

lists or by other imperialists, and they would be thrown out of Asia. I think this is the opportune moment for the Government of India to take effective measures along with other peace-loving socialist and non-aligned nations of the world.

MESSAGE FROM THE LOK SABHA

The Appropriation (Railways) Bill, 1975

SECRETARY-GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary-General of the Lok Sabha:

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith the Appropriation (Railways) Bill, 1975, as passed by Lok Sabha at its sitting held on the 19th March, 1975.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

Sir, I lay the Bill on the Table,

MR. DEPUTY CHAIRMAN: 'The House stands adjourned till 2.15 p.m.

The House then adjourned for Lunch at eighteen minutes past one of the clock.

The House reassembled after lunch at sixteen minutes past two of the clock, Mr. Deputy Chairman in the Chair.

THE BUDGET (GENERAL) 1975-76 GENERAL DISCUSSION—Contd.

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Mr. Deputy Chairman, Sir, I am grateful to "the hon'ble Members who participated

13 RS—7.

in the Budget debate and lent general support to my Budget proposals. I am all the more grateful to the hon'ble Members who took a critical attitude on the Budget because I do realise we are faced with a complex and very difficult situation. There are no straight answers to many of the questions. There are no simple solutions. Therefore, I do realise that there would be alternative approaches to this situation and, therefore, when hon'ble Members made points which were not in conformity with the Budget it is not as if they have no relevance at all or no validity at all. But I can assure the hon'ble Members that it is not just without any discussion whatsoever or detailed study whatsoever that I have formulated the Budget. I have had as much wide discussion as possible, very detailed examination of the various problems and on that basis I have made judgement and formulated the Budget. I do not claim infallibility with regard to my judgement. Therefore, in a situations of this sort, particularly the other points of view are more important than the points of view in conformity with the Budget. I would assure the hon'ble Members that I shall certainly examine many of the points that have been made and if there are any deficiencies, distortions it would be my endeavour to correct them as we go along.

Having said that, I would like to say that there was consensus particularly with regard to the priorities which we have got to observe in tackling this problem. Almost all hon'ble Members emphasised this aspect of inflation because if the price increase should go on in the same manner as it has been going on during the last two years it would be an end of all our planning process and it would create very many distortions in the economy as a whole because it is in the inflationary situation that the income distribution also gets distorted. Therefore, the Government attaches great importance

[Shri C. Subramaniam] the tackling of the inflationary situation. And naturally, the inflationary situation, first of all, should be tackled on the basis of a financial discipline. That financial discipline has to be observed in three sectors, if I may say so. One is public spending or public consumption, wherein the Central Government, the State Governments and the various institutions which are attached to these Governments are concerned. The second is private consumption where commercial credit, etc., is being utilised. The third is the illegitimate sector, the black money sector. Unless we tackle all these three sectors, we may not be able to achieve results on an enduring basis.

Sir, as far as financial discipline in the Government sector is concerned, naturally the Central Government will have to set an example. In that regard, even my distinguished predecessor has been reviewing the situation periodically and trying to find out where non-Plan or non-developmental expenditure could be curtailed and where even when expenditures have been incurred, whether certain projects could be postponed without affecting the immediate economy, particularly projects which have a long gestation period. Therefore it will have to be a continuing exercise within the Central Government where all the Ministries will have to co-operate. And I am glad to say that there has been co-operation and response from all the Ministries with regard to this aspect. Naturally the State Governments also have to observe this financial discipline.

Sir, hon. Members might remember that up to 1972, the State Governments had used overdrafts from the Reserve Bank for their resource purposes. And after a certain time, it looked as if there would be competition between the States with regard to overdrafts from the Reserve Bank, and this was leading to a very delicate and embar-

assing situation. It was towards the end of 1971, when I was in the Planning Ministry, that we took up this question and, in consultation with the State Governments, we came to a decision that these overdrafts should not be permitted and no State Government should be allowed to run overdrafts for the purpose of increasing their resources. So various guidelines were laid down for the purpose that if the overdraft continues for more than a week, then notice would be given and even payments would be stopped and so on. Fortunately it had a good effect; and I am glad to say that as far as the question of overdraft is concerned, more or less the discipline is being observed by the various State Governments. Even though there are certain hard cases—because of the difficult situation facing those States, they had run into certain difficulties—in discussion with them and in discussion with the Reserve Bank we have taken various measures with regard to these on or two States to tide over the situation. Then came, from 1971-72 onwards, these drought relief and flood relief works. And large sums have been spent on the basis of these drought relief and flood relief works. The Finance Commission took this into account and I would like to place before this House the findings of the Finance Commission with regard to the financing of relief expenditure. This is what they have stated about what has been happening with regard to drought relief and flood relief:

"It is our distinct impression that there has been a good deal of avoidable waste in the expenditure incurred in the name of drought relief and also that with better planning and organisation more enduring benefits could have been secured."

That is why the Finance Commission made a recommendation with regard to the financing of drought relief or flood relief or other Central assistance on a certain basis, and that recommendation has been accepted.

In addition to that, the Finance Commission has made another significant¹ observation:

"There is also no satisfactory arrangement anywhere in the Central Government to keep a close and critical watch"—they have said, "a close and critical watch", Sir—"on the implementation of the recommendations of the Central Teams with regard to these relief works."

Therefore, it is not the brain-wave of the present Finance Minister when he says that whenever these drought relief operations or other relief operations are undertaken, there should be some check, or when he says that it should be seen as to whether they are being used properly or not. What they have said is "to keep a close and critical watch on the implementation". And, Sir, this Commission was headed by^a person who was a very distinguished Chief Minister, that is, Shri Brahma-nanda Reddy, and, certainly, you cannot expect him to do anything which is likely to effect the autonomy of the States. Therefore, when these operations are going on, we should have some sort of an understanding and supervision, supervision to see that this is being used properly, as the understanding is. I am afraid, if no such thing happens, then the observance of the financial disciplines would also become impossible. It is in this context, Sir, that I would like to place for the consideration of this House the reactions of the Tamil Nadu Government and the statements made by the honourable Members belonging to the DMK Party. But I do not want to enter into any controversy. Unfortunately, Sir, this matter has been personalised, if I may say so and it is very unfortunate and I hope that this would not be carried any further as far as this is concerned. It is not our intention to interfere with the autonomy of the States and the proper functioning of the States. But, if we have to face a challenge of this sort, an inflation of this sort, where financial discipline is a must then, Sir, every one of us, including the Finance Minister,

will have to be checked by somebody so that unnecessary expenditure does not take place. Fortunately, Sir, we have this House and the other House as far as the Government is concerned...

SHRI S. S. MARIS WAMY (Tamil Nadu): What is the financial indiscipline that the Finance Minister found in Madras? The Finance Commission has said that a "close and critical watch" must be there. May I know whether he made a close and critical watch while addressing a meeting in a street corner in Madras? Is it the way he is keeping a "close and critical" watch?

DR. K. MATHEW KURIAN (Kerala): All the money given to Maharashtra has been wasted there?

SHRI C. SUBRAMANIAM: Yes. That has been taken into account in the Finance Commission's Report. Sir, I do not want to enter into any controversy, but...

SHRI P. K. KUNJACHEN (Kerala): You yourself create the controversy.

