that meeting. There is no political sufferer left. This has become ludicrous. What is this? In every State people know, whether he is in the opposition or not, who is a genuine freedom fighter. If he is helpless, if he has no son and if he has no means of maintenance, gave him Rs. 200 or Rs. 500. Nobody will grudge that, but this has become a cement permit. (*Time Bell rings*). Then another thing relates to education. First priority should be given to primary education. U is the directive. We should have given more attention to it, but there is a mushroom growth of universities in every State. There are four or five in Bihar.

मेरे क्वालि में शायद इसमें भी ज्यादा हं: मये हैं
 10-12 ft 1*? £1 Universities have nice such that they manufacture graduates. Let there be research institution. Let there be universities for scholars and let there be technical and scientific research. But this has become a fashion. If in a village there is an M.A. boy and if you do not start a college, they say that their prestige is at stake. They are starving, they are dying. For starting a college, thus creating unemployment. They feel that they do not have any graduate. Today in every university you will find that they have not seen austerity. When we fought for freedom, we had made sacrifices. We had our austere living. They have not seen those days. They have seen only ostentation, bungalows and all these. Therefore, the present generation has copied all our vices. And then what is the result? They are leading

Mao's writings everywhere in the universities ; it is not that they belong to CPM or anything. They simply read and they are drawing revolutionary ideas. They do not know about the masses. But they want to condemn everything, destroy everything. The present generation is copying our vices and they want to destroy everything. Therefore, I request the Prime Minister and others. They should think seriously. Reduce this bureaucracy ; decentralise. You remove duplication. No more Secretariats. So many Bhawans—Shastri Bhawan, Krishi Bhawan and what not. Bhawan after Bhawan, clerk after clerk. These people are happy. They have no work. And they go on. There should be some officers, some Secretaries.

Then, what about this foreign investment. They have got the majority shares. We have won political independence. But economically, we are going down and down. In this House also there were many discussions about foreign majority shares. We must have a majority share in all the industries. And some industries we should take over. I do not say, nationalise, when we have no national character. Nationalisation has also become a slogan without national character. When you nationalise, you will find that there are many public industries. Public industries are good. But in certain industries in the beginning what happened? They were without men at the top. And the officers were leading an ostentatious living. Now, they have become committed men in private industries. Shri Chandra Shekhar spoke about ostentatious living. I wanted to have an austere living. I wanted a small room in the Western Court. But they did not allow. This is the standard. I left it somehow. I am free today. I am happy. On all these things, there should be some serious thinking. These things should go away. A stringent law should be passed. One law should be there to deal with corruption, whether it is food adulteration or political corruption or corruption in the social field. And Parliament should not be merely going on gossiping. When I wanted to come to Parliament,

one of my very good friends, an intellectual friend, said, "Why do you go to that talking shop?" I said, "Baba, here I am leading an ostentatious life. I want to uecome a commoner there." (*Interruptions*) Your Budget may be of hundreds of pages. We can produce it. Employ one mathematician and he will calculate and give. But what about implementation ? If you appoint me as Finance Minister, I will also present a good Budget Speech prepared by my Secretary. But how will I implement it ? I cannot be the Prime Minister, I cannot be the Chief Minister but I can be a Finance Minister. It is nothing.

DR. K. MATHEW KURIAN : Your budget is worth only the paper on which it is printed.

SHRI S. P. GOSWAMY : What I am saying is, I want implementation. The Prime Minister gave a certain direction in the Bidget. There is a backlog so far as Assam is concerned. The Finance Minister has said in his Budget Speech :

"If the fruits of economic development are to be equitably distributed, adequate attention will have to be paid to the problems of relatively backward regions and districts."

I represent Assam which is in the North-Eastern region and I speak for all the North-Eastern region. This whole region is very backward. There are so many promises but none is fulfilled. It is such a sensitive area. It is in the border. Private industries do not like to go to Assam, Tri-pura, Manipur, Nagaland, Arunachal etc. Therefore, public sector industries should be started there. Some broad outlines should be there for the development of thw region and the establishment of public sector industries. At Bonagaon the Prime Minister laid the foundation stone of a petrochemical refinery. But its pace has been slowed down. It must come *up*. When we say we are backward, I mean we are a tribal people and what we want is development of that region. In the matter of development we are with all the backward

regions like Bihar, Madhya Pradesh, U.P., Almora and so on. We are with the backward tribal people of Madhya Pradesh. The tragedy is when the Finance Minister comes from South the North goes on becoming more and more backward. This should not happen. When an honourable Member becomes a Minister he must become an all-India figure and he should carry out the policy of developing backward regions whether he is from U.P. or from South India. I speak here for my north eastern region. There frustration has come. People now feel that it will be occupied by China. But, Sir, we are defenders of our country. We refused the invitation from all foreign powers to join hands with them. We would fight them. We offered non-coopertion. Our Chief Minister knows that we are fighting for India and that we feel for India but we should not be kept like backlog, like tribals.

MR. DEPUTY CHAIRMAN : The Finance Minister will have to start his reply at 6. So I would request Members to be very brief in their observations. There are so many on the list. I cannot be calling all of them.

SHRI INDRADEEP SINHA (Bihar) : Mr. Deputy Chairman. Sir, Shri Subra-maniam in presenting his Budget has referred to a certain philosophy and his philosophy, I think, can be judged by his performance. Sir, on this side of the House or on that side of the House there is a surprising degree of unanimity about our failings. All Members are agreed that our economy is in crisis. All are agreed that the rate of growth of national income during fourth plan has been 3 per cent; in some years it has even been negative. This year it is not likely to be more than 1 *per* cent. All are agreed that the rate of investment and savings has fallen. All are agreed that there is sluggishness and stagnation in agriculture. These things are mentioned in the Economic Survey also. Recently figures were presented to Parliament that the number of educated unemployed on the unemployed register* has increased to 84 lakhs. So all Members.

[Shri Indradeep Sinha]

on this side of the House as well as on the other side of the House, are agreed that our economy is in crisis.

Now, we have to look at the Budget from the point of view of this crisis. What does the Budget propose to do? Does the Budget seek to mitigate this crisis? Does it seek to continue this crisis? Or does the Budget seek to intensify this crisis? What does the Budget propose to do? What would be the effect of the Budget proposals on the economy of the country and on the life of the people? It is from this point of view that Shri Subramaniam's philosophy will have to be judged.

He has stated that his philosophy is "development with security"; at another place, he has said "development with stability", and "growth with justice". These expressions have now become very hackneyed. They have been used for a number of years. Now, we are faced with a situation when there is no development. There is no growth. We are in the midst of a crisis, in the midst of stagnation, in the midst of decline. How do you stop it? There is nothing in Shri Subramaniam's philosophy to stop this crisis.

Now, why has this crisis come? What are the factors behind this crisis? Even the Economic Survey presented by the Government mentions four factors: first, disproportionate increase in money supply; secondly, unsatisfactory production and procurement of foodgrains; thirdly, rise in petroleum prices; and fourthly, international environment of inflation. Now, these four are not the only factors. There are other factors also. But let us now confine ourselves to these four factors. Among these four factors, only two are external, the rise in petroleum prices and the international inflationary situation. About that also I have to say something. But two are strictly internal disproportionate increase in money supply and unsatisfactory production and procurement of foodgrains. What was the Government doing? Why was there this disproportionate increase in money

supply? Why didn't production of foodgrains increase? Why didn't procurement of foodgrains succeed? These relate to the policies of the Government. Unfortunately, Mr. Subramaniam has nothing to say about these policies of the Government.

Now, what about the external factors? Sir, my feeling is that our country, because of its contacts, because of its commercial links, with the major capitalist countries of the world, is importing inflation. We have been importing inflation from the USA, from West Germany, from Britain, from Japan and from other major capitalist countries who are themselves suffering from inflation. And, if I remember right, it was Mr. Subramaniam who, as Finance Minister or as one of the Ministers, was responsible for devaluation of the rupee. If the rupee had not been devalued at that time, the petroleum prices would not have been so much as they are today. Not only was the rupee devalued at that time, but a gradual devaluation of the rupee in terms of gold has taken place. The value of the rupee is going down in terms of purchasing power of the people inside the country. It is also going down in terms of its purchasing power outside the country. And it is because of these policies, our link-up with the capitalist countries, our policy of devaluation of the rupee, our reliance on imperialist agencies like the World Bank and the imperialist donors, that we have been so badly hit by inflation. It is because in the present world, as it is constituted today, the major capitalist countries want to shift the burden of the crisis on to weaker shoulders. And ours being a weaker country, the imperialist countries are able to throw some of their inflation on our shoulders, and we are importing it.

5 p.Kf. So, Sir, does Mr. Subramaniam propose to reverse this course? Does he propose to delink our country from the imperialist world market? Does he propose to diversify our trade relations still further by developing closer relations with the socialist world, with the newly liberated coun-

tries? No. He does not want to *ao* these things. He only wants to continue the old policy.

Sir, Mr. Subramaniam, similarly, does not propose to control the big monopoly houses about which my friend, the honourable Shri Chandra Shekhar was lamenting so much. It is nothing new. Year after year we are told in this House and in the other House and also in the Press that the monopolies are growing in the country. But what is the Government doing? If the monopolies are growing, why should the members of the ruling party only lament that the monopolies are growing? Your responsibilities do not end by your expressing an opinion that the monopoly houses are growing. Why are they growing? Why does the Government allow the monopolies to grow? Why is the Government not doing anything at all? My friend, Shri Chandra Shekhar and his other colleagues have been arguing that there should be a dialogue between the Prime Minister and Shri Jayaprakash Narayan. I will be a supporter of that dialogue if Mr. Chandra Shekhar does certain things. Let Mr. Chandra Shekhar propose that nationalisation of the monopoly houses and distribution of the surplus land of the landlords amongst the agricultural labourers and the poor peasants, these two issues, should form part of the subject of the dialogue. Let Mr. Chandra Shekhar agree to this, let the ruling party agree to this, let all the democratic forces agree to this and let there be a national consensus on these two important questions and, if Mr. Jayaprakash Narayan is prepared to agree to this and if he says, "Yes. I will form a joint front for realising these two aims.", we are prepared to support Mr. Jayaprakash Narayan.

SHRI O. P. TYAGT: What about corruption?

SHRI INDRADEEP SINHA: Yes. on the question of corruption also. But monopoly is the source of corruption, capitalism is the source of corruption, feudalism is the source of corruption.

Therefore, if you want to end corruption, end capitalism, end feudalism and end monopolies. Without putting an end to these things, you cannot end corruption. Corruption is not a moral disease. It is a social and political disease and it is born out of a social system and set-up.

MR. DEPUTY CHAIRMAN : You will have to wind up now. We are running short of time. You have been given ten minutes. You have to wind up now.

SHRI INDRADEEP SINHA : I will take only five minutes more. Sir, I will now take up the agrarian question. The Economic Survey has noted that there has been sluggishness in agricultural production. Now, Sir, what does the Finance Minister propose to do to remove this sluggishness ? His proposals are four: He says that the Government will supply high-yielding seeds. They will intensify the fertilizer production and distribution programmes. They will ensure or they will strive to ensure optimum utilisation of the water resources. They will also try to arrange more credit to the farmers in time. These are the four panaceas proposed by Mr. Subramaniam, are they anything new ? Were they not proposed during the Fourth Plan ? Were they not proposed during the Third Plan ? Were they not proposed during the Second Plan ? AH these remedies were there earlier also. And despite these remedies being there, the crisis has come. So if these remedies, these seeds, these fertilizers, this water and credit could not prevent a crisis that has developed, then how do you hope that the same remedies will avert the crisis in future ? How do you hope ?

Now, Sir, I will refer to the expert opinion of the Agricultural Prices Commission. The Agricultural Prices Commission in its report on the Tcharif cereals says that although the seeds programme has been fulfilled, double cropping programme has been fulfilled, even irrigation programme has been fulfilled, there has been a shortfall in fertilizers programme by 50 per cent. And due to this shortfall, production targets have not been reached. In it?