DR. K. MATHEW KURIAN: The money has been wasted in Maharashtra..
(Interruptions):

MR. DEPUTY CHAIRMAN: I do not see any reason why there should be so much of heat now.

SHRI S. S. MARISWAMY: But he has made an important statement, Sir.

SHRI VISWANATHA MENON (Kerala): Sir, he is the man who said that he would not give rice to Kerala. He is that sort of a Minister. (Interruptions) He is the man who creates the heat.

DR. K. MATHEW KURIAN: Wherever he goes, he creates heat.

MR. DEPUTY CHAIRMAN: Don't create any heat here now.

DR. K. MATHEW KURIAN: If he goes to Kerala, he creates some heat there and if he goes to Tamil Nadu, he creates some heat there _____ (Interruptions).

SHRI C. SUBRAMANIAM: Sometimes it is better to generate some heat....

DR. K. MATHEW KURIAN: You create the heat...

(Interruptions)

MR. DEPUTY CHAIRMAN: Dr. Kurian, don't get excited.

SHRI VISWANATHA MENON: Sir, he has to discipline himself... *(Interruptions)*

SHRI C. SUBRAMANIAM: Sir, shall I proceed or give room to the honourable Members?

SHRI SUBRAMANIAN SWAMY: (Uttar Pradesh): Sir, Mr. Karunani-dhi has said...

MR. DEPUTY CHAIRMAN: What is troubling you Mr. Swamy?

SHRI SUBRAMANIAN SWAMY: Sir, Mr. Karujaanidhi, the Chief Minister of Tamil Nadu, has said that he will not take a penny from the centre as long as Mr. Subramaniam is the Finance Minister at the centre. I want to know his reaction... *(Interruptions)*

MR. DEPUTY CHAIRMAN: Please take your seat Mr. Swamy.

SHRI G. LAKSHMANAN (Tamil Nadu): Sir, the accounts were audited. Over and above that... *(Interruptions)*

SHRI A. G. KULKARNI (Maharashtra) ; Sir, what is wrong now? Why are these people shouting? There should not be any critical appraisal at all? Is it what they want?

DR. K. MATHEW KURIAN: You don't know what happened in Maharashtra .

SHRI A. G. KULKARNI: You do not know, Dr. Kurian. Don't talk about Maharashtra.

MR. DEPUTY CHAIRMAN: Yes, Mr. Kulkarni, please sit down. *(Interruptions)*

SHRI C. SUBRAMANIAM: Sir, my intention is not to... *(Interruptions)* ... My intention is not to create any

controversy, but only to close that controversy and, therefore _____

SHRI A. G. KULKARNI: You have done a good thing, Mr. Subramaniam .

SHRI C. SUBRAMANIAM...I hope that it will be taken in the proper light.

Sir, this is one aspect of it and, therefore, even when there are disasters, we have to observe this discipline. Otherwise, sometimes it is not that for everything the Government is responsible. But because of what is happening below, something might go wrong. That's why perhaps the Finance Commission has also indicated that we should have a close and critical watch over the situation. Sir, this is one aspect of it.

As far as commercial credit is concerned, we have already stated that We have a tight money policy and dear money policy. In that connection, I think it was Mr. Roy who said that in that process we have completely given credit facilities only to big houses, and as far as public sector is concerned and small industries are concerned they have starved. I do not know wherefrom he got his figures to make out such a thing. I would like to state the real facts. While it is true that credit to some public sector trading enterprises may have been somewhat restricted—I will deal with it later on—but the overall credit to priority sectors such as small-scale industries and agriculture and to the public sector has expanded faster than the large and medium scale industries and wholesale trade in the private sector. For example, inclusive of bills re-discounted with the Reserve Bank, gross bank credit expanded by Rs. 1,353 crores in the busy season of 1973-74. Of this, the share of large and medium scale industries and wholesale trade in the private sector was no higher than Rs. 553 crores or only about 40 per cent. In other words, nearly 60 per cent of the total increase in bank credit in 1973-74 busy season went to

sector, such as public food procurement—Rs. 188 crores, exports +214 crores, priority sectors including small industry +273 crores and public sector undertaking {-125 crores. In absolute terms, expansion of bank credit to large and medium industries in the private sector in the busy season of 1973-74 was less than in the busy season of 1972-73 (Rs. 553 crores in 1973-74 as against Rs. 588 crores in busy season of 1972-73). By contrast, bank credit to priority sectors such as small scale industries, exports and public sector enterprises increased at a much faster pace in 1973-74 busy season.

We have further improved upon what was happening during 1973-74. A closer scrutiny is being made and also the priorities have been strictly laid down for the banks, and I am assured by the Reserve Bank and the managements of the banking institutions that these priorities are being strictly observed. Therefore, if we look into the ultimate picture which would emerge during 1974-75, the share of private sector, that is, the medium and bigger industries, would have been much less than in 1973-74, and, therefore, there is no question of any partiality being shown in favour of monopolists or the private sector as such. Sir,....

DR. K. MATHEW KURIAN: But the major chunk goes to them.

SHRI C. SUBRAMANIAM: I do not subscribe to his philosophy. Therefore, what is the use of my trying to answer him?
(Interruptions)

MR. DEPUTY CHAIRMAN: You hear him, Dr. Kurian. You have had your say for the last two days.

SHRI C. SUBRAMANIAM: But they don't allow others to have their say. That is the difficulty.. (Interruptions') . Listen, if there are any points, I am prepared to reply at the end. and....

DR. K. MATHEW KURIAN: He should also give figures regarding the rate of growth.

MR. DEPUTY CHAIRMAN: Dr. Kurian, you cannot interrupt at every sentence.

SHRI C. SUBRAMANIAM: If there are any points, those can be raised at the end of the speech.

MR. DEPUTY CHAIRMAN: I don't think there will be any points at the end. It is only when you are speaking that all these things come up.

SHRI C. SUBRAMANIAM: I am giving actual figures. Therefore, what is important is that we have to continue this tight money policy and dear money policy. As far as the illegitimate sector is concerned, we have taken a few significant steps with regard to smuggling, tax evasion, hoarding, etc. It is not as if we have tackled the problem. But I am glad to say that these had some effect on the economy in the right direction and these are all parts of a package of measures. On this basis, I would like to place before this House what has happened with regard to price pattern. I have got official data for this week ending March 1, 1975. The data for this week revealed that the general index of wholesale prices declined by 0.3 per cent to 309.2 from the previous week's figure of 310.1—revised downwards from 310.4. As compared to the last week of July 1974, the general index is lower by 2.7 per cent but compared to the end of March, 1974, it is higher by 8.9 per cent. As compared to a year ago—this is very important. The general level of prices is now ruling higher by 9.6 per cent only. It was as high as 31.9 per cent on September 21, 1974. It is not even in two digits now. I hope we will end this year at this note even after the budget because we have made a survey, even though the official figures as such are not ready. That only shows that there is no rising tendency as compared to pre-budget prices except in a few commodities like groundnut oil, non-levy sugar and gur. In all the other commodities, there is a downward trend even after the budget, I quoted the

[Shri C Subramaniam] prices Just a week prior to the budget upto 1st March, 1975. Generally it is in this week that prices spurt and create all sorts of distortions. Fortunately, there was no spurt in this budget session. On the other hand, there was a downward trend even during that week. this will have to be appreciated by the House. Therefore, Sir, as far as prices are concerned, we have, to some extent, controlled the situation and as I stated in my budget speech, we cannot afford to be complacent on the basis of what has happened during these 3 or 4 months. We have got to be vigilant so that this does not get over us again and the prices begin to rise in the erratic way as before. It is in this context that I had to take decision with regard to what we should do about our development plan and what should be our investment policy for 1975-76. There are two conflicting factors. We have to contain inflation by curtailing money demand. At the same time, inflation cannot be fought by curtailing money demand alone. Ultimately, it could be only on the basis of higher levels of production and growth and growth can come about only by investment. Therefore, we have to take a decision with regard to investment that we have to undertake during the coming year of 1975-76. After a good deal of discussion with the Planning Commission and also with the State Governments and with various other experts, we came to the conclusion that it should be possible for us to have a spurt in plan expenditure. That is why we have given a 23 per cent increase. But this 23 per cent increase not an indiscriminate increase in all the areas. That is why, even within this, we had to identify priorities so that the existing distortions could be removed and the future growth could be ensured. Hon. Members mentioned with regard to under-utilisation of capacity. In my view, the main cause is due to the deficiencies in the infra-structure. Therefore, we have to ensure that these deficiencies are removed. Take [

the example of power. If Uttar Pradesh should continue to have a 30 or 40 or 50 per cent power cut, naturally you cannot have full utilisation of the capacity. Even the fertiliser capacity, we find it difficult to use. And aluminium is a very critical material even for electrification. We find that for want of power, they could produce only 30 to 40 per cent. And we were wondering whether we should go in for imports whereas it was a surplus. In Tamil Nadu, in my own State, it is now 60 per cent cut. How can we expect the industries to utilize their full capacity? It is impossible. Even though some of them have established generators but that could not compensate marginally, not to the level of 60 per cent. Therefore, the production gets affected mainly for want of power and there coal got to be used. There was a stage when coal was not available in sufficient quantities. Therefore, cement production dropped dramatically for want of coal. Therefore, what we have got to see is that for the purpose of general revival of the economy, what we call the energy area will have to be properly strengthened. And it is in this energy area that we have given the priority. If the hon. Members go through the figures, they would find that as far as energy is concerned, more than 55 per cent over the last year is the investment that we have undertaken. Even taking into account the inflationary trends that had taken place, in real terms, there will be a substantial increase in the investment in these areas. That is why we are giving priority to production of power and establishment of new generation stations.

Then, we are taking steps to improve our coal production. As a matter of fact, there were ardent critics that after nationalisation, the production was bound to go down. Yes. In the initial stage, it did go down because, when you make a change, when you takeover from...

SHRI KALYAN ROY (West Bengal): I agree with you. What you are saying is correct. You are spend-

ing over Rs. 100 crores on coal production which you should do. I congratulate you. But, at the same time, you are not giving money to the Labour Ministry for safety measures as a result of which, lots of mines are being closed down because of violation of safety laws. If you do not, at the same time, strengthen the Directorate General of Mines Safety, your money for the purchase of motors and other things will be a waste.

SHRI C. SUBRAMANIAM: I am sure the Energy Ministry is conscious of all these things....

SHRI KALYAN ROY: It is your Ministry...

SHRI C. SUBRAMANIAM: I only allocate the money. It is for them to allocate for various purposes.

SHRI KALYAN ROY: Safety is looked after by the Labour Ministry. You have not allocated the money for the Labour Ministry _____

SHRI C. SUBRAMANIAM: As far as this is concerned, if the Energy Ministry puts forward that there are further measures which should be taken certainly we shall consider. But in consultation with the Energy Ministry, we have provided the necessary funds for the purpose of improving the production which is expected to reach 88 million tonnes as against last year's 30 million tonnes, and to reach 98 million tonnes, another ten-million increase... *(Interruption)*. Therefore, Sir, it is not as if the production of coal has stagnated or deteriorated. On the other hand, it has significantly improved during this year, after the whole planning took place on the basis of nationalisation, because there is a more rational method of exploitation of the coal mines instead of the small mines just having the mining on the basis of making the maximum production within the shortest possible time. That basis has been changed. It is now on a planned basis that we are going forward which has increased

the production by 10 million tonnes. Next year, we want to have another ten-million increase.

Sir, with regard to oil, I am sure, we are all happy that we have struck oil in the Bombay High. Two significant events have happened during the current year, about which we should all not only be proud but also happy. One is the nuclear explosion to be used for peaceful purposes. The second is...

SHRI SUBRAMANIAN SWAMY: It is actually we who forced you to make that explosion.

SHRI C. SUBRAMANIAM: Sir, tomorrow, Mr. Subramanian Swamy would claim, standing before the sunrise and saying, "Sun should rise, sun should rise," and when the sun rises, he would say, "I was saying that the sun should rise. So, sun has risen." And I would not be surprised if he claims that. But this apart, I am glad, if he wants to get the credit, let him take the credit. The young man should take some credit instead of being decried all the time...

(Interruptions)

DR. K. MATHEW KURIAN: When you were the Minister of Agriculture, this was precisely the view which you took. Whenever the weather was better, you took the credit.

SHRI C. SUBRAMANIAM: Sir, naturally, the nation is proud of this achievement. I do not know whether Mr. Kurian will dissociate himself with this national achievement. That is quite different altogether.

Therefore, Sir, these are the two events which had taken place, which give us greater confidence that we have the capacity to deal with the situation even from the scientific and technological point of view.

Ultimately, in the present-day world it is science and technology which gives you the capacity to deal!

[Shri C. Subramaniam]

with situations and fortunately we have that capacity and we have a reservoir of scientists and technologists in various sectors, including the energy sector, nuclear energy sector, agricultural sector and in various other sectors. It is a thing about which we should be proud and any nation should be proud and it is on this basis, Sir, I claim—apart from the political situation which gets involved more and more because of all of us trying to foul the atmosphere in some way or the other—that here is an area, a clear area, which gives you greater and greater confidence and this is the area of science and technology. And, therefore, if I am confident that we will get out of these difficulties, it is not because of the political situation and various other things, it is because of the scientific and technological competence which we are developing that I am more and more confident that all these challenges could be successfully met. Therefore, it is from this point of view, Sir, as far as energy is concerned that I am saying that we are quite confident that with our scientific and technological competence we would make a big move forward. Of course, Shri Subramaniam Swamy would immediately jump up and ask for a 3,000 m.w. unit or he might even say, let us reach the moon. *(Interruptions)*. With all respects to him, I would say that it is absolutely non-sensical to suggest that we should have 3000 mw. units.

SHRI SUBRAMANIAN SWAMY: It may seem non-sense to you but I ask you not to be a prisoner of the General Electric.

(Interruptions)

SHRI C. SUBRAMANIAM: In the present context to talk of 3,000 m.w. units—all right, America has reached the Moon, why don't you reach Mars or Saturn—is quite a different thing altogether.