[Shri Indradeep Sinha]

report on the 'rabi' cereals, the Agricultural Prices Commission has come out with another explanation that increase in irrigated area per year has now become very small. There has been a sharp decline in additional lo irrigated area year after year, and that is the cause of the fall in agricultural production ... (*Time Bell rings*)

What I wish to point out is this. These are only technical factors. Irrigation and fertilizers are necessary. Credit too is necessary; and Government will have to arrange for them. But there is an institutional framework— institutional framework of landlordism, concentration of land in the hands of a few persons. My friend, Mr. H. D. Malaviya, was citing 'igures. I won't go into them. What about this landlordism ? (t is this landlordism which is obstructing agricultural production. We hive the opinion, Sir—I do not have the time to read it—of Mr. P. S. Apu, the Land Reforms Commissioner of the Government of India. After a detailed study o^f the Command area of the Kosi project, he has come to the conclusion that despite a decade of the project being in operation. Only 35 per cent of the irrigable area has actually been irrigated— only 35 per cent. And what is the reason ? He says that landlords are absentee landlords. Cultivation is done by share croppers. Now, (lie share cropper is not interested in purchasing water from the Government for increasing production, because more than half of it will be taken away by the landlords. Therefore, Mr. Apu suggests that unless land reforms are introduced, unless land is re-distributed, these technological factors are not going to lead to increase in agricultural production ... (*Time Bell rings*)

I will just finish. Just one sentence T will read. The Prime Minister has said in the recent ESCAP session recently :

"Our economy has acquired the technological capacity for self-reliant growth, our food production has doubled, and our industrial out put trebled. But un-evenness in the distribution of this addi-tionality has sharpened expectations and givⁿ rise to social tensions. This is one

reason why our strategy of intensive agriculture in irrigated areas and through the help of large farmers, has had to be supplemented by special programmes for dry regions and marginal farmrrs."

Sir, my own comment is that even this modification will not help unless land distribution takes place.

MR. DEPUTY CHAIRMAN : Mr. Maqsood Ali Khan.

SHRI MAQSOOD ALI KHAN (Karnataka) : Mr. Deputy Chairman, Sir, before we make an anatomical study of the Budget we have lo make an environmental study. One of the conditions of judging the Budget is on its merits and demerits. Certain trends have developed during the last three or four years. For example, there is inflation, to which a number of hon. Members have referred, which has become a sort of menace in this country. Sir, I need not refer to figures. I think this has been done by very many hon. Members.

[The Vice-Chainnan (Shri V. B. Raju) in the Chair]

The index of wholesale prices rose by 6.2 per cent in 1970, by 3.9 per cent in 1971. by 7.8 per cent in 1972, then it jumped to 19.2 per cent in 1973 and to 27.3 per cent in 1974. This was in regard to wholesale prices. And one can guess What would be the retail prices. Sir, I think that more than the Members, the housewives in the country are a very correct and definite index so far as the retail prices in this country are concerned. They are experiencing a lot of difficulty in procuring their foodgrains, oils and other necessities of life. During the last 10 years, ihe prices of different commodities have trebled. The impact is of the order of about 300 per cent so far as retail goods are concerned. This is the trend that we are passing through. Sir, different causes have been shown. One is the money supply which was of the order of 13.1 in 1971-72, 15.9 in 1972-73. 15.3 in 1973-74 and 7.3 in 1974-75 (up to January). I must say that it is to the credit of the hon. Finance Minister and the Ministry that they realised that it would be bad on their part

to let the money go into the market without any rider and they have checked it. Since September 1974, they have seen the effects of this money supply in the open market. Action was taken against the smugglers, the hoarders and the black-marketeers. The constraint that was observed upon the money market itself had a laudable effect and I think it will continue. I should mention that the credit squeeze was also there and it had its desirable effect. I would like the hon. Finance Minister to bestow his attention to the bank rate. Our bank rate has gone up to a limit where we feel that it would not be possible to have any borrowings from the banks for any purposeful activity in the country. The rate is too exorbitant and rather too deterrent for the borrower. About 4 or 5 days back when I was listening to the Radio news, I heard that the Bank of America had lowered its rate by 1-1/4 per cent. Bank of Italy and Bank of France have also lowered their rates. If we go to the banks for small scale sector, they charge roundabout 14-1/2 per cent, their commission and services included. If it is for a large sector, it goes up to 18 per cent. I think it is a very exorbitant rate and I would request the hon. Finance Minister to see whether it is not a deterrent so far as the borrowings are concerned. I do not want that the money should be given lavishly to the entrepreneurs. But persons who are just and are found to be capable of taking up any enterprise in this country should not find it difficult to go to the banks and get money.

Another thing is that whenever the money supply and the bank rate go up in other countries, the consequential result of it would be that there would be a sort of upsurge in inflation. I think the Economic Department of the Govt, would keep this in mind. Whenever there is an upward trend in the bank rate and money supply, the result is that there will be inflation in the country permeating the whole society.

Coming to tax revenues, as has been pointed out by my predecessor, it was 2061 crores in 1965-66. It has gone up to 5455

crores in 1975-76. Within a period of 10 years, the increase is 275 per cent. This means that we are keen to raise our money resources but we do not care to reuse in real terms the rate of national savings or credits. The Economic Survey is quite eloquent on that point. The industrial growth in this country was 0.5 per cent in the year 1973-74 and it was round about 3 per cent before that. And in the year 1974-75, though it has not been assessed quite definitely, they say that it is likely to be of the order of about 3.5 per cent. Regarding the prospects of industrial growth, I need not quote again the Economic Survey which says that the chances are that it will remain stagnant.

Coming to the agricultural production, Sir,—on which our Finance Minister has very much given his attention, the Economic Survey says that in the year 1973-74 it was of the order of about 107.8 million tonnes and in the year 1974-75 they expect the same tonnage and they say that it is not likely to go up because there are so many factors which contribute towards the growth of agriculture in this country.

Now, with this background and as I said that these are the trends that have set in our economy, how are we going to shape? Sir, it is not a question of what the Budget should be. The question is, given these circumstances, given this economy, whether the Finance Minister has done well or not? So, I think, Sir, the stress, as he has very rightly said, should be on agriculture. My friends have pointed out, my colleagues in this august House have said, that the Finance Minister has been unable to say what rate of growth in agricultural production he expects in the near future and he has not done it and there are reasons for that. I think when he has spoken of the inputs that are required for agricultural growth like good seeds, fertilizer, power, energy, water, etc., it means that the Ministry is too vigilant about the growth of agricultural production in this country. (*Time Bel! Hn?s*)

[Shri Muqsood Ali Khan]

Sir, coming to the problem of poverty. as it has been said the problem of poverty in this country is not a relative problem but as they say it is absolute poverty. Sir. I think, about two years back, it was Mr. Dandekar, the Economist, who said that 40 per cent of the people in this country live below the poverty-line. It is said that the percentage has gone up and it is now 60 to 70 per cent of the people who are living below the poverty-line. Whatever that may be, 30 million unemployed today and a daily rate of 10,000 persons without having any employment, what tremendous dimensions it acquires within two or three years, one could guess.

Sir, coming to the question of the *per capita* income. I would draw the attention of our hon. Finance Minister that our *per capita* income according to the Economic survey in the year 1960-61 was Rs. 306; in 1970-71, it was Rs. 352 but it is said to note that in the year 1973-74, prices being constant, it came down to Rs. 340. Then, Sir, if it is calculated on the basis of depreciation, if this is calculated on the basis of depreciation of the value of a rupee. taking the depreciated value of a rupee as only 30 paise, it comes to Rs. 190. We stand nowhere compared to 1960-61. Calculating on that basis, our national income goes much below than what it was in the year 1960-61. (*Time bell rings*). Sir. just two or three minutes more.

One more point that I would like to refer to is about our balance of payments position. It is again a sad story there and we have been told that the balance of payments would be very much adverse, round about Rs. 400 and odd crores we will have to suffer.

Sir, a new vista of Gulf countries has opened up before us, namely, Iran, Iraq, Dhahi, Kuwait and other countries. Sir, When I had a talk with some of the officers in the Government of India, who hold subjects like joint ventures, they were telling me with some definiteness and a soil of filow in their eyes that if we took

up joint ventures with these countries in trade, commerce and even in industry, we were bound to prosper.

Sir, when a new vista has opened up before us, why should we not allow our entrepreneurs, who have a good standing in the industry in this country, to go to these countries? Sir, I think, all facilities should be provided to them and I think, with that we will be able to over-turn the adverse balance of payments position in our country. (*Time Hell rings*)

Sir, should I not speak about our own State.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Please close now.

SHRI MAQSOOD ALI KUAN : Sir. I close.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : I would request the hon. Members to take note of the fact that they should kindly plan their speeches for ten minutes only because we have got to complete this whole business in the usual time.

SHRI S. S. MARISWAMY (Tamil Nadu): Sir, it is the opinion of all the Members on this side that the Minister of Finance can give his reply tomorrow. We cannot sit beyond six o'clock. It is the unanimous opinion of this side of the House.

SHRI MAHAVIR TYAGI: It will be doing justice.

SHRI C. SUBRAMANIAM : I have no objection.

SHRI K. CHANDRASEKHARAN : 'it will be very proper.

SHRI OM MEHTA : Those who want to speak can speak up to six and he will reply tomorrow.

(*Interruptions*)

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Even then the number is large. Otherwise you will have to sit very late.

Kindly see that the unpleasant job of the Chair is shared by hon. Members

SHRI S. S. MARISWAMY: We will make the task more pleasant to you. Sir.

SHRI MAHAVIR TYAGI : Will the reply be tomorrow, Sir?

THE VICE-CHAIRMAN : Yes. Bui thai does not mean Members should leave the House. That is not the desire. Yes, Mr. Singh Deo.

SHRI K. P. SINGH DEO (Orissa) : Vice-Chairman, Sir, since the budget is an instrument for managing the economy, this years Budget must be looked from the backdrop of the economy of 1974-75 when it was considerably whipped. Firstly, there was an unprecedented taxation to the tune of Rs. 1,000 crores. Secondly, there was a severe drought. Thirdly, there was an undue burden on the Exchequer due to rise in oil prices which was a drain on our resources. Also there was large-scale import of foodgrains which was severe drain on our foreign exchange and there was severe setback to industrial and agricultural production, acute power shortage and unprecedented inflation to the tune of a 21 per cent rise in prices. It is in this backdrop that I would like to concentrate on and confine myself only to the subject of Defence which is our main expenditure and the largest single item in the Budget this year.

Sir, this year it has been outlayed to spend Rs. 2,247 crores. Since Defence is one of the major fields of expenditure and the single largest field of expenditure from the taxpayer's money, it is essential for Government to take Parliament into confidence and to make the debate worthwhile and if the opinion of Parliament is to be informed rather than inspired by Press reports and various other sources, specially the nation must know the manner in which bulk of the people's money is being spent on Defence and what result they have achieved from it.

Sir, apart from the budgetary question and accountability of the Government to Parliament, as far as Defence is concerned I would like to quote from the Director of the Imperial War Museum, Mr. Noble Frankland

"War, like disease, has to be studied for three main reasons. First, in the hope of preventing it; secondly, if, nonetheless, war occur, in the hope of surviving it; and, thirdly, for the purpose of understanding the society in which we live which, sometimes, if we like it or not, is influenced by past wars, and the militant spark in mankind."

So, most democratic countries in their Budgets and their Revenue Estimates give a clear picture about the Defence philosophy and other details which are being kept away from Parliament, the Press and the public to the detriment, of the nation. . . .

Because it elicits no worthwhile discussion. Sir, the Budget indicates that the increased outlay this year compared to last year's Budget is due to the POL (petrol and lubricants), pay and allowances which have been enhanced as a result of the recommendations of the Third Pay Commission, as well as transportation. Therefore, it implies that we have for the time being shelved the modernization and sophistication and also increase in fire power or effectiveness of our Armed Forces as compared to last year. The Budget would also indicate that we are not going to get any better weapons for our AD (Air Defence) system; nor are we going to have the much needed multi-role combat aircraft about which Govt, have not made any provision and every day delay results in escalation of the cost as well as delay in obtaining it, because, Sir, we can fool our own people, but we can not fool the world that we are ourselves trying to produce the supersonic multirole combat aircraft or deep penetration strike aircraft.

AN HONBLE MEMBER : Who says that?