Sir, we have got to be practical and even if we have the scientific com-

petence we should also know what the limitations are with regard to the scientific and technological competence. I have some knowledge of science and technology having dealt with it not only now but for the last 20 years since I have been a Minister in the State Government and Central Government also. I want to tell Shri Subramanian Swamy that it is not as if 3,000 m.w. is an impossibility, but certainly it is irrelevant as far as we are concerned. We are now in the stage of 60 m.w. sets, 100 m.w. sets and 200 m.w. sets is the maximum that we have reached and it is for the Sixth Plan that we are planning to have 500 m.w. sets. Nobody is saying that in the Sixth Plan we should not go forward with it. Even here, Dr. Sethna has warned us, how can you go forward with 500 m.w. sets even during the Sixth Plan and has asked us to be very cautious about it. But, if Shri Subramanian Swamy claims to have greater competence than Dr. Sethna, certainly I would ask him to meet Dr. Sethna and have a discussion with him. But, there are limitations to do these things. Therefore, I want to assure this House that we are not taking an amateurish look at those things; we are taking technical advice on these matters, we are taking scientific advice on these matters. It is on this basis that we want to develop our energy sector.

Then, the other area which is more important in my view, is the agricultural sector, about which Dr. Kurian also jumped up and said that I took great advantage of it because of weather conditions. I wish he looks into the production trend in the agricultural sector during the last 20 years. If you look at the 50s, we were struggling with 50 and 55 million tonnes. If you take the sixties we were struggling at 65 on 66 million tonnes. It was only towards the end of the sixties that we reached somewhere between 80 and 85 million tonnes.

SHRI SUBRAMANIAN SWAMY: In 1964-65 it was 88 not....

SHRI C. SUBRAMANIAM: Kindly wait. During the last four or five years, having reached a higher level of production in 1971-72 at 108 million tonnes, we are now struggling at about 100 million tonnes plus or minus a few million tonnes. Once it went below one hundred million tonnes. But in spite of bad weather or even the worst weather we are reaching one hundred million tonnes— if it is better we reach 105—and this is in spite of all the inadequacies in our agricultural economy. We are now trying to identify the factors which would give again this buoyancy to reach 120, in spite of development being at 100.

Of course our CPI(M) friends would not accept..

DR. K. MATHEW KURIAN: How many agricultural scientists are committing suicide—why don't you give that figure?—because of your wrong administration?

MR. DEUTY CHAIRMAN: Why do you want to divert him from what he is trying to say?

DR. K. MATHEW KURIAN: Let him give that figure also.

MR. DEPUTY CHAIRMAN: The moment he says "CPI(M)" you jump up.

DR. K. MATHEW KURIAN: How many people committed suicide?

SHRI VEERENDRA PATIL: I would suggest one thing, to be fair to the Minister. He has made it clear that if there are any clarifications they can be sought at the end of the speech. So, let us hear his speech.

SHRI K. CHANDRASEKHARAN: The Deputy Chairman has already said that there will be nothing after the speech.

MR. DEPUTY CHAIRMAN: It is only during the speech that Members stand up -----

SHRI BHUPESH GUPTA: I agree with him. But the debate would be an enlightened one if Mr. Subraman-iam kindly tells us what we have come to know, namely, that four thousand bottles of whisky have been found in the palace of Shrimati Gaya-tri Devi.

MR. DEPUTY CHAIRMAN: He is obsessed with it!

SHRI C. SUBRAMANIAM: I am not conversant with whisky and therefore I am sorry I cannot answer that question.

SHRI BHUPESH GUPTA: I think if you get the four thousand bottles here, many of them would like to look at them.

SHRI SUBRAMANIAN: SWAMY: But Mr. Bhupesh Gupta would like vodka!

SHRI C. SUBRAMANIAM: Therefore, Sir, I was just on the point of saying that I can claim _____

SHRI SUBRAMANIAN SWAMY. His statistics are all wrong. I can quote..

MR. DEPUTY CHAIRMAN: Mr. Swamy, please take your seat now. I cannot allow you. You just get up and talk. Please take your seat now.

SHRI C. SUBRAMANIAM: I have looked into his statistics also which makes, unfortunately, nonsense. I will deal with it..

SHRI SUBRAMANIAN SWAMY: He having said "Nonsense", I would like to make it quite clear that when he says that in 1960 food production was around sixty million tonnes, it is wrong. In 1964-65 it was eighty-eight.

MR. DEPUTY CHAIRMAN: You have already said, it, Mr. Swamy. I am very sorry, you said it once. What is the fun of your repeating' it *ad nauseam*? It is not going to add anything to this House. You have said it once and that is enough. Why are you going on repeating the same point *ad nauseam*?

{Interruptions}

SHRI C. SUBKAMANIAM: I wish to say, in spite of other people not conceding it, that I have some "knowledge of agriculture—not that I know everything about agriculture—and I even with that much knowledge I want to give this assurance to this House. The real factors which have led to the stagnation and deterioration in our agricultural production have been identified and steps have been taken to rectify those mistakes and make up those deficiencies and I am confident, not on the basis of weather being good—not only on that basis—but on a general basis, that it should be possible for us within the next few years to solve our food problem instead of depending again upon—unfortunately as it has come about—on imported foodgrains. This I am quite confident of and it is on that basis that we have identified agriculture as one of the core sectors and we have provided sufficient funds for that purpose also. (*Interruptions*).

MR. DEPUTY CHAIRMAN: Please take your seat now.

SHRI C. SUBRAMANIAM: Sir, in this aspect therefore we had to identify our priorities as food and energy to tackle this problem once for all. Not that this should be our continuous policy to concentrate only on food and energy; in our view it is a short-term policy to give a treatment to what I call a sick economy. Many hon. Members came forward with questions, what happened to my pet idea of 'garibi hatao', what happened to my pet dream of child welfare schemes, nutrition schemes, what happened to my idea of the Salem steel plant. This was referred to in the other House also. In a situation of this sort, unfortunately, we have to take hard decisions with regard to priorities. It is not a question whether it is a favourite subject of a particular Minister or somebody else is committed, to it, it is a question of in the existing circumstances identifying priorities and I thought as far as food and

energy was concerned, this identification of the priority had a general consensus. In the present context this is the right identification and these are the priorities which we should observe.

Taking all these into consideration, we have not only to plan for 1975-76 we have to take note of the future also in which the export sector has got to play a prominent role. That is why the other sector to which we have attached great importance is the export sector. For that also we have provided sufficient resources within the constraints and this is how we have identified our priorities. On that basis we came to the conclusion that the minimum investment has to be of the order of round about Rs. 6000 crore or a little less. Having done that exercise, naturally we have to find how the resources can be mobilised and when that exercise was made we found there was a gap of nearly Rs. 464 crores. Now we have to make a judgment—shall we cut down investment somewhere so that the deficit could be reduced or should we try to find new resources so that at least part of the deficit could be reduced and the investment programme could go forward at least in the core priority sectors which we have identified and it is on this basis that we have to find out our resources.

As a matter of fact, as far as identification of priorities and investment are concerned I am sure there would be quite consensus about them but once you go into the area of taxation for raising resources everyone will have different ideas because we have got our own ideas with regard to who should be hit and who should not be hit. (*Interruptions*). Taking into account the overall situation I tried to find areas where the essential consumption of the masses would not be hit and I do claim that I have succeeded in this to a certain extent because not only in this House but in the other House and in the newspapers also it was said that this is a pre-election budget. In the pre-election

budget we do not try to hurt, particularly the masses and if my Budget is the pre-election budget, naturally it has not hit the masses, that idea I -can certainly get with regard to selection of the various articles on which we have levied duties. (*Interruptions*). Therefore, Sir, I do claim that we have identified those items. Various points have, however, been made not only here but in the other House also with regard to certain difficulties and certain anomalies which might arise. That is a matter which has to be considered at the stage of the Finance Bill. Certainly I will keep in mind various suggestions made, work upon them, investigate them to see whether there are likely to be anomalies or difficulties and at that stage, perhaps we may take the view whether these anomalies and difficulties should be removed but this is not the stage for us to look into it, because it is likely to lead to speculation on the basis of certain suggestions we make. It could be changed at the time of the Finance Bill and we should leave it to that.

3 P.M.

At the same time, I would like to answer some points, particularly the point made by Shri Subramanian Swamy. He said that as Customs duty we collect only 10 per cent of the resources, which were 25 per cent in 1950-51, and that the international percentage was anywhere between 25-30 per cent of the resources. I tried to find out wherefrom he got this 10 -per cent figure, but in vain because I have got the figures for 1950-51. At that time, the Customs duty formed about 38.9 per cent. Later on also, you will find, Sir, in 1974-75, for example, it was 21.3 per cent; and having reached 25.4 per cent in 1966-67 it has come to 21.3 per cent. It is not 10 per cent in any event; it is more than double the percentage mentioned by him.

SHRI BHUPESH GUPTA (West Bengal): Shri Chandra Shekhar made a certain point about monopoly.

MR. DEPUTY CHAIRMAN: Mr. Bhupesh Gupta, have some patience. You cannot be jumping from one person to another. He is answering Mr. Subramanian Swamy. Then he may come to others.

SHRI BHUPESH GUPTA: All right. You think he will do it.

SHRI C. SUBRAMANIAM: Sir, therefore, as far as Customs is concerned, I am sure it is based on the import of materials, and when we have more and more of import substitution, naturally the imports would be decreasing, and to that extent it would get reflected in this also. In this connection, I would like to dispose of this liquor question also which, was expressed by many people—I think Shri Kulkarni also said about that.

SHRI SUBRAMANIAN SWAMY: Why these permits are not given by auction?

SHRI C. SUBRAMANIAM: Sir, he wants everything to be auctioned, including our honour. It is unfortunately not the first time he has made this suggestion. It has been made earlier also so many times. We have examined it. It would lead to all sorts of distortions, because those who can pay money for these will walk away with these things—and that is what he wants. Because today the resources are with the monopoly houses, it will be the monopoly houses who would be able to purchase all these licences... (*Interruptions*). This is the situation which he wants to bring about. Therefore, we should have the capacity to identify priority areas and we should give all these facilities for the purpose of import, not to go about just auctioning these things so that whoever have got money would walk away with this precious material.

Sir, I was coming to the question of liquor because not only here but some newspapers also said as to why I have let off liquor. That is why, I would go into figures. I find our import is now only to the extent of

[Shri C. Subramaniam]

Rs. 30 lakhs, the production of what we call "internally manufactured foreign liquor" (IMFL) is of the level of Rs. 25 crores, and as far as indigenous liquor is concerned, it is only the State Governments which can levy taxes. Therefore, our levy could be only with reference to these 30 lakhs, and on this, we could get a little more than one crore—1.2 or 1.3 crore. Finally, we could have got another 50 lakhs and not to the extent the hon'ble Members were thinking we would be able to get out of liquor. This is an area completely left for the State Governments, and therefore it is the State Governments which have got to deal with it. Therefore, Sir, where it has been possible for us to identify the areas we could levy Excise duty and also Customs duty. We have been quite discriminatory. And, as I have already stated, further scrutiny, if necessary, could be made at the appropriate time.

Then I would like to answer certain points which have been made. Before I go to that, one particular point which my friend Chandra Shekhar raised, deserves immediate consideration because I myself was completely taken aback when he quoted the figure of Rs. 241 crores being given by way of exemptions. I do not know whether the hon. Member is aware of it. This matter, I am told, was raised when the direct taxation was discussed here and the point was answered by the then Minister for Revenue and Expenditure at that time, K. R. Ganesh who explained it. I have got a copy of that statement here. I will give you figures. This is the statement which Shri Ganesh made on the 12th August 1974: The amount of duty forgone to the extent of Rs. 241.69 crore, approximately as reported in the report of the Comptroller and Auditor General of India for the year 1972-73 was provisional and related to 304 *ad hoc* exemption orders. One of these, in respect of two cases relating to about 30,000 metric tonnes of ethyl alcohol imported by Messrs. Alkali & Chemicals, Ltd., on behalf

of the Commissioner of Excise, West Bengal, the amount of duty forgone was reported to be of the order of Rs. 232.18 crores. In respect of the remaining 302 exemptions, the duty forgone was Rs. 9.51 crores only out of which Rs. 4.21 crores relate to one exemption from duty on paintings imported by the Indian Council of Cultural Relations for exhibition and re-export. About Rs. 1.98 crores relate to two exemptions on two Jumbo jet aircrafts imported by Messrs. Air India. The balance of Rs. 3.32 crores relates to the remaining 299 exemptions. It has since been ascertained that the amount of Rs. 232.18 crores as reported to the Comptroller and Auditor General in respect of the aforesaid two *ad hoc* exemptions on ethyl alcohol is incorrect. The concerned Customs House made a mistake in calculating the amount of duty forgone, by employing a wrong rate of duty. In fact, at the time of granting the exemption, the duty to be forgone was estimated to be Rs. 1.74 crores only. However, the exact amount of duty forgone in respect of the *ad hoc* exemptions during 1972-73 is presently under the examination of the Public Accounts Committee who are considering the audit report of the Comptroller and Auditor General.

Therefore, I am sure the hon. Member should have taken note of the statement before he came forward with this.

SHRI CHANDRA SHEKHAR: I have seen this statement and I discussed this matter with the then Revenue Minister but I shall like to know how the paras in the audit report are added. Does the Minister think that they go without scrutiny and without the knowledge? If the mistake was made by one Customs Officer, according to what little I know about the audit reports, they are referred back to the Departments concerned. Their explanation is taken and the matters are discussed. And if after that, the audit is not satisfied, then only these paras are added. Even today, the audit is not satisfied.

with the explanation because—I do not know the technical terms—for a certain type of alcohol, a certain duty was specified and for the other type of alcohol, another duty was specified. The point is that the Customs Officers made a mistake on the wrong presumption which the audit did not accept. That is the whole point.

SHRI C. SUBRAMANIAM: There, fore, this matter is under dispute.

SHRI S. S. MARISWAMY: How it is under dispute? It is a fact.

SHRI c. SUBRAMANIAM: Some explanations are given and they will be examined. I was taken aback as if it was a fact which remained uncontradicted so far by anybody. And that is why I thought this had been dealt with on the floor of this House and a responsible Minister made a statement.

SHRI S. S. MARISWAMY: And that has been challenged.