SHRI K. P. SINGH DEO : Mr. Vidya Charan Shukla said last year that within five years we will have production of deep penetration strike combat aircraft. Everybody knows in the world, in knowledgeable circles, that it needs 2,000 engineers to work for 10 years round the clock to produce a single generation of a new aircraft. One generation aircraft needs five years with radical changes in armament, equipment, speed, electronics avioding everything. Therefore, we are living in a fool's paradise if we think we can achieve this without investing anything. Sir, in this regard, I would like to say that there was an offer for us under which the three countries, the U.K., France and Germany are developing a multi-role combat aircraft and our Government had been invited to associate itself in the development of engine—where we did not have to pay anything as investment and we could have walked out of that any time. This could have given our aeronauties engineers, the experience in developing the advanced engine that we are trying to develop indigenously. The Budget would also indicate that for the time being we have shelved the proposal for getting the maritime reconnaissance aircraft, on which the Government has still to decide whether the Air Force should operate it or whether the Navy should operate it. Why I am saying this is because we are spending more than 23 per cent of the budget on defence. There are certain things which we must do at the right time to get the best benefit of the investment we put in.

Sir, same is the position about the RD effort. There is a lot to be desired. The RD this year does not have much of increase over last year's investment. Therefore, it would give us the impression that we are not going in for developing things indigenously and that we would rather like to depend on one or two nations. Sir, this is where I would like to caution the Government against over-dependence on one country for our armaments, equipment and our defence needs because in the international sphere there are no permanent

friends niii no permanent foes, as has been exhibited by the Supei Powers, the USA. the USSR and China, as was the sorry state of affairs of Israel as welt as the UAR when both the USSR and France could twist their arms. Therefore, I would say that the Finance Minister should see to the cost effectiveness and the accountability to Parliament specially on defence matters which is secret to nobody because in many of our defence projects, universities as well as the IITs and even other public sector undertakings are associated.

I would also like the Government to take a quick decision on the aircraft carrier because a colossal amount of capital is locked up and for going in for aircraft carrier, a colossal amount of men, material and money is invested in the country and today the opinion in the international field is that the electronically-guided missiles have brought down the offensive capability of an aircraft carrier and its task force and has turned it into a defensive liability. Therefore when the other countries, smaller nations as well as super powers are going in for the through-deck cruisers where they have helicopters and vertical take-off and landing planes, I should think that the Government would apply its mind and see that they get the best and optimum equipment with the money which we would like to spend.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Please conclude.

SHRI K. P. SINGH DEO: There are certain suggestions which I would like to make whereby the defence Budget could be brought down and more effectiveness could be achieved out of the investments that we are making. One is about fuel. In fuel there is a lot of misuse. If Government insists that the amount of fuel should be fixed, the amount of mileage per vehicle should be fixed it should prevent the General Officers from taking off by helicopters and other planes, going for Shikars and other picnics or other such lypcs i of visits which cost lakhs of rupees because jit has a multiplier effect. Whenever the

General Officer Commanding goes, the battalion engineers, the Brigade Commanders and everyone run helter skelter in order to get a good chit from the G.O.C. Thereby a lot of infructuous expenditure is incurred on such trips.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Thank you. Time is over now and you have to finish.

SHRI K. P. SINGH DEO: Just two minutes more I would take. My next suggestion is about maintenance of the buildings. I suggest that Government should go in for permanent assets rather than trying to maintain and spend money on the Second World War buildings. Then, Sir, since this is the International Women's Year, I would like to place my suggestion on record that the Government should also see whether the armed forces can take in women as is happening in the other Commonwealth countries. Excepting armoured, infantry, the air defence and other fighting arm of the army, the air-force and the navy, Government should see whether these services could be made open to women.

SHRI K. L. N. PRASAD (Andhra Pradesh): Mr. Vice-Chairman, Sir, I rise to lend my support to the budget proposals of our new Finance Minister, Shri C. Subramaniam. Before taking up this particular responsibility in the Centre, he was for many many years in charge of the finances of the Madras State and he then made a name for himself as one who has a grasp of the intricacies of public finances and also on ability to tackle the problems of public finances with boldness and imagination. These qualities, I am glad to say, are very much reflected in the proposals which are before us.

What I particularly like about the budget proposals this year is this. They reveal the sincere approach of the Government to achieve increased production, industrial as well as agricultural, which alone could improve the much deteriorated economic situation in the country. Achievement of this objective is the only answer to bring

down the prices. As long as shortages exist and as long as industrial production deteriorates the prices would be spiralling having severe effect on the life of people, particularly the lower income groups. I am glad that the Finance Minister has taken care to achieve this objective in making large allotments for agriculture and food production. The real and difficult task is not in making allotments for plans, but in putting them through.

To my mind, it appears that both the Central and State Governments are launching ambitious plans which our economy cannot bear.

Instead of taking up too many projects, we should confine ourselves to a few projects and complete them in record time. By so doing, we would not only be saving a lot of Money in establishments, but would be able to reap the fruits sooner to enable us to proceed further. In this connection I also wish to make an appeal to the Central Government through you. Sir, that it should identify certain important projects as national projects and allot more money for their early completion. Although we have attained independence nearly thirty years ago, we are still depending upon food imports. We seem to have spent about 4 to 5 hundred crores during last year on the import of foodgrains. It is indeed a very unhappy and unsatisfactory situation in which we are still placed. Instead of spending hundreds of crores on food imports, and that too in the form of scarce and valuable foreign exchange, why not we complete those of our projects already under execution? For instance, our Nagarjuna Sagar project in Andhra Pradesh has been taken up in the year 1956 and still it is incomplete. We have no money to complete the canals. The original estimate to complete this project was ninety crores, whereas we have already spent Rs. 190 crores due to the inordinate delays and price spiral year after year. Every year a meagre sum of about five to ten crores of rupees is allotted for this project by the State Government, out of which five to six crores go for the salaries of the staff working in the project and canals divisions. The present estimate is

[Shri K. L. N. Prasad]

that we still need Rs. 140 crores to complete this project in its entirety when another ten lakhs of acres would come under cultivation. Our Chief Minister has offered to give nine to ten lakhs of tonnes of rice to the central pool every year in case the Centre provides a special aid of at least Rs. 100 crores. The Centres, I believe, will, therefore, be wise to accede to the repeated requests of our Chief Minister to consider the Nagarjuna Sagar project as a national project and allot more funds outside the Plan. I do not mean that only the Nagarjuna Sagar project should be helped by the Centre; other important projects, too, which could be identified as national projects should be taken care of to enable the country to be self-sufficient in the matter of food.

Likewise, the power problems should also be tackled on a national scale. The recent coming into operation of regional grids is a welcome development. All steps should be taken to bring into being a national grid as soon as possible. Instead of wasting our monies and energies in starting a large number of power units here, there and everywhere, we should concentrate on three or four super thermal stations utilising our immense reserves of coal. This would free us from the anxieties associated with the vagaries of rainfall and enable us to meet the ever-growing requirements of power from our industry and agriculture.

Before I pass on to other matters, I would like to say a few words on a thing which is agitating the minds of the people of Andhra Pradesh very much. For a long time now they have come to believe that they could not achieve real industrial progress unless a steel project is located inside their State. When they felt that their legitimate demand in this regard was being ignored, they, you may recall, started an agitation which, to everybody's regret, took a violent turn. Some time after this, the Centre did concede the demand and our Prime Minister had laid the foundation-stone for a steel plant at Visakhapatnam on the eve of the midterm elections of 1971. And yet during these four years little or no progress is made and

this is giving a handle to some politicians to try to set the people again on a violent path. To avoid any untoward happening, work on the steel plant should be pushed through briskly. Apart from the risk of popular discontentment, delay would also mean increase in the cost of the plant. It appears that it was originally estimated to cost Rs. 900 crores, whereas according to the present estimates it would cost Rs. 1,600 crores. If there is further delay, the cost may go up even to Rs. 2,000 crores. In view of the sensitive sentiment associated with this project, I appeal to the Government, through you, Sir, for allotment of more funds, considering the size and the cost of the Project.

I am happy that the public sector undertakings are showing some signs of progress for the first time, thanks to the dynamic Minister for Heavy Industry, Shri T. A. Pai. In running his Ministry, he is utilising all his well-known efficiency, his wide experience as well as his zeal and devotion to serve the people and the country. Though some are rather critical of his theory of a National Sector, it deserves wide support. The Prime Minister is right when, in reply to some of the critics of Shri Pai, she said that the theory of National Sector is nothing but mobilisation of private money for the public purposes. We need increased production urgently and what is wrong if private money is used for the public sector to achieve increased production?

One of the major public sectors in this country is banking. About 86 per cent of banking is in the national sector. The balance 14 per cent is in the hands of either the private sector or foreign banks. When nationalisation took place in the year 1969, the total deposits were of the order of Rs. 3,800 crores. Today the banking sector has deposits and working funds of nearly twelve thousand crores. The Government has evolved many schemes to help the poorer sections of the society and to take banking to the rural areas. The banks have opened thousands of branches in the rural areas and are trying to help the people living in those

areas. Agricultural sector, small-scale industry, cottage industry and small traders are getting benefit from the banking industry more than ever before. The system of differential rates of interest has helped considerably the export trade.

As one who is closely connected with the banking industry, I would like to make a few observations. The recent action of the Government in making credit costly has paralysed the trade, industry, agriculture, small-scale industry and other sectors to a great extent. The theory that the prices would come down if credit is made costlier does not seem to be realistic. The impression appears to be that shortages are existing "in the various commodities because of the maintenance of a high inventory by big companies and traders due to the availability of finance at cheaper rates of interest. This may be true to some extent but the decision to increase the bank rate to 9 per cent and fixing the minimum lending rate at 12J per cent by the banks, allowing the commercial banks in the country, both nationalised and in the private sector, to charge rates of interest according to their whims and fancies, is leading the industry and trade to chaos. It is common knowledge that if the industry or trade is obliged to incur more expenditure, the cost of production goes up and naturally, it is passed on to the ultimate consumer, thereby pushing up further the prices of commodities. Really, how can agriculture or the small-scale industry survive borrowing at high and prohibitive rates of interest? The normal lending rate of the banks is now about 16 to 18 per cent. In some cases even the nationalised banks are charging about 25 per cent interest. Indeed, the banks are given a free hand to charge any rate of interest they choose, whereas a ceiling has been fixed for the payment of interest by the banks to the depositors. Owing to all this, the banks are making huge profits without corresponding service to their customers.

Prior to the increase of the bank rate and the increase of deposit rates if the 4 RSS/7S—9

recent past, on the basis of the old deposit rates, the cost of money to the banks used to be about 5 per cent, whereas the lending rate used to be 8 to 10 per cent. Today, although the cost of the money remains around 7 to 8 per cent, the average lending rate has gone as high as to 16 to 17 per cent, thereby allowing the banks for making undue and undeserved profits. Hence, the demand from the bank employees for higher wages and dearness allowance on the basis of the illegitimate profits year after year. The wasteful expenditure on the part of the banks is ever on the increase. (*Time bell rings*) Another five minutes.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : No, no.

SHRI K. L. N. PRASAD: Why this special treatment for me?

THE VICE-CHAIRMAN: The time is rationed.

SHRI K. L. N. PRASAD: Corruption has crept at some levels into this sector also, not only for granting loans but for giving jobs at the lower levels, namely clerks and peons. In view of the attractive emoluments offered, by the banks, poor people, although they cannot afford to give bribes in sizeable amounts, are, with great difficulty, raising loans even at exorbitant rates of interest to pay these bribes.

Unless this is given a serious view and corrective steps are taken in proper time, the situation is bound to deteriorate further and many undesirable evils will creep into the other public and private sector organisations.

The working of the banks both in the public and the private sectors requires a thorough probe, preferably by a Parliamentary Committee. Undue credit facilities are being allowed to some industrial and trading houses. The instructions of the Banking Department or of the Reserve Bank of India regarding proper assessment of the credit needs of the industry or trade seem to remain on paper only.

[Shri K. L. N. Prasad]

I do not mean to say that there is utter chaos, but there is chaos enough which requires immediate probe. I feel that the time has come to review the question of existing expensive credit policy in the interest of production in all sectors. (*Time bell rings*) Two minutes more.

Our economy started deteriorating, very steeply with the Bangla Desh war when we were obliged to feed millions of refugees and this was soon followed by the world oil crisis. From about Rs. 400 to 500 crores, our oil bill has gone up as high as 1,200 crores of rupees. In addition to this, we are obliged to import foodgrains. Naturally, all these difficulties coming one after another have led to the present severe crisis in our economy.

Our Government deserves hearty congratulations for the efforts it is making to find oil in our shores. That should have been done long time back. However, we should be happy and content with the speed with which the work is now progressing. The O.N.G.C. and its dynamic new Chairman deserve full compliments for the excellent work they are doing. If the drilling operations which are going on the "Bombay High" and at various other places in the country go on with the same speed, there is every hope that we would reach a reasonably comfortable position in the matter of oil resources within the next two or three years. If only we become self-sufficient in the matter of food and oil and further take steps to increase our export trade, our economy will definitely turn the corner—I am skipping some of the points for want of time Sir.