SHRI C. SUBRAMANIAM: It has been taken note of. I would respectfully submit to my friend that I shall go into it myself and try to find out whether anything has gone wrong. I am sure even Auditor's General can make mistakes with regard to figures. Therefore simply because the Auditor General has mentioned the figure, it does not mean it is absolutely correct because on the face of it, it looks a little bit absurd.

Against 30,000 metric tonnes the customs duty is Rs. 232 crores. I am not able to visualise what sort of material it would be. Anyhow, I am prepared to look into it.

SHRI CHANDRA SHEKHAR: Whether the Auditor-General is satisfied even today—that is what I want to know.

SHRI C. SUBRAMANIAM: It comes to the PAC. PAC is a greater authority...

SHRI CHANDRA SHEKHAR: I want to know... \

SHRI c. SUBRAMANIAM- I am not yielding. Mr. Deputy Chairman, we shall see whether anything wrong has happened. ...

SHRI CHANDRA SHEKHAR- I want to know whether the Auditor-General has been convinced even today. The Finance Minister take note of the report of the customs officer. This is not the attitude to take this discussing a serious matter. ..

MR. DEPUTY CHAIRMAN: He has said that he would look into it.

SHRI C SUBRAMANIAM: I would also personally look into it and try to find out whether anything wrong has happened. The amount is very large. As against Rs. 232 crores, it is only Rs. 1.74 crores. This is how it is claimed. Therefore, it is not as if an undisputed fact of all these exemptions has been given and the administration stands condemned on that basis. Let us not take it that way. It requires a little bit of examination, before you condemn the administration on that basis. No doubt you have brought it to our notice. It has already been brought to the notice of this House and it has been explained.

Then, the other point which the hon. member made is with regard to monopoly houses. Of course, this is a very pet subject for some of the members here and they thrive on it sometimes. It is not as if we are happy about the situation. As a matter of fact, we have been taking decisions and decisions for the purpose of curtailing the growth of monopoly...

HON. MEMBERS: No, no.

SHRI C. SUBRAMANIAM: Why do you not listen before you interrupt?

SHRI KALYAN ROY: It is a cancerous growth.

DR. K. MATHEW KURIAN: The total value of their assets has increased.

MR. DEPUTY CHAIRMAN: Have you finished, Dr. Kurian?

SHRI BHUPESH GUPTA: From the time of Mr. Chintaman Deshmukh you are saying 'growth', 'growth', leading to monopolies. We are back to square one, 'growth', 'growth' and they make profit.

SHRI C. SUBRAMANIAM: We are again back to square one—'control', 'control', 'control'...

(Interruptions)

SHRI BHUPESH GUPTA: We have never said that. Do not applaud and do not mislead the Minister. Now, Sir, Mr. Chandra Shekhar has given facts to show that production is declining. Is Bhupesh Gupta responsible for stagnation in industrial and agricultural production or the Birlas, Tata and the landlords?

SHRI C. SUBRAMANIAM: Sir, are the monopoly-baiters over or should I give them another chance for an explosion on this? First of all, I would give one concrete instance. We took a decision that cement technology is not a very difficult technology. It has become a common technology and, therefore, it should be thrown open to new-comers and new entrepreneurs. We put a ban on the giving of licence for cement as far as monopoly houses are concerned. Two years passed, three years passed. There was absolutely no growth, no new factory coming up in the cement sector. Instead of surplus production we are getting into a period of deficit production and scarcity is developing. Blackmarket develops and it is

the ideal condition for black-marketeers whenever there is shortage of production and there is a greater demand for the commodity. Therefore, we have to reverse that decision. We have loaded the public sector to the maximum extent possible. Still there is a significant quantity which will have to be produced to meet the demand. Therefore, we took the decision. Unfortunately we have to go to the bigger houses for the purpose of having production. This is one thing. Then, figures were quoted to show how in money terms the monopoly houses have grown. I do agree they have grown, but in what basis? We are restricting these people to the core sector and the industries require heavy investment, so that the medium entrepreneurs are not in a position to take it. Only these people would be in a position to take it. If you give one fertiliser project to the Birlas, it costs Rs. 150 to Rs. 170 crores and therefore you can say that there is an increase of Rs. 150 to Rs. 170 crores. But that is a hard choice which we have to make. Shall we have production within the country of fertiliser or shall we say, 'No, no. The Birlas should not be allowed. We would rather allow the Birlas to produce in the United States and give to us, rather than allowing them do it here ! *(Interruptions)* Now, it is in the public sector to the fullest extent. It is only after that that we have given to anybody else in all these cases. It is a choice which has got to be made. Shall we have production within the country or shall we have production by the international corporations outside our country? This is the choice which we have got before us. Take, for example, drugs, particularly certain drugs for which we do not have the technology. What do we do for that? Shall we go on importing that technology or shall we have production within the country? If that production has got to be within the country, only those who have got the technical know-how and who are prepared

to put up factories, have to be given. All these things have been taken into consideration. That is why we have got the Foreign Exchange (Regulation) Act as far as the foreign monopolies are concerned and we are applying that Act so that the foreign component could be curtailed. As far as the monopolies are concerned, I am also not quite happy that these should be growing. But this is an inevitable choice which we have got to make. And ultimately, if it grows within the country and if those factories are within the country, whatever action we have got to take at a particular time, it is within our jurisdiction to take. If the factories are outside the country, certainly we cannot take any action. Therefore, let us allow the calf to fatten rather than allow it to starve, so that the economy as a whole starves. Once we know what we are doing, knowing what we are doing we are going in for this because we have got the confidence that the remedy ultimately lies with us to take any action we require at the appropriate time, and I give the assurance that at the appropriate time action will be taken for the purpose of curtailing these monopolies here, and that could come about once we set right our economy which is in difficulties and under strain. And once it is smooth running, I am prepared to sit with them, with Mr. Bhupesh Gupta or others, to find out how to do these things because they seem to have the expertise and they think we do not have the expertise to do all these things . . .
(Interruptions).

Therefore, the Finance Minister is not writing on a clean slate. Every Finance Minister has to take into consideration the existing state of affairs and then formulate the proposals for the purpose of improving the economy next year. The Budget is not a document which gives the policy for the next ten or fifteen years. And it is in this context that it has been my endeavour—and that is the attempt

which I have made—to see as to how bring about an improvement in the economy as a whole, and I want the hon. Members inside and those outside to judge whether we have made an honest attempt with regard to the improvement of the economy during 1975-76. If that improvement takes place and if we reach normalcy not only here but with respect to the international situation also, it is good. And about the big schemes which we have which are very important no doubt, certainly in the context of the present economy, however important, they might have looked a few years ago, we have to take a hard decision to give them up with tears in our eyes. Therefore, it is not as if we are unaware that various social ameliorative measures are being starved at this stage. But this is the price which we have got to pay for the state of the economy. Therefore, it is in this context that I have identified the priorities. And that is why, even about what we had emphasised as a must two or three years ago, in the present context of the changed situation we have to give a second thinking with respect to all those things. It is in this context that I would like the hon. Members to consider the Budget and ponder over it and if there is anything, it will be considered. As I have already stated, I do not claim infallibility. We have made certain proposals. And if there are other proposals, other alternatives, which could be considered, certainly, I am prepared to consider them. But they should also take into account the parameters, within which we are functioning. We cannot immediately adopt the ideology of Mr. Bhupesh Gupta or Dr. Mathew Kurian and say let us go forward in the way they want. That day may or may not come as far as Mr. Bhupesh Gupta is concerned. That is quite a different thing. We have our own policies and we want to go according to them. We do not want to go either by the left or by the right. We will continue to pursue our policies

[Shri C. Subramaniam]

and ideologies which are in the best interest of the masses.