I am glad that the direct taxes, particularly the income tax, have been maintained at the same level as earlier, except a little marginal increase in the rate of tax in respect of closely held industrial companies. It is heartening to note that the bold step taken by the then Finance Minister last year in reducing the higher slab of income-tax rate is yielding encouraging results.

THE VICE-CHAIRMAN : (SHRI V. B. RAJU): Kfndly make your last point.

SHRI K. L. N. PRASAD: Every one was hoping that the minimum taxable limit of Rs. 6,000 would be raised to at least Rs. 10,000 taking into consideration the unprecedented price spiral in all commodities, this step would have helped not only the low income group, who deserve all the sympathy, but would reduce the workload of the tax collection agency to enable them to concentrate better on big assessees/

In respect of non-banking and non-financial companies.....

THE VICE-CHAIRMAN : Last point.

SHRI K. L. N. PRASAD : . . . the expenditure incurred in payment of the interest paid by such companies is limited to 85 per cent. This step, in my opinion, will not help higher production. When the banking sector is unable to meet the full requirements of the industry at reasonable rates of interest, why should the industry be deprived of public borrowing ? As I have mentioned just now, at a time when banks are taking undue advantage of the situation in charging high rates of interest, why should the industry or trade be deprived of this facility ? As long as these institutions utilise the deposits accepted from the public for achieving greater production and maintain the price level, why should there be any objection ? Should they not be allowed to take their chance in this competitive world ? I appeal to the Finance Minister to give his second thoughts to this matter.

The curb on dividends has been relaxed and I am sure this step will further augment the resources to push up industrial development. For this corrective step, the Finance Minister deserves our compliments.

(*Time bell rings*).

THE VICE-CHAIRMAN (SHRI V. B. RAJU): The Chairman has a very unpleasant duty to perform.

SHRI K. L. N. PRASAD: The Finance Minister should have completely avoided the tax on *bidis*, cheaper cigarettes[^] and inferior quality of tea which ye consumed by the vulnerable sections of society whose life has become miserable owing to the high cost of living. For millions of our people, perhaps the only luxury, if it could be called a luxury, is the smoking of a *bidī* or the drinking a cup of tea. Why should this also be taxed? Several Members have already spoken against this and I hope that the Finance Minister will revise his proposals in this regard.

Much has been said about the difficulties of the manufacturers of khandasari sugar. I am sure that the Finance Minister will give his sympathetic consideration to this item.

In conclusion I would like to say that I do concede that in a developing economy new taxes are inevitable. And having conceded it, I should add that, by and large, the Budget proposals of the Finance Minister deserve our whole-hearted support. They keep in view the need for achieving increased production in all sectors. What is needed is only a small correction here and a minor adjustment there in the Budget proposals. This could be done at the time of passing the Finance Bill.

श्री शंकर लाल तिवारी (मध्य प्रदेश) : उप-सभाध्यक्ष जी, सबसे पहले मैं यह जानना चाहता हूँ कि क्या आप इस बहस को 6 बजे खत्म कर रहे हैं ?

उप-सभाध्यक्ष (श्री जी० बी० राजू) : आप 10 मिनट के अन्दर अपना भाषण खत्म करिये।

श्री शंकर लाल तिवारी : श्रीमन्, बजट कोई पोलिटिकल फिलोसोफी का डॉक्यूमेंट नहीं होता है। यह साल भर का लेखा-जोखा दर्शाता है। यह बात जरूर है कि हमारी पोलिटिकल फिलोसोफी के पीछे जो सामाजिक और आर्थिक लक्ष्य होते हैं उन लक्ष्यों की तरफ पहुँचने के लिये हम बजट को एक साधन के रूप में उपयोग करते हैं। बजट सिर्फ आदर्शवाद

के ऊपर नहीं बनाया जा सकता है। आदर्शों को सामने रखते हुए हमें अपने रिसोर्सों की तरफ, देखना पड़ेगा और यह भी देखना पड़ेगा कि हमारे पास जो रिसोर्स उपलब्ध हैं, उन रिसोर्सों को अपने आदर्शों की तरफ ले जाने के लिए हम उनका अच्छा से अच्छा उपयोग करें। इस संबंध में जब तक हमारा रियेक्टिव एप्रोच नहीं होगी, तब तक हम एक अच्छा बजट नहीं बना सकते हैं। मैं समझता हूँ कि इस मायने में हमारे वित्त मंत्री श्री सुब्रह्मण्यम् को यह बजट बनाने में काफी हद तक सफलता मिली है। इसके लिए मैं उन्हें बधाई देना चाहता हूँ।

उप-सभाध्यक्ष जी, इस बजट पर विचार करते समय हमें यह देखना होगा कि गत वर्ष हमारी हालत क्या थी? जब हम आज के इस बजट पर विचार करते हैं तो सहज हमारा ध्यान 1974-75 वर्ष की तरफ जाता है। प्रश्न यह पैदा होता है कि उस समय हमारी हालत क्या थी? उस समय देश की परिस्थितियाँ यह थीं कि हमारे देश में इनफ्लेशन था, बड़े जोरों से मुद्रा स्फीति थी, कीमतें बढ़ रही थीं, चीजों का अभाव था, एग्जिक्यूटिव प्रोडक्शन गिर रहा था, कृषि उत्पादन गिर रहा था, जिसके परिणामस्वरूप हम बाहर के देशों से अनाज मंगा रहे थे। इनके साथ-साथ हमारे उद्योग-धन्धों में भी गिरावट आ रही थी। हमारे देश में कोयले की कमी थी, बिजली की कमी थी और फिर उसके ऊपर बाहर के देशों से जो हम तेल मंगाते थे, पेट्रोल मंगाते थे, उसके दाम भी बहुत ऊँचे चले गये थे। इसके अलावा इसी पिछले वर्ष के अन्दर हमारे देश में रेलवे की हड़ताल भी हुई। ऐसी हालातों के अन्दर पिछले वर्ष हमारा बजट यहाँ पर पेश किया गया था। उसके बाद शासन ने कुछ उपाय किये ताकि जो आर्थिक कठिनाइयाँ हैं उनको दूर किया जाय। इस स्थिति का मुकाबला करने के लिए फिर से नये टैक्स लगाये गये। दो-दो बजट पेश हुए। रेलवे के दो बजट पेश किये गये। रेलवे का भाड़ा बढ़ाया गया, भ्रष्टकर टैक्स लगाये गये। इस प्रकार से सारी स्थितियों पर काबू पाया गया। अतः आज के बजट को हमें देश की इस आर्थिक कठिनाई की पृष्ठ भूमि में देखना पड़ेगा। हमें यह भी सोचना पड़ेगा कि क्या

[श्री शंकर लाल तिवारी]

यह बजट इन्फ्लेशन को रोकने में सक्षम है, क्या यह बजट कृषि उत्पादन को बढ़ाने में सक्षम है, क्या यह बजट हमारे देश के इंडस्ट्रीज के लिए पैसा जुटाने में सक्षम है? यदि इन तीन कसौटियों पर इस बजट को कसा जाय तो यह पता चलेगा कि यह एक अच्छा बजट है। यदि इन कसौटियों पर हम इस बजट को देखें तो हम पाते हैं कि हमारे वित्त मंत्रालय ने इस बजट को बनाने में काफी सफलता प्राप्त की है।

हमारे देश की अर्थ-व्यवस्था का आधार कृषि उत्पादन है। हमारे जैसे कृषि प्रधान देश के लिए कृषि का बहुत महत्व है। अगर कृषि से उत्पन्न चीजों की कीमत बढ़ेगी तो उसका असर हमारे देश के सारे आर्थिक ढांचे पर होगा और अगर अनाज की कीमत बढ़ती है तो उसका सब चीजों पर असर पड़ता है। ऐसी स्थिति में हमें यह देखना होगा कि अनाज की उपज बढ़ाने के लिये बजट में कृषि को प्राथमिकता दी गई है या नहीं दी गई है। इस दृष्टि से यदि हम इस बजट को देखें तो यह कहना पड़ेगा कि हमारे वित्त मंत्री जी ने कृषि के उत्पादन को बढ़ाने के लिए बिजली और सिंचाई की सुविधायें उपलब्ध कराने के लिये तथा कृषि से संबंधित अन्य चीजों जैसे फर्टिलाइजर आदि का उत्पादन बढ़ाने को प्राथमिकता दी है। इससे हमारे देश का कृषि उत्पादन बढ़ेगा। गत वर्ष इसके लिए 193 करोड़ रुपये रखे गये थे, लेकिन इस वर्ष कृषि के लिए 270 करोड़ रुपये रखे गये हैं। यह इस बात का द्योतक है कि हमारे वित्त मंत्री ने एक रिये-लिस्टिक एप्रोच के साथ बजट को बनाया है। इस फर्टिलाइजर के लिए अगले वर्ष में अधिक रुपये रखे गये हैं। इस संबंध में मैं एक बात मध्य प्रदेश के बारे में भी कहना चाहता हूँ और वह बात यह है कि कोरवा में एक कोलड बेस्ट फर्टिलाइजर कारखाना लगाने का काम शुरू हुआ था। मुना यह गया है कि इस पर आठ नौ करोड़ रुपये भी खर्च किये गये हैं, लेकिन किन्हीं कारणों से, मैं नहीं समझता कि राजनैतिक कारणों से या आर्थिक कारणों से वहाँ पर काम करना ठप हो गया है और शायद इसको उठा कर

किस। दूसरा जगह ल जाने की कोशिश की जा रही है। इस संबंध में यह कहना चाहता हूँ कि आज फर्टिलाइजर की हमारे देश में इतनी कठिनाई है और जिस योजना पर आप करोड़ों रुपये खर्च भी कर चुके हैं उसको इस प्रकार से बीच में ठप करना उचित नहीं है। वह कोल बेस्ट कारखाना है और कोरवा में कोयला भी प्रचुर मात्रा में उपलब्ध है। यह नान-कोकिक कोल है जो सिर्फ जलाने के काम आता है और इसके माध्यम से वहाँ पर फर्टिलाइजर की फैक्ट्री कायम की जा सकती है। तो आप उस कारखाने का काम तेजी से शुरू करिए ताकि कुछ खाद्य वहाँ पैदा कर सकें।

दूसरी बात मुझे बिजली के बारे में कहनी है। आपने केन्द्र में 140 करोड़ रखा है, प्रदेशों के हिस्से में 900 करोड़ रखा है। इस संबंध में आपसे कहना चाहता हूँ कि आप बड़े-बड़े थर्मल स्टेशंस के ऊपर जाइए, जहाँ हाइडल पावर हो सकती है वहाँ जरूर लाइए, लेकिन आपने साल दो साल में देख लिया कि वर्षा की कमी से हमारी हाइडल पावर फेल हो जाती है। आज यह होना चाहिए कि हाइडल और थर्मल दोनों पावर चलती रहें। आपको थर्मल पावर छोटे-छोटे नहीं सुपर थर्मल स्टेशंस बनाने चाहिए। अभी गत वर्ष रथिया की टीम आई थी, मध्य प्रदेश के सिंगरौली में गई थी, उसने देखा था कि सिंगरौली में बहुत अच्छा कोयला है, वहाँ पर 2,000 मेगावाट्स के थर्मल स्टेशंस बन सकते हैं। तो मैं आपसे प्रार्थना करूँगा कि आप थर्मल स्टेशंस बनाएं। मैं मध्य प्रदेश की बात ही नहीं कह रहा हूँ, जहाँ-जहाँ कोयले के भण्डार हों, जहाँ ये थर्मल पावर बन सकते हैं, वहाँ पिट्ट-हैड्स पर आप बनाइए नहीं तो कोयला ढोने में खर्चा भी बढ़ेगा और रेलवे पर भी लोड बढ़ेगा।

आपको कृषि के लिए फर्टिलाइजर्स की आवश्यकता है लेकिन उससे भी ज्यादा सिंचाई की आवश्यकता है। यदि आप सिंचाई के साधन उपलब्ध करा सकें तो आपकी फसल वैसे ही दुगुनी हो सकती है, लेकिन हमारे देश में सिंचाई औसत 23-30 प्रतिशत से ज्यादा नहीं है, मध्य प्रदेश में और कम है; वहाँ 8 परसेन्ट है जब कि मध्य प्रदेश से बड़ी-बड़ी नदियाँ