1

SHRI S. S. MARISWAMY: On a point of clarification....

MR. DEPUTY CHAIRMAN : No. Next item.

SHRI S. S. MARISWAMY: But you gave me permission.

SHRI BHUPESH GUPTA: I have never before heard such advocacy for monopoly capital from the Treasury Benches...

SHRI A. G. KULKARNI: You should allow us to make certain points. ..

MR. DEPUTY CHAIRMAN: You cannot have a separate discussion now. Mr. Kulkarni, please take your seat. Let me be very clear. It was only with reference to Dr. Kurian and Mr. I. D. Sinha that I said I would allow. Mr. Sinha.

SHRI INDRADEEP SINHA (Bihar): I The Finance Minister stated that he has identified the factors which are holding up the growth of agricultural production. He has accounted four factors—supply of seeds, supply of fertilisers, Optimum utilisation of water and also provision of adequate and timely credit. I would like to know whether from the point of view of the Government and the Finance Minister absence of land reforms; delay in the imposition of ceilings and distribution of surplus land among the landless labourers and poor peasants and distribution of all the available surplus waste lands of the Government, is also holding up agricultural production as has been pointed out by the Land Reforms Commissioner of the Government of India, Mr. P. S. Oppu, whose opinion I quoted yesterday.

SHRI SUBRAMANIAN SWAMY: Sir, with your permission ...

MR. DEPUTY CHAIRMAN: Mr. Swamy, you need no permission because you have already been asking so many questions even without permission...

SHRI SUBRAMANIAN SWAMY: When you lost your temper I sat down.

MR. DEPUTY CHAIRMAN: I am sorry you are very unkind to me. Mr. Veerendra Patil...

SHRI VEERENDRA PATIL (Karnataka): Sir, I have no hesitation in saying that we appreciate ...
{*Interruption by Shri Kalyan Roy*}

MR. DEPUTY CHAIRMAN: Mr. Kalyan Roy, even when some Members are seeking clarification you interrupt.

SHRI VEERENDRA PATIL: Sir. We appreciate the stand taken by the Finance Minister with regard to production. But, unfortunately, when certain parties said the same thing in 1971 hon'ble Members sitting on that side condemned these parties as reactionaries.

SHRI BHUPESH GUPTA: Here, here. It is an honest statement. These are violations of every single pledge.

SHRI VEERENDRA PATIL: Whatever if it is, he has correctly, rightly laid emphasis on production. That is the only answer. I only ask him one question because we have received certain representations in this connection. It appears that in the Budget there is a proposal to levy Rs. 200 per powerloom per annum instead of Rs. 10 that they are paying to-day (*Interruption*). The proposal is to raise it from Rs. 10 per powerloom to Rs. 200.

MR. DEPUTY CHAIRMAN: You want him to say "yes" or "no" to that?

SHRI VEERENDRA PATIL: No, no. I want to know what is the attitude of the Government . . .

MR. DEPUTY CHAIRMAN: I do not know; even if he wants to reply to that, I will direct him not to. There must be a limit. (Interruption). It is not rational.

SHRI VEERENDRA PATIL: Let him say that he is satisfied. All right we are here to listen and go away.

DR. K. MATHEW KURIAN: Sir, I would only like to seek one clarification. In the course of his speech, the hon. Finance Minister said that he was concerned, in framing the Budget proposals, with mainly the immediate short-term problems. I would have thought that Budget is part of the long-term strategy of development. Budget cannot be considered in isolation from the long-term strategy of economic development. And during the last several years, the Government has been claiming that their strategy is socialism, that they want to control monopolies. But to-day the Finance Minister comes forward and says that in the name of short-term policy, the entire Industrial Policy Resolution, the entire policy of controlling monopolies, the entire policy of supporting the public sector, has been scuttled. I would say, it is a shameful retreat from their own professions.

SHRI S. S. MARISWAMY: Sir, the hon. Finance Minister was in Madras on the 15th of this month and he addressed a public meeting which has been very aptly, vividly described by Statesman of Calcutta. Let me read a few sentences from it.

"The meeting was attended by about 200 people. It is the average attendance at Congress public meetings here."

MR. DEPUTY CHAIRMAN: How does it arise?

SHRI S. S. MARISWAMY: In that meeting, he is reported to have said:

"I intend to tour drought-affected areas on the 20th of April and if I

13 B.S.—8

am satisfied with the work done, I will sanction further relief."

According to the Constitution, we are expected, or for that matter, any State is expected, to give only a utilisation certificate. There cannot be any supervision over our head. Now, soon after this statement was made, our Chief Minister retorted to him. Now, I find in all the Delhi papers to-day, a slight shift in the policy, from what the Finance Minister said.

One spokesman said:

"So far the Centre has not asked the Tamil Nadu Government to render account for the amount sanctioned for drought relief and expects that the State Government will in the normal course inform them of the progress. The Centre does not intend to monitor the progress of the works undertaken but expects the States to make proper use of the funds given."

Now, there is a difference between the statements of the spokesman and the hon. Minister. So far as I am concerned, I would like to know by whom I should go. Am I to depend on the Minister or on the spokesman?

MR. DEPUTY CHAIRMAN: I suppose the spokesman is the spokesman of the Ministry.

SHRI S. S. MARISWAMY: Let him say it.

SHRI SUBRAMANIAN SWAMY: Sir, I am rising because I made many many suggestions and asked for many many clarifications which the Minister has sidestepped. For example, he has said nothing about unemployment in the Budget. The earlier commitment was Rs. 100 crores and at Bidhan Nagar they had sworn to create half a million jobs a year. But in this Budget only a sum of Rs. 10 crores has been allotted for the unemployment programme. Similarly in regard to the provision for smaller and marginal farmers and agricultural labourers a

[Shri Subramanian Swamy] big slash has taken place. Last year the agricultural allocation was Rs. 216 crores. They spent only Rs. 169 crores. I wanted to know why it was not fully spent. Similarly, the allocation for Railways has been cut from Rs. 343 crores last year to Rs. 283 crores this year. And, yet, he talks about moving coal up and down the country. I do not know how this is possible.

Then, Sir, the other thing that he has said is that there is going to be no deficit financing whereas it has run to about a thousand crores already and Sir, in the first two years of the Plan, the deficit has been about Rs. 850 crores. Is the Minister going to give up his earlier proposal?

Finally, I want the Minister to answer one thing very frankly. The call for self-reliance which they had given earlier, Sir, are they going to give it up now because the amount of money that they are getting from abroad is increasing? What has happened to their policy of attaining self-reliance? I want to know what the policy of the Government is in this regard.

SHRI A. G. KULKARNI (Maharashtra): Sir, I want only a clarification. Since the subject which I mentioned in my speech is very important, I want to have a few clarifications from the Minister. My question was with regard to the production in the agricultural sector. I brought to his notice the fact that the prices of cotton were crashing because there was no adequate financial support from the co-operatives and, in this connection, I gave the example of Raichur where the price of the variety, Varalakshmi, has been brought down by about Rs. 2,000.