निकलती हैं—महानदी, नर्मदा, ताप्ती, सोन इत्यादि बड़ी-बड़ी नदियाँ निकलती हैं, उनका पानी समुद्र में जाकर बहता है, लेकिन इन नदियों का इंटर स्टेट वाटर डिस्प्यूट में पड़ा हुआ है। तो श्रीमन्, मैं यह कहना चाहता हूँ कि इस अंतर्राज्यीय जल विवाद को निपटाया जाए। उनको सारे देश के रिसोर्सेज करार कीजिए, सारे देश का उन पर अधिकार हो और साथ में मैं यह भी कहना चाहता हूँ कि तमाम स्टेट गवर्नमेंट उन नदियों के पानी का ठीक से उपयोग करने का संकल्प करें। जो आपका बड़ी नदियाँ हैं उनको आप नेशनल रिवर्स करार करिए, वहाँ पर नेशनल प्रोजेक्ट्स बनें ताकि एक ही प्रदेश के हाथ में न रहे, जितने प्रदेशों में नदियाँ बहती जाती हैं, जहाँ जितना अच्छा उनका उपयोग हो सकता है, वह अच्छा से अच्छा उपयोग उनको एक नेशनल प्रोजेक्ट बना कर करना चाहिए। केवल स्टेट प्रोजेक्ट बन कर नहीं रह जाना चाहिए।

इसी संबंध में मैं आपको कहना चाहता हूँ कि उपसभाध्यक्ष जी, खास कर नर्मदा के बारे में मैंने अखबार में पढ़ा था कि गुजरात और मध्य प्रदेश के बीच में जो झगड़ा है उसमें कुछ छोटे-छोटे 4 प्रोजेक्ट्स मध्य प्रदेश के उन्होंने समझते से सुलझाए, पर मेरी समझ में नहीं आता एक और बड़ा प्रोजेक्ट नर्मदा का चालू हुआ है जबलपुर के पास, बर्गो प्रोजेक्ट जिससे 12-13 लाख एकड़ जमीन में सिंचाई होगी, वह डिस्प्यूट क्यों नहीं सुलझाया गया? बैनगंगा जहाँ 10 साल पहले सबे हो चुका है वह स्कीम इसलिए नहीं चल रही है; क्योंकि उसका गोदावरी के साथ डिस्प्यूट है। तो यह इंटर स्टेट्स के वाटर डिस्प्यूट जो हैं उनको शीघ्र खत्म करिए। ताकि हमारी सिंचाई की योजनाएँ जल्दी बन सके व कृषि को उपज बढ़ सके।

6.00 P.M.

उपसभाध्यक्ष महोदय, इस साल 225 करोड़ रुपये का घाटा बजट में बतलाया गया है। गत वर्ष 125 करोड़ रुपये का घाटा बजट में बतलाया गया था, लेकिन वह घाटा बढ़ कर 600 करोड़ रुपये से ऊपर हो गया था। इस साल 225 करोड़ रुपये का घाटा बतलाया गया है। मैं घाटे वाली अर्थ-व्यवस्था के खिलाफ नहीं हूँ। यदि इससे उत्पादन 4 RSS/75—10

बढ़ता है तो कुछ हद तक घाटे की अर्थव्यवस्था बर्दाश्त की जा सकती है। इस साल 225 करोड़ रुपये का घाटा बतलाया गया है और सम्भावना यह है कि यह घाटा गत वर्ष की तरह बढ़ेगा। इस साल राज्यों के जो बजट निकले हैं, उनको देखने से ऐसा मालूम पड़ता है कि अधिकांश जो बजट निकले हैं वे घाटे के बजट हैं। इस तरह से जो घाटे की अर्थव्यवस्था होती है उससे इंफ्लेशन बढ़ता है। इसलिए मैं आपसे कहना चाहूँगा कि केन्द्रीय सरकार को इस संबंध में फाइनेंशियल डिमिनिश स्टेटों के ऊपर रखना चाहिये और उन्हें मजबूर करना चाहिये कि वे घाटे का बजट प्रस्तुत न करें; क्योंकि इसकी बजट से देश में इंफ्लेशन बढ़ता है।

अंत में, मैं यह निवेदन करना चाहता हूँ कि हर समय सरकार के पास तनख्वाह बढ़ाओ, मंहगाई बढ़ाओ, इस तरह की मांग आती है। हमारे देश में करीब 27 करोड़ लोग पावर्टी लाइन के नीचे हैं। अगर 58 करोड़ में से 27 करोड़ लोग पावर्टी लाइन के नीचे जीवन व्यतीत करते हैं, तो उनके बारे में भी केन्द्र को चिन्ता करना चाहिये। तो मैं आपसे कहना चाहता हूँ कि जो 27 करोड़ लोग पावर्टी लाइन के नीचे हैं, जब तक सरकार उन्हें पावर्टी लाइन से ऊपर उठाने का प्रयत्न नहीं करती है तब तक और लोगों के लिए तनख्वाह या मंहगाई भत्ता बढ़ाना न्याय-संगत मालूम नहीं देता है। सरकार को इस पर विचार करना होगा।

इन शब्दों के साथ मैं यह जो बजट प्रस्तुत किया गया है, उसका समर्थन करता हूँ।

SHRI B. P. NAGARAJA MURTHY (Karnataka): Mr. Vice-Chairman, Sir. I rise to support the Budget proposals brought by the Finance Minister. Under the present circumstances when the coun-I try is undergoing a crisis, a better Budget i than this could not be presented. The¹ experience and knowledge of agriculture finance, industry and planning have enabled the Finance Minister to present a balanced budget. I congratulate him for giving priority to agriculture and energy.

Sir, with the short time at my disposal, I may not be able to deal with all the aspects of the Budget. But I would

IShri B. P. Nagaraja Murthy]

like to confine myself to some observations relating to agriculture, being myself a born agriculturist and an agriculturist by profession. Sir, it is a great dilemma that a nation where 70 per cent of the population is engaged in agriculture, and which is a predominantly agricultural country has to get food from a country which is predominantly industrialised, that is, U.S.A. Some efforts should be made by giving agriculture top priority and by giving some more incentives for agriculture to make it self-sufficient.

Sir, 70 per cent of our population depends on agriculture and nearly 50 per cent of our national product constitutes agricultural output. Agriculture is the foundation for the economic development of our country, and economic, being the heart of politics, India can't i e a political power without the development of agriculture. This is how U.S.A. has grown to be a political super power. Unless we first build a sound and vigorous agricultural base on which the whole economy rests, we cannot achieve internal, and external economic viability. This viability is linked up not only with domestic, political stability but also our international political stature. In India, an investment of Rs. 1 crore in agriculture would produce an output of Rs. 57 to Rs. 69 lakhs annually, in iron and steel Rs. 19 lakhs and in textiles Rs. 36 lakhs. This leads to the logical conclusion as to why in the order of priorities in our investment policies, higher preference should be given to agriculture to achieve faster economic development.

Sir, it is not a matter of production alone. Agriculture would liquidate unemployment at a much faster pace than the same investment elsewhere in the economy. It has been estimated that an investment of Rs. 1 crore in heavy industry would provide employment for 500 persons. The large scale industries producing consumer goods will provide employment for 1,150 persons. If invested in agriculture, it will provide for 4,000

persons, 65 per cent of the total investment resources is appropriated for the public sector which accounts for 3.5 to 6.3 per cent of the national product. The private sector which accounts for about 87 to 92 per cent of the national product receives the remaining 35 per cent. As the industrial part of the private sector gets preferential resource allocation, agriculture has somehow to manage with the leftovers. Most of our economic ailments have their roots in this malallocation of our resources. This malallocation for agriculture is the crux of the problem of the low overall productivity of agriculture and of our failure to achieve food self-sufficiency in spite of the high yielding varieties of seeds and the progress we have made in agricultural technology.

Sir, land reforms only will not result in high productivity of agriculture unless we provide good seeds, fertilisers, irrigation and power. Another drawback in the land reforms is that unless there is legislation to prevent fragmentation and sub-division of land and an amendment in the law of inheritance, the farmers in our country will be reduced to utter poverty and ultimately democracy will have to give room for communism.

Sir, according to the statistics available, 7.5 in every 10 hectares of India's sown area is under foodgrains. Roughly 53 per cent of the national labour force produces food. Our food deficit represents but 3 to 5 per cent of domestic production. Modern technology can multiply food output by several times the national average yield provided proper allocations are made for the development of agriculture. Nearly 67 per cent of the foodgrains issued by the public distribution system represented imports. Our rationed population, *Us.* about 412 million, was in effect fed by the world's charity, *i.e.* the charity of the U.S.A.

To achieve food self-sufficiency, two things are necessary, that is, firstly the removal of capital starvation of agriculture and secondly, the assured availability of competitive market prices for the output of farmers. The removal of capital starvation of

agriculture is possible by slashing public sector outlays and putting a stop to uneconomic extension of industrialisation. Because of the acute shortage of foreign exchange, we offer various subsidies and incentives to the producers of foreign exchange, *i.e.* exporters. Why should the same logic not apply to the producers of food? With these observations, I close my speech.

SHRIMATI SUSHILA SHANKAR ADIVAREKAR (Maharashtra) : Mr. Vice-Chairman, Sir, after hearing the roaring waterfall speeches of Shri Chandra Shekharji and many others giving out all the details of the shortcomings and pitfalls of the Government and its policy and the grim picture of the working of the Government, I, who is not an economist, in my own humble capacity, would like to hold a small lamp of hope and faith in the Government's economic policies and its planning. Mistakes are always made, otherwise we are not human. Differences of emphasis and working are always there but it does not mean that we should summarily opine that everything is wrong.

Sir, in framing these Budget proposals, the Finance Minister had a very difficult and a very delicate task to perform. The first step that he had to take was to accelerate the economic growth both on the agricultural and the industrial front and secondly, to maintain some price stability. The very fact that the prices of certain essential commodities did not shoot up after the Budget was itself an act of great relief to many consumers and especially to housewives who always used to sit up tight keeping the fingers crossed not knowing what the items are going to be on which the axe of the Finance Minister is going to fall. For the first time this fear has been belied to a great extent after the presentation of the Budget.

And, so Sir, placed as we are in an extremely difficult economic situation, me and many other common consumers and housewives like me think that the Finance Minister deserves all congratulations for presenting this year a growth-oriented Budget.

Sir, the National Budget is not only an annual accounting of expenses and revenues

but the Finance Minister has to give through the Budget a correct picture of the present as well as the hopes for the future.

Sir, it is not the prerogative of the small microscopic affluent class only to sit in judgment but also the common people who have an equal right to say something about the Budget. Sir, irrespective of any other pressures, specially where it is well known that this is the pre-election year, the Budget reflects the underlying main stress on the economic considerations. This itself shows the determination to overcome the critical period by introducing a number of measures for the different sections of the people. And, as the Finance Minister has said, it stresses the proper investment priorities, optimum capacity utilisation, maximum production, efficiency and curtailment of non-essential consumption items. In a situation where almost everything is being highly taxed leaving no scope for further taxation to raise the revenue resources, the Finance Minister invented a new concept in the form of excise taxation on all goods produced for sale or other commercial purposes and thus made it logically a sound proposal—why some goods should have excise duty while some should have none. The battle against the prices which was started about a year back has become more favourable because of the number of bold measures taken by the Government to bring down and slacken the price-rise. The Finance Minister has correctly emphasised the need to boost the climate for savings and investments by offering a number of incentives like exemption from wealth tax for a period of five years for the new companies engaged in priority industries and also by offering a special incentive for investing corporate savings in new companies producing fertilizer, paper, cement, etc.

Sir, much is said about no relief being given to corporate sector. But it is not true as the Government is really concerned over their financial problems and would like to give whatever cooperation possible to them in the present circumstances, *e.g.*, the dividend restrictions have been loosened and the Act will also be suitably amended.

[Shrimati Sushila Shankar Adivarekar]

Sir, similarly, there are a number of welcome gestures for middle-class people, like higher house rent allowance, travel concessions, higher permissible deduction for contribution to provident fund and life insurance premia etc. A proviso for deduction of expenses for higher education of children per individual having an annual income upto Rs. 12,000 is also noteworthy. Sir, all these saving-oriented income-tax relief provisions, no doubt, deserve merit.

Sir, I would like to make some observations. First is that the bonus for non-withdrawal of provident fund by Government employees should be extended not only to the public sector but also to the private sector employees covered by the provident fund scheme. It is very necessary today to see that the large number of people withdraws less, spends less and saves more.