SHRI MULKA GOVINDA REDDY: In Chitaldurg also.

SHRI A. G. KULKARNI: But I know of Raichur only. That is why I have given that example.

Then, Sir, I mentioned about sugarcane. Since the Reserve Bank of

India has not increased the credit limits to the co-operatives, the sugarcane growers are not getting adequate credit facilities and financial support.

The last point that I mentioned was...

MR. DEPUTY CHAIRMAN: Mr. Kulkarni, you cannot go on repeating the points now which you have already made in your speech.

SHRI A. G. KULKARNI: Sir, the last point I mentioned was that the fertilizer sector is a priority sector and the cooperative fertilizer factories or plants are not getting adequate financial support. These are my points, Sir.

SHRI BHUPESH GUPTA (West Bengal): Sir, what about me?

SHRI HARSH DEO MALAVTYA: Sir, I want half-a-minute only.

MR. DEPUTY CHAIRMAN: Mr. Bhupesh Gupta, your party has already been allowed to put questions.

SHRI BHUPESH GUPTA: When?

MR. DEPUTY CHAIRMAN : Just now Mr. Indradeep Sinha was allowed and he put his questions.

SHRI BHUPESH GUPTA: Sir, there is no vote on this and the only way in which we can express our horror and indignation about what he has said about the monopoly capital and the general approach is by stating a walk-out from the House. We have to do this because there is no voting! "on this. I hope all these things will be recorded.

(At this stage, the honourable Members, followed by his party Members, left the Chamber.)

DR. K. MATHEW KURIAN (Kerala): Sir, as a protest against the pro-landlord and pro-monopoly policy of the Government, our party also wants to stage a walk-out. This and they have no right to talk about socialism. They have absolutely no

right to talk about socialism and ""they have to hang their heads in shame.

MR. DEPUTY CHAIRMAN: Dr. Kurian, if you want to walk out, you do it. Why do you disturb the proceedings now?

DR. K. MATHEW KURIAN: They have no right to talk about socialism. Sir, we are also walking out.

(At this stage, the honourable Member followed by his party members, left the Chamber.)

SHRI HAMID ALI SCHAMNAD: Sir, I am also going out for my tea.

SHRI HARSH DEO MAJLAVIYA (Uttar Pradesh): Sir, I would like to ask two or three questions.

Sir, what about their commitment of 1969 to nationalise the sugar industry of India?

SHRI LOKANATH MISRA: Sir, I think only now we are having members here who belong to this country and who owe allegiance to this country.

SHRI HARSH DEO MALAVIYA: Sir, before giving concessions and licences to the monopoly houses, did the Government take care to see that the unutilised capacity in the public sector was fully utilised?

Then, Sir, does he agree that structural changes in our economic are essential, especially in the case of the agrarian set-up, and what is going to be their approach?

MR. DEPUTY CHAIRMAN: Mr. Schamnad, you come back after taking your tea?

SHRI U. K. LAKSHMANA GOWDA: Sir, he is going to join the future Kerala Ministry and therefore, he went out of the Chamber along with those people.

SHRI C. SUBRAMANIAM: Sir, as far as the Government is concerned.

we attach great importance to land reforms and to bringing about structural changes in the agricultural sector and we are trying our best to bring about these changes. But, Sir, as the honourable Member is aware, this has to be done by the State Governments. But, through our own party, at the party level, we are also trying to see that whatever legislation has been passed is implemented quickly and this is the only answer that I can give him now as far as that question is concerned.

Then, Sir, as far as the question of nationalisation is concerned, I am afraid, I cannot give an immediate answer because that does not form part of the Budget proposals and, certainly, when a discussion on the Ministry of Agriculture and Irrigation takes place, he can raise this question.

As far as allowing to the monopoly houses any new capacity is concerned it is only after exhausting all the other areas that we do it. First of all, we try to see whether it can be done in the public sector. Then we try to see whether any new entrepreneurs should be given or it should be the co-operative sector. It is only when there is no choice whatsoever that we consider monopoly houses. As I said, this is an unavoidable evil. We will have to put up with it for some time till we take other measures for the purpose of seeing that particularly the idea of de-linking ownership of management is taken up. This is what is being studied, and I hope something would emerge. And this is the only way to tackle the situation. There is no necessity that the owners should necessarily be in the management. As a matter of fact, this is an outmoded idea altogether. Therefore, the management should be completely professionalised, so that their loyalty is not to the houses but it is loyalty to the enterprise and to the nation. This is the only solution which we can

[Shri C. Subramaniam]

think of, and we are thinking about this.

With regard to cotton prices, sugar, etc., it is not that I should mention everything. When an hon. Member makes a point, immediately I send it for the purpose of examination. If I start answering each and every point raised, I require three or four hours, apart from the time I would normally require.

With regard to the Madras speech, I would only say again that I do not want to carry on any controversy. I do not propose to say anything about it now, apart from what I have already said.

With regard to any taxation proposals, I thought, as I have already said, they should be considered at the time of the Finance Bill. This cannot be done now. I am glad that the Deputy Chairman also indicated, even when I was prepared, by preventing me from saying anything on this.

As far as employment is concerned, it is not as if this has been given up. As a matter of fact, I was responsible for formulating a scheme at a particular time and we provided Rs. 100 crores. The most enthusiastic Minister in regard to employment was Mr. Mohan Dharia ...

SHRI KRISHAN KANT (Haryana): And that is why he is out now.

SHRI C. SUBRAMANIAM: He was the most enthusiastic, though he could not get all this 100 crores absorbed; only a portion of it was absorbed. Many of the schemes are still to be implemented in many of the States. But I want to give this assurance to this House that as far as the employment programme is concerned, as it has been envisaged, particularly for the educated section, if there are further programmes, I will come forward with supplementary grants and I would provide all the money that is required, particularly for the employment programme.

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1975

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): Sir, I beg to move:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1975-76, as passed by the Lok Sabha, be taken into consideration."

This Bill arises out of a sum of Rs. 1658.87 crores voted by the Lok Sabha on the 14th March 1975 and Rs. 2141.37 crores in respect of expenditure 'Charged' on the Consolidated Fund of India, as shown in the 'Vote on Account' pamphlet which has already been circulated to the hon. Members. As the House is aware, it is usual to seek approval of Parliament for two months' supply pending the completion of the procedure prescribed in Article 118 for the voting of the Demands for Grants for the whole year and passing of the connected Appropriation Bill. The provision indicated in the Appropriation Bill broadly represents 1/6th of the whole year's gross requirements provided for in the Demands for Grants, except for a few items where the expenditure is not uniformly spread over the year and larger provision is required to meet the likely payments during the months of April and May. I would not burden the House with their details as these are explained in the Introductory Note to the Pamphlet.

The question was proposed.

SHRI BHUPESH GUPTA' (West Bengal: Sir, this Vote on Account and Appropriation Bill we shall discuss when they come in the form of Finance Bill. I would like to say here in this connection that the country has been very badly let down by the Finance Minister and the Government by the Government by their economic policies. It is well known that we are all fighting to defend our democratic institutions against