Sir, another point is regarding the number of complaints we hear about the cumbersome procedure involved in the issue of licences, permits, etc. If this procedure could be rationalised, it will stop to a considerable extent the underhand dealings that are prevalent at present.

Sir, another problem that causes anxiety is the rise in market borrowings at an alarming rate. Although recently the working of the public sector has considerably improved, much more is yet to be done to reach the target of efficiency and economy, specially when we have taken over more than 100 sick textile mills which also adds to the challenge of working of our public sector.

"The next problem is that of increase of foreign debts. Our increase in export as shown is more due to high prices in the foreign markets. Even the Economic Survey has suggested to make export more profitable and there should be growth in the physical volume of exports. Sir, here I would like to draw your kind attention to a number of difficulties that the small industries and handicraft industries are facing to export their goods to earn, in what-

ever small way, the most valuable foreign exchange. Sir, this section also deserves all encouragement from your Ministry.

Sir, I would like the hon. Minister to reconsider the fresh levies on essential commodities like tea and *bidis*. Today, Sir, a small cup of tea and a puff of *bidi* are the only luxuries of the poor class. Sir, you may well argue that they are vices not to be encouraged. But, Sir, looking at the other vices like drinking, gambling, etc. that are prevalent in this class, these vices of drinking tea and smoking *bidi* are comparatively less harmful. So why make the availability of these items also difficult and make them beyond the reach of their budget?

Sir, another thing to which I would like to draw the attention of the hon. Minister is that it is wrong to presume that synthetic and nylon material is used by the affluent class. In fact it is more patronised by the ordinary middle class people because of the economy in using it. It saves time, money, effort, power and energy and today any working woman will prefer this variety of clothes to other cotton varieties. Sir, I am sure you will give a thought to this. Indirect taxes on these items could, however, be easily passed on when there is a better and favourable climate when the prices will come down and the monetary conditions will improve.

Sir, the State of Maharashtra has made a very welcome beginning by introducing a sort of 'need-based tax' on all those who are employed and earning more than Rs. 400 per month to pay towards the scheme to provide employment to those unemployed in the rural sector. If the Central Government gives sufficient impetus to make this experiment a success, I think. Sir, many other States will follow this experiment and this will help to a considerable extent in reducing the unemployment problem specially in the rural sector.

And the final thing, Sir, is the working women in all fields, specially in the industrial section are a huge potential force. But unfortunately the employment of women in this particular section is going down. Their capacity, talent and creativity are not fully

utilised. Sir, the States can do much in this respect if the Centre gives a lead and help women improve their ^b opportunities specially in the fields where they are suited most. I am sure the Finance Minister will give due consideration to this aspect also and allocate funds for starting women polytechnics all over the country and also train them in organising a public distribution system on a co-ope/ative basis. Women will no doubt do a good job in this field. I hope that the optimism expressed by the Finance Minister will be a reality through the co-operation of , all concerned. If we just sit and find faults nothing will be achieved. So, let us make i the most of what we can do to tackle this j problem.

The Finance Minister should not put up a lonely battle as the only person responsible for all the economic ills, but let all of us put up a concerted battle to win this war on the economic front.

With these words, Sir, I welcome ihls Budget.

SHRI G. C. TOTU (Himachal Pradesh) : Mr. Vice-Chairman, Sir, I associate myself with other friends in complimenting the hon"ble Finance Minister for presenting a realistic Budget. Sir, it was a formidable task to raise funds without adding to inflation. The Finance Minister has not only admirably succeeded in raising funds for meeting the expenditure at current level, but he has also been able to raise higher allocations for agriculture, power and coal. This country has been very fortunate in having a very good leadership. That is why, it is still the greatest democracy on earth while in our neighbourhood dictatorships are coming. It has also made great strides in industrial field, economic field, scientific field, culminating in the atomic explosion. While much earlier we could not make even sewing machines, now we can boast of making not only cars, trucks, locomotives and aircraft but even the most sophisticated things. The indigenous content in the machinery for generation and distribution of power has gone up from 14 per cent to 84 per cent.

But, alas, in spite of all these achievements the sum total reflects a population of 50 per cent below the poverty line, and we must look into the reasons for this. The fact remains also that the growth of national wealth is only 3 per cent against population rise 2.2 per cent. The Economic Survey has listed four reasons for our difficulties. The first is the low agricultural production. The second is the increase in petroleum prices. The third is the sharp increase in imports consisting mostly of foodgrains. Now, Sir, out of these, we have no control over the prices of petroleum products. But we cannot got out of the responsibility for the other reasons, e.g. low production of foodgrains in our country, where we have spent crores of rupees and if we have not been able to do better, we must look into it. I feel. Sir, the two main reasons for that are too much expenditure on Government machinery, particularly on unproductive expenditure, and creation of too many levels in the administration, an administration which is not now capable of taking any decision, not to talk of swift decision. In our enthusiasm for creating a welfare State, Sir, we have created too many departments. Each department is now suffering fronvlack of funds and its futile here to give any suggestions in that regard. There is no doubt that the Indian Administrations is verv good, but It is again very unfortunate that we have perhaps created a system under which the young men when they enter Government service are quite enthusiastic, but after some years they lose the habit of applying their mind—the system is perhaps so frustrating. Therefore, if you look to the implementation and execution of our policies, I am sorry to say it is one of the lowest in the whole world. We have created too many levels in administration and it is practically impossible for the machinery to move faster. Mahatma Gandhiji had said that the least governed society is the best society. But. our whole stress today is on opening new Ministries and departments to cater to the fancies of some people on either ideological basis or sectional basis.

They forget that these measures are making the poor people poorer. The fact re-

[Shri G. C. Totu]

mains—you look to the Social Welfare department; you look to the Development Department—85 per cent of the Budget allocation is eaten up by the establishment itself. It is a mockery to say that we have spent a crore on social welfare or two crores on this when the whole expenditure is eaten up by the establishment itself and a situation has come in our country, particularly after this financial stringency, that each department is suffering from lack of funds and, therefore, each department is not creating any impact at all in the country. I do not know why we consider only in terms of finances. We feel that this department has spent Rs. 5 lakhs and that it has done its job while we do not see whether it has been able to create any impact in the country or not. If we have the funds, lot of activities can be there but suppose we do not have the funds, then we will have to chalk out priorities. We will have to give up some of our activities. Just see the budget just see each department. There are sub-sections and sections and every new person coming, adds ten more sections and, therefore, the whole amount is wasted.

I do not want to take up much time of the House. Even if you look to the scientific research and training programme in the country, it is appalling to find wastage there. They are building theatres in the name of scientific research. Everybody every time is not only touring this country but going out of the country in the name of training facilities. We are spending on touring and talking of small savings which are contradictory to each other. Are we not spending lakhs of rupees on the publicity of all or both. A man can either tour the country or he can just save for himself.

In the name of tourism, as one hon. Member said, we have created such palatial hotels that if the Moghuls had lived today, it would be their envy. They were yet to enjoy those living facilities which in the name of socialism and in the name of tourism we have provided for the Indian peo-

ple. As my friend rightly said, 85 per cent or 90 per cent of the occupancy is of the Indians and whatever rise in the fare or rent you may bring in, it is not going to make any difference because it is the expensive class which lives in these hotels and that is going to be debited to the expenses whether they are the executives in private industry or public industry or joint industry or national industry or whatever it is.

Another unfortunate aspect, as I said earlier, is the unproductive expenditure. In the last 20 years it has jumped up from Rs. 200 crores to Rs. 3,000 crores. And then, Sir, there is duplication between the Planning Commission and the Government of India, between the Government of India and the State Government, between the State Government and the Panchayat Development Department of that very State. The same type of work is being done at the same time by several agencies. In the name of social welfare schemes, the welfare is one of the personnel employed in those departments.

SHRI G. LAKSHMANAN : Therefore, you oppose too much of centralisation.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : He is referring to duplication.

SHRI G. C. TOTU : One rural industrial project centre in one of the States—there were 52 in the country—was said to be one of the best and when it was dissected, it was found that its only positive work is the distribution of loans worth Rs. 6 lakhs against its own establishment costs of Rs. 2.75,000. There was another Design Centre in a State. This Design Centre was to supply designs to the various co-operative societies in the whole State. Its salaries alone amounted to Rs. 1,10,000 and if you consider all other expenses and the departmental expenses, the total expenditure was Rs. 3 lakhs. When it was assessed as to how many designs it has designed and what was the total volume of production, it was found that the total

volume of production was only worth Rs. 10,000 against an expenditure of Rs. 3 lakhs. I give one more instance of a Sericulture Division whose job was to popularise production of cocoons and they produced cocoons worth Rs. 6,000 at a cost of Rs. 1,70,000. Now, Sir, where are we leading ? On the one side, there is the rural sector working ten to fourteen hours a day. There are factory workers also working eighteen hours a day and shopkeepers working fourteen hours a day. What is the position of our elite ? What is the position of our administration ? Actually the LIC employees and bank employees work two or three hours a day. Every third day they have a holiday. And then in the name of consumers my sister here has demanded that things should be cheaper. Why should they be cheaper at all ? The time may come when even a cup of tea may cost one rupee. A large section of the society has become, parasite on others and they do not work at all. They do not work more than two or three hours a day and yet they do not want that these sections of the society, which are working twelve to fourteen hours a day, should have two square meals a day in the name of consumer society. (*Time's Bell Rings*). I would request that they should at least put in eight hours a day and work for six days a week. I do not want to take much time and I shall refrain from drawing the attention of the Finance Minister to the various measures but I would certainly draw his attention to the potentialities of Himachal Pradesh for the generation of hydel power. Situated as we are in northern India, it will be difficult physically for the Railways to haul coal over thousands of miles. Seeing our thermal plants, they are going to have their limitations. This poor country cannot afford the luxury of nuclear power stations, by having so much initial investment. Of course, it is said that the present hydel power stations have not proved better because of drought conditions. It is primarily because they are not only power-producing units. They are multi-purpose and the irrigation content is much more. I am sure there are so many natural waterfalls in Himachal Pradesh and you need not create more storage facilities. Your investment

would be less and in a shorter time you can generate more power. I would, therefore, request the Finance Minister, whom I credit with a positive approach, to look into this matter.

Thank you.

SHRI R. N. REDDY (Andhra Pradesh) : Mr. Vice-Chairman, Sir, within the short time available, I would like to deal with three or four aspects of the question. As an agriculturist, at the outset I am glad the Finance Minister has said that the agricultural sector must be given the highest priority. I am happy at least now that Government of India has realised the importance of the farm sector. This is the most important sector of our economy where 80 per cent of the people live in rural areas and depend on agriculture. It is because of the past neglect this country suffers. The poet has said : "Sujalam, Suphalam, Sasya Shyamalam". This country, which should have been an "Annadata", has become a beggar of food. I am really happy at least the Government has opened its eyes to the most important aspect of our development. Unless you develop agriculture, unless you put money power in the hands of millions of peasants, how can you develop your industry ? It is the wrong slant in the entire planning that has brought us into this situation. I am happy that the Finance Minister has come out in his speech saying that the highest priority will be given to agriculture, but I am afraid the fine sentiments are not being translated into action. Allocations for agriculture are quite meagre. Considering the impact of agriculture on the entire economy, considering the share of agriculture in the gross national product, the allocation is too meagre. For instance, agricultural research, which has really done a remarkable thing in this country, has been allocated Rs. 23 crores. Last year the allocation was Rs. 19 crores. And if you take into consideration the deterioration in the value of the rupee, this amount of Rs. 23 crores is worth only Rs. 19 crores or even less. And even in the case of seed production, it is

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the same thing. It is no use giving out good sentiments and good words. They have got to be translated into action. Unless agriculture develops, unless we become self-sufficient in food—not only is it a question of our prestige, but also a question of our economy—we can never get over this economic crisis. We are in a serious economic crisis. On the other hand, if you look at industry, everybody knows that we have sunk crores and crores into the heavy industry, and what is it that we are getting? They say that we have just come out of the woods. I do not know how long it will take to come completely out of the woods. That is the situation in our country.

The next thing is about energy. I have received a communication from my place that today, for us agriculturists, the Government is giving three hours of electricity. If three hours of electricity is given, how can agriculture go on? How can food production go on in the country? It is the saddest situation existing. This should have been given top priority. At least now, the Finance Minister has said—I am glad—that power should be given the highest priority. But I read in the newspapers that super-thermal stations will be taken up only in the Sixth Plan. Then, Sir, all these good words will be of no use. Unless we improve the power position, unless we improve the potentialities of energy and supply it to the agriculturists, we will not be able to get out of the economic crisis.

Sir, my friend who spoke just before me had a very good point to make. I actually wanted to stress on that. Now, I congratulate the Finance Minister for having given a thousand crores more than last year for development plans. We must have development; we must have growth. Unless we have economic growth, we cannot get over the crisis. We sit here and give all kinds of Plans. But who is to implement? The instrument of implementation is the administrative apparatus?

What is the situation about the administrative apparatus? Honestly speaking, with my little contact with the administrative machinery in the country, I can say here that it is, by and large, bedevilled by inefficiency, irresponsibility and lack of integrity. With this apparatus, how can development go on? It is impossible, unless a big change is made in the entire administrative machinery. My friend said so many things about the administrative apparatus—the duplication and the triplication and the tyranny of files. The entire administrative apparatus should be saved from the tyranny of files. Why don't you go into this? Why don't you see whether the instrument of machinery that you have is useful or not and whether it can discharge the social and economic aims that you have in view? This is absolutely a useless instrument. It does not have a national outlook by and large. It must have an outlook for development. Does it have that, Sir? I doubt it very much.

SHRI G. LAKSHMANAN : This administrative apparatus was given to us by the British.

SHRI R. N. REDDY : That is an obvious fact, and it is continuing. When we are a welfare State, when socialism is our aim, should not this instrument be changed? It is said that for a person to work properly and honestly, he must have the fear either of God or of State.

These people have no fear of the God at all because these people believe only in one God and that God is the God of wealth and they believe that with their wealth they can purchase all the other gods. They have no fear of the State. Not only these people, the richer classes, the smugglers, the blackmarketeers and all these sections are so arrogant. They think that they can buy anybody with their money power. Unless this atmosphere is changed in the country that people should

feel that it is not worth while to be a smuggler, that it is not worth while to become a tax evader, that it is not worth while to be corrupt, all these huge Budgets and Plans will go away. How can this be done ?

Sir, I am very glad when I read the Address of the President. He said that this Government is very seriously considering to immediately establish the institution of Lokpal and Lokayukta. Sir, we have been telling this since years and I think it is high time that this thought is translated into practice. If you have to check this administrative instrument to check corruption coroding this instrument, we should have moral stature. We politicians, particularly politicians who are in positions of power, must have moral stature ^otherwise we can never keep this instrument in order and unless this instrument is put in order the whole problem is going to be complex and we will not be able to solve the economic crisis.

Sir, one more aspect I would like to touch, and that is regarding education. This is one aspect of our life on which there have been a plethora of seminars, there have been plethora of conferences and numerous reports but the educational system continues as it is. Sir, I have been a member of the University Syndicate. We are spending crores and crores of rupees on producing graduates and post-graduates and Ph. Ds., thousands and thousands of them. For what purpose ? What is the plan ? What for do you want them in this country ? What is happening? We are just preparing fodder for all types of agitations, good, bad and indifferent. I think all of us know that some of the post-graduates have become Naxalites. Why ? They are so frustrated. It is a national waste. And what is it that we are getting by spending crores of rupees? A frustrated, desperate youth. Should we not look into this problem ? Sir, I would prefer if the Government can close down all these colleges for, say, ten years which

would, perhaps, be more useful for this country. Let them train people for some independent living. Let us train them to make a living instead of making them graduates and post graduates with no goal of life, with no practical knowledge, making them absolutely frustrated and desperate.

The third important thing which I would like to touch upon is the problem of soil erosion. I am sorry people are not realising the dangers. People have been writing articles on soil erosion. Recently I happened to meet a scientist on soil erosion, I do not know whether it is an exaggeration but still what he said was that soil erosion is taking place at such an alarming rate that within 15 to 20 years the Bhakra Nangal dam will be completely silted up. Forests are being destroyed. Is the Government thinking about this ? When forests are being destroyed the climate is changing. There is imbalance in rainfall. There is drought or there is flood. This is upsetting the economy because our entire economy depends on monsoon. Forests are being destroyed. Unless this problem is attended to, we will not be able to achieve the socio-economic objectives of the Plan.

Sir, in conclusion, I would only say that once again I congratulate our Finance Minister. He has said at the end in the first part of his speech that *the* Government is resolved to eliminate smuggling, blackmarketing, tax evasion and various other things. Sir, the extent of tax evasion in this country and the extent of tax arrears in this country, are they not a blot on the tax administration ? I know; I have come across so many people. A few years ago, 15 years ago, we used to say that the Income-tax officer was an unapproachable person. To-day he is the most flexible and the most easily manipulated person. How much money is being evaded ? Perhaps if we check this tax evasion, we need not have to resort to imposing taxes on bidis, cigarettes and all these things. How much money is being drained away through tax evasion,

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just because the Income-tax officers have only one thing in their mind, that is, their self-interest. Take the Central Excise Department. Sir, if the Collector of Central Excise has to get a regular amount of money from each circle, then what is the Central Excise Department for? Should we not do something about this? Mr. Subramaniam in his speech has discounted the prophecies of doom. But Budget alone cannot work miracles; Budget alone cannot solve the socio-economic problems. Unless these steps are taken, the prophecies of doom may after all come true.

Finally, in a bad situation, in a very difficult situation of economic crisis, Mr. Subramaniam deserves congratulations for having done his best. Thank you.

SHRI B. RACHAIAH (Karnataka) : Mr. Vice-Chairman, Sir, I thank you for giving me an opportunity to speak on the Budget proposals. Many Members have spoken on this Budget. Many of them have congratulated the Minister of Finance for having presented a practical, realistic Budget under the present situation.

Sir, it will be a repetition on my part if I refer to some of the causes that have led the economic situation to this crisis. It is worthwhile to remember them to appreciate the Budget proposals that have been presented by the hon. Finance Minister. Sir, the Budget should not only indicate the revenue receipts and expenditure, but it should also take into account our past performance and our areas of inadequacies and it should project the future programme to achieve our socioeconomic goals. Judging from this point of view, he has identified our inadequacies and he has also suggested some remedies for restoring the economy to its normal health. Sir, though late in the day for the first time among all the Finance Ministers, he has identified the priorities for the allocation of funds in our Plan.

Agriculture, for the first time, has been recognised as the first claimant for the allocation of funds and for the development of agriculture, the Minister, with his previous experience as the Minister of Food and Agriculture, has suggested certain remedies. He has recognised that disease-free high-yielding varieties of seeds are a must and he has recognised the second important thing and it is the chemical fertilizers. The chemical fertilizers were not in full supply and we have to depend on imports. He has realised that the existing factories have to work to their fullest capacity to meet the country's needs and he has also given some encouragement for the expansion of some of them. He has also indicated that if any private persons come forward to start these fertilizer factories, certain incentives will be given. Then, Sir, the third important thing, which is the most important, is water. We have been using only one-third of the available water and the rest of the water has been going into the seas. Owing to the disputes between the various States, some of the projects also have been held up. I am glad to note that the Ministry of Agriculture and Irrigation has cleared some of the projects pertaining to the Narmada river. Similarly, there are several other projects in the South which have to be cleared. In Karnataka the Upper Krishna project is the biggest irrigation projects and project, the Kabini, Hemavati, Ghataprabha and Malaprabha projects and so many other projects have not been cleared and for want of clearance, the States have not been able to push through these projects and for want of clearance also, - the State Governments are not getting sufficient finance to go ahead with these projects. Sir, some of the projects have not been made full use of though they are under completion and this is also because of lack of finance. I agree with the Finance Minister when he says that the projects which are long-gestation projects are to be deferred and projects which are under completion or which can yield quick results have been considered for financial

allocations. For the first time, Sir, the Finance Minister has said that the drought-prone areas and the backward regions of the country will receive the utmost consideration at his hands. For this purpose, he has also suggested that a comprehensive survey of the resources available in each region has to be conducted since it will be easy for the planners to locate the industries with the available resources, with the resources which are available locally.

Sir, the Finance Minister has given top priority not only to agriculture, but also to the Energy side. Sir, the coal mines have been nationalised and the annual turn-over has increased by ten million tonnes. Sir, in the Bombay High, crude is going to be explored and sufficient money has been allocated for this also. Similarly, the hydel projects. Sir, which are undertaken, which need Central aid, should be given adequate financial assistance—like the Kali Hydro Electric project and Sharvathi projects in Kamataka. The Ogavikallu Hydel project. It will help both Kamataka and Tamil Nadu. Then, the Bedthi and Varahi projects in Kamataka are the two projects which are economically very viable, which can be relied upon for higher potentialities. Sir, if the Finance Minister makes up his mind about this, the shortage in power can be overcome within a few years if all these projects are pushed through.

Similarly, with regard to thermal stations, he has to locate some of these thermal stations where there is need for them and where raw materials are available. So, in this respect also Kamataka deserves a place,(Time Bell Rings.)

Sir, I wanted to say that the farmers who produce foodgrains have demanded a higher procurement price but he has rejected this on the plea that if the procurement price is increased then an inflationary tendency will be there and prices will go up. Therefore, the Finance Minister has not proposed to increase the procurement price.

I must also congratulate him that he has resisted the pressure to revise the emoluments and dearness allowance of Government servants. Sir, on the one hand we see a huge army of the unemployed, and on the other we are making these salaried posts more attractive. Many people who have been educated, even though they have got other vocations, will try to get into Government service or into autonomous bodies, because that is a place where they can spend their time without much trouble. When there are 67 per cent of the people below poverty lineN Let every section share the poverty. So I would request the Finance Minister to see that the budgetary deficit which he has forecast for the next year is contained at any cost. I congratulate him for all the measures which have been taken to arrest the price rise and to contain inflationary influences and also the action taken by him to unearth black money and to collect taxes firmly. But I would ask him not to be complacent by bringing the prices down for the moment but to see that whatever he has proposed in his budget proposals is implemented...(Time Bell Rings.)

Sir, unfortunately, I have to refer to allegations made by Mr. Veerendra Patil against the Chief Minister of Kamataka. Sir, it is very unfair on the part of a senior Member to have made certain allegations against a person who is not present here to defend himself. He has made allegations of having got sites in the name of his daughters and land in the name of his son-in-law. Sir, these allegations were raised in the Assembly and these have been replied by him. With regard to land grab matter, it is *sub jndicc* and it is pending before the Kamataka High Court. It is just like "pot calling the Cat Black" Therefore, it is better for him to refrain from bringing personal allegations against persons who are not here to defend themselves.

SHRI VEERENDRA PATIL (Kama. j taka):
Sir, on a point of order. Whatever I allegations I have made against the Chief •

[Shri Veerendra Patil]

Minister, I think, the hon. Member is not in a position to say whether they are false. Even the Chief Minister has not contradicted them.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : This is no point of order.

7 P.M.

SHRI B. RACHAIAH : So far as land grant is concerned, it is *sub judice*.

SHRI VEERENDRA PATIL : The matter before the High Court is as to whether the grant was valid or not. The question I raised is whether it was proper on the part of the Chief Minister to give Government land to his own son-in-law.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Whatever you have to say, please say and complete.

SHRI B. RACHAIAH : These questions have been raised and the Chief Minister has answered them. I do not say that the land has not been given. I only say that these questions have been raised and the answers have been given. At best I can say that it may be a matter of favouritism . . .

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Why are you passing judgment ?

SHRI B. RACHAIAH : If the land has been granted, he is not involved personally. Many people including Mr. Veerendra Patil have got land in Sadashiv Nagar. He has also built big palacious Bungalows.

SHRI VEERENDRA PATIL : I have not taken any site from the Trust Board.

SHRI B. RACHAIAH : Allegations were made against him when he was the Chief Minister, both in this House and the other House.

SHRI VEERENDRA PATIL : He is making an allegation against me. I have told him that if there are any allegations against me, I am prepared to subject my-

self to any judicial inquiry. After all, you are in power. Why don't you institute a judicial inquiry against me ?

SHRI B. RACHAIAH : These allegations were there. There were allegations against all the Chief Ministers. Just because there are certain allegations, it does not mean that the allegations have been proved.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Please say what you want to say and conclude.

SHRI VEERENDRA PATIL : You are not in a position to contradict the allegations.

SHRI B. RACHAIAH : He has accused the Central Government that it is unable to eradicate corruption and that it is unable to create a good atmosphere for a health growth of our economy. He has a share in these inadequacies of our administration because he has been there for the last 20 years as a Minister and the Chief Minister.

THE VICE-CHAIRMAN (SHRI V. B. RAJU) : Please finish your speech.

SHRI B. RACHAIAH : If the economy is in such a bad shape, he should be blamed as the Chief Minister for creating such atmosphere in the state and partly in the country also.

Mr. Vice-Chairman, Sir, I must congratulate the Finance Minister for his Budget. I find that my friends sitting on the Opposition have been raising a lot of hue and cry about the difficulties of the people and blaming the Government for all these. For purposes of debate, it is always easy to take up a point and talk like a lawyer either for or against it. I am sorry to say that the Opposition has a biased mind when they talk about the working of the Government. My friends on the other side have all alone been harping about the failures of the Government in not fulfilling the 'garibi hatao' programme. They will never recognize the

massive programmes of the Government and the achievements it has made for the last 20 years. Sir, in a developing country a period of 20 years is not much. Countries like America, Russia and the United Kingdom have come to the present level after centuries. When they were 25 years old in the democratic set up, perhaps their own position was worse than what we are having now. Sir, it is necessary for me to highlight the achievements of the Government of India during this period so that the public may know the correct position.

The rapid achievement of economic progress has been the major objective of governmental policy and action since India won freedom in 1947. Economic development before independence had been largely left to the efforts of the private sector and the role of the State had been confined to providing the essential economic infra-structure. Since then, however, there has been a change in the position with the enlargement of the public sector. Public enterprises have assumed a key role in the economy of the country. Their performance will now largely determine the speed and effectiveness with which the socio-economic objectives of the country can be achieved. This does not, however, mean that the private sector will have no role to play in the economic and social development of our country. Our country through its Parliament and Government has chosen a pattern of economy in which the private sector is allowed to play an important role in economic development, but one has to remember that we cannot operate the mixed economy if a large and important segment of our economic and social system is not in alignment with the socio-economic objectives of planning and development in the country. It is in this sense, therefore, that I would emphasise that there is hardly any need for conflict or confrontation between the private and public sectors of our economy.

The current economic situation caused by inflationary pressures has been causing

concern. This calls for multi-pronged action. Prices have risen and certain essential consumer goods have been in short supply, due, in some cases, to fall in production, and in some other cases due to artificially created scarcity. Certain monetary and fiscal measures have already been taken by Government during the last few months, and they are having their impact. Steps have also been taken to assume legislative and other powers for checking black marketing, hoarding and smuggling, and the State Governments have energised their enforcement machinery which has recently undertaken intensive drives to de-hoard stocks of foodgrains, sugar, vanaspati and other consumer articles, check adulteration, verify the antecedents of fair price shop licences, check the correctness of the number of ration cards issued, and taken similar other steps. Attention has also to be given to the urgent need for increase in production and productivity both in the agricultural and industrial sectors with some kind of social control over production and distribution. The new Department of Civil Supplies and Cooperation at the Centre is engaged in evolving a system under which production, procurement and distribution are carried out in a coordinated manner so that the essential needs of consumers, especially the vulnerable sections of the society are effectively met.

Many people have said that "the Budget was as usual preceded by assurances from the Government that it would be production-oriented and that it would give incentives for savings and investments. Once again, as usual, all hopes have been dashed and the Budget had turned out to be as uninspiring and worthless as it could ever be."

They had not understood what the Government has done. The Finance Minister has tried to balance two important but somewhat conflicting needs in his budget, viz. (1) to check inflationary pressures and (2) to sustain the tempo of development. These are conflicting objectives inasmuch as the expenditure incurred

[Shri B. Rachaiah]

for development purposes may lead to higher prices. It is possible, however, to evolve a nice balance between these two objectives by so arranging the development programmes that we may have a massive increase in wage goods. Such an increase in the supply of wage goods would keep the prices of essential requirements of the majority of the people under control. At the same time, the producers of such goods, mainly the farmers, would have, in consequence, a large money income with which they would create some demand for certain types of manufactured goods produced in urban areas. It would thus have a desirable effect on industries also.

It is true that more investment in agriculture or any other economic activity would not necessarily increase production. It is one important form of investment which if properly followed up by hard work at all levels, would result in the desired goal. It is assumed, therefore, that the investment in different activities of agriculture would be implemented with care and efficiency so that the objective may be realised. It is necessary to emphasise this aspect, because crores of rupees have been spent in the past on various schemes of agricultural development without adequate results.

A more comprehensive view of the economic situation is required and more thorough-going radical steps are necessary to put the economy on a normal stable basis, making it possible for all to plan and work in a systematic manner, without being disturbed by factors beyond their control. At a time when the economy is faced with such a serious crisis, the slow moving partial and halting doses of miscellaneous steps are not likely to help. Unless the Government builds up a determined political will to take more radical steps to deal with the malady, things may grow worse, instead of the promised hope of improvement. The fear about dislocation due to such radical measures need not frighten us. Instead of the long drawn

out agony about continuous anaemic condition in which the economy has to carry on, such an operation will restore health to the economy and ensure growth making the dream of *garibi hatao* possible to be realised.

Growth in industrial production during the five-year period 1968-69 to 1973-74 has been only of the order of 3.9 per cent as against the average rate of growth of 8.5 per cent during the first half of the sixties. This is clearly unsatisfactory, specially for a country like ours where rapid industrialisation is almost a synonym for development. It is possible to find reasons for the slow rate of growth during the recent period; one can thus point to power shortages, energy crisis or the foreign exchange constraint. Alternatively, one can explain the slow rate of growth in terms of random factors such as drought, inflation or the last war. At a somewhat more esoteric level, the cause of slow growth has also been traced to adverse movement in terms of trade against industry in relation to agriculture, which is supposed to have lowered the rate of savings and investment in the economy. While these or other factors can certainly explain what happened, these are not necessarily a defence of the slow rate of growth of the economy in general and industry in particular. What interests me more is what we can do to remove present day constraints on growth and how we can find viable policy answers to problems which are bound to come up from time to time. While there may be differences regarding casual factors, I think the facts of the situation are fairly clear, and we must now endeavour to reverse the current unsatisfactory state of development in the industrial economy.

The public sector in which India has an investment of Rs. 60,000 million has been steadily achieving viable savings in its operation. It has earned a net aggregate profit of Rs. 660 million which is three times that of the previous year. This is a big achievement when it is compared to the loss of Rs. 950 million incurred in the years between 1966 and 1972. According

to current estimates, public enterprises in India will turn in a record surplus of Rs. 1500-2000 million in 1974-75. In the last four years, the public sector has become much more efficient than before. Inventories have declined from 5.8 to 4.4 months' cost of production and from 70 to 52.2 per cent as a proportion of the current profits. Heavy industry units have improved their turnover by 46 per cent in the first quarter in 1974-75 compared with the corresponding period in 1973-74 or from Rs. 630 million to Rs. 930 million. Heavy and light engineering industries are accelerating their production at rapid rates. Many of the giant plants like the Bharat Heavy Electricals, Heavy Engineering Corporation, Hindustan Machine Tools, etc. are doing wonders.

The public sector today has been acquiring a control role in India's foreign trade. The State Trading Corporation set up to undertake trade with countries abroad has acquired a prominent position in the USA, Canada, Australia and Japan. One-third of the STC exports consist of consumer goods like combs, cuff links, cosmetics and cigars. In 1972-73, small-scale products accounted for 70 per cent of the exports compared to 46 per cent in 1971-72. Similarly, the MMTC has registered a sixfold increase in the turnover in the last decade.

New factories have been set up in the engineering sector. The Bharat Electronics Limited, Bangalore, had added a new unit in Uttar Pradesh. The BHEL which already operates four units, has set up a fifth for manufacture of transformers at Jhansi in Uttar Pradesh. The Hindustan Cables has set up a second factory at Hyderabad for manufacturing telephone cables. The Hindustan Organic Chemicals will help in augmenting the supplies of chemicals needed by the dyes industry. The Koyali refinery is expanding with the country's need for petroleum products as is the Copper Smelter Plant of the Hindustan Copper Limited, the Sindri Fertilizer Plant and numerous irrigation and power projects not to mention the emergence of

the Hindustan Petroleum Corporation as a separate company.

The year 1974-75 was a year of unprecedented economic stress and strain not only in the history of independent India but throughout the world. The year also saw a determined action on the part of the Government to grapple with the crisis situation. The first half of the year witnessed the sharpest rate of increase in prices in the post-war era. The hope of orderly and balanced growth of the world economy in which the developing countries fully share has failed to materialise. The grim and formidable problems of global inflation, balance of payments, deficits and food shortages have hit the developing countries the hardest. It is vigorously argued in many quarters, both in the developing and the developed countries, that the goals of development planning in the Third World will have to be redefined and its tools refashioned. I hope the recent meetings of the developing countries in preparation for the proposed world energy conference and the latest meeting of the United Nations Industrial Development Organisation at Lima in Peru will show an acute awareness of the perils that face them and the need for solidarity.

Thus our recent Budget has provided a number of incentives for capital formation and investment in critical areas of our economy: agriculture, power and selected industries. This year has been one of the most critical years in our economic life, but I firmly believe that the worst is over. We are now entering the year 1975-76 with renewed confidence and resilience in our capability and full of hope for a better future. Industrial production, as I have mentioned earlier, has shown improvement. Prices have been stabilised as a result of several bold measures taken by Government last year. The prospect for the new crop is extremely encouraging and our industrial relations are comparatively peaceful. Coal production has been increasing fast and we hope that the power generation will also improve considerably. In the present circumstances,

[Shri B. Rachaiah]

therefore, our industry, which is a mature and virile sector of our economy is expected to make its due contribution, both in regard to meeting the domestic demands as well as stepping up the exports.

For the realisation of a just and equitable society, which is our basic social and economic goal, it is equally important that employment opportunities in the country expand at a much faster rate than has been the case so far. During the next decade, it is estimated [hat we would have added more than fifty million people to our labour force. This is about three times the present level of employment in the entire organised sector, including both public and private sectors. In addition, of course, there U the huge backlog of unemployment, under-employment and very low productivity employment, which has to be absorbed in new or more productive jobs. What is much more necessary is that there should be training of middle level technicians, whose scope for employment potential is really immense.

Removal of poverty through productive employment is the most important economic challenge before us. There is no easy or quick solution to this problem. No doubt, during the last four Five-Year Plans, we have made much progress ; but I feel that we can certainly do far more than what we have done. Nearly forty per cent of our population still continues to live below the poverty line. Our first and foremost concern should be to ameliorate their lot, provide them with the basic necessities—food, clothing, shelter and health care. Our commitment should be to this vulnerable section of the society. Within the present democratic framework and in the existing order of society, I believe we can bring about radical transformation, provided we have the will to do so.

Minimum 150 rupees per quintal should be given to farmers for their output to accelerate the pace of wheat production. Installed capacity of steel, sugar, cement, and fertiliser should be utilised up to 90

per cent for accelerating the growth etc. of the country. In my opinion, agro-military economy should be introduced to dynamise the internal economy and militarise the economy to dynamite the enemies across the border. Fifteen lakhs of unemployed youth should be recruited as land army to achieve self-sufficiency in food. Sugar industry should be nationalised and by giving remunerative prices to farmers we can export 20 lakh tonnes sugar and earn the foreign exchange of Rs. 1200 crores. The Finance Minister should institute Backward Development Corporation for all round development of 222 backward districts of the country. Land reforms must be implemented and concrete time-bound programmes should be taken up at once. There have been vast land reforms in America, Japan, Russia and China, in capitalist and communist countries, but in India it is still the feudal system operating. Sir, with these words, may I say . . .

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Thank you very much.

SHRI K.ALP NATH : Sir, one minute. I can say that v>c have got our capacity, installed capacity in regard to steel, sugar and fertilizer, but we are not utilizing it. In steel, we have got the capacity of 9 million tonnes, but we are producing only 5 million tonnes. In regard to fertilizers, we have a target of 23 lakh tonnes, but we are only producing 12 lakh tonnes. Therefore, the core sector of the economy has to be dynamised; otherwise, the Indian economy would be dynamited.

Therefore, I congratulate the Finance Minister for giving priority to iigricultural sector for which all the parties are thanking him on behalf of the country.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): The Finance Minister will reply to the debate tomorrow.

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

The House then adjourned at twenty-one minutes past seven of the clock till eleven of the clock on Thursday, the 20th March, 1975.