

15.32 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

Thirty Second Report

SHRI PIYUS TIRAKY (Alipurduars) :
I beg to move :

"That this House do agree with the Thirty-second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 1st April, 1987"

MR. DEPUTY SPEAKER : The question is :

"That this House do agree with the Thirty-second Report of the Committee on Private Member's Bills and Resolution presented to the House on the 1st April, 1987."

The motion was adopted

15.33 hrs.

RESOLUTION RE : ECONOMIC POLICIES—Contd.

[English]

MR. DEPUTY SPEAKER : Now we take up further discussion on the Resolution moved by Shri Bhattam Srirama Murty on 28th November, 1986. Shri Chintamani Jena to continue his speech.

SHRI CHINTAMANI JENA (Balasore) :
I would like to speak in my mother-tongue.

[Translation]

*SHRI CHINTAMANI JENA (Balasore) : Mr. Deputy Speaker, Sir, while continuing my speech I would only request you Sir, that I may be allowed to speak in my mother tongue Oriya for which requisition of interpretation may kindly be made.

*The speech was originally delivered in Oriya.

Sir, the mover of the resolution has criticised the Govt. for the loss incurred by many public sector units. The other day I have disapproved this view in my speech. Our Prime Minister has taken special interest in the improvement of the public sector undertakings. Therefore he has allotted public enterprises port folio to an able efficient and youth Minister Shri K.K. Tiwari. Not only that the Minister of State for Industry Shri Arunachalam has also been making regular monitoring to see that the public sector undertakings improve their performance and pay dividend. It is regrettable that some public sector undertakings are incurring losses. But our Govt. is not silent spectator. Our Govt. has taken several measures to improve the efficiency of public sectors undertakings. At the same time I would like to say that some public sector undertakings are running efficiently. They have been regularly paying good amount of dividend to the national exchequer. I would like to mention a few public undertakings which are running at loss as well as those which are earning profit. I would like to speak about the performance of such units in brief.

National Textile Corporation and the Cotton Corporation of India are running at loss. But our Govt. have taken some steps to improve the performance of these two Corporations I hope that these two corporations will gradually reduce the loss and will earn profit in the coming years.

Sir, the Eastern Coal Field has been incurring huge losses for the last many years. The Government have identified the reasons of loss and taken several measures to see that Eastern Coal Field does suffer loss on account of those factors. Similarly the coal India Ltd. has been incurring losses. As you know, huge quantity of coal accumulated at pithead. The steel plants are not able to carry coal from pithead due to shortage of wagons. Therefore, I would like to request the Railway Minister to supply more wagons to carry coal. The Government should take some immediate steps to clear the pithead stocks. If this is done the Coal India Ltd. will be able to reduce its loss. Sir, the Indian Tourism Development Corporation have set up as many as 24 hotels in different parts of the country. Almost all those hotels

were running at loss. Our Government have taken special steps to manage those hotels efficiently you will be glad to know that 14 hotels have come out of the red and I am sure the remaining 10 hotels too will gradually reduce their losses. I would request the Minister to see that these ITDC hotels make further improvement and earn profit in course of time.

It is also a fact that Indian Drugs and Pharmaceutical Ltd. is incurring huge losses. It is a matter of great concern for every body. The other day while replying to the half-an-hour discussion, the Hon. Minister of Chemical said, in this House that the Government have taken a number of steps to improve the efficiency of IDPL. He has assure that very soon it will come out of red and it will earn profit by the end of 1990.

The Hindustan Paper Corporation is another public sector undertaking which has been running at loss for the last few years. The Government have taken some steps to reduce its losses. There are some other public sector undertakings like Bharat Aluminium Company, Hindustan Copper Ltd., Delhi Transport Corporation which too are running at loss. But it is gratified to note that our Hon. Prime Minister Shri Rajiv Gandhi has given directions to the concerned Ministries to identify the bottlenecks and to take all possible steps to remove those bottlenecks. He has been monitoring the performances of those loss making units from time to time. The concerned Minister Shri K.K. Tiwari and Shri Arunachalam has been inspecting those units and giving suggestions for their improvement. You should certainly express your satisfaction over the steps taken by the Government in this direction.

Sir, I said about the public sector undertaking which are incurring losses at present. There are many public sector units which are also earning profits. You must appreciate this for example, the international airport authority of India has earned the profit of 24 crores in the financial year 1986-87. The Indian Oil Corporation has been earning profit since 1966-67. You will be happy to know that this Company has been paying dividends to the national exchequer every year during the last 20

years. There are some other public sector undertaking which are running efficiently. As such, it is not proper to say that the public sector in general are running at losses. The Government have taken several measures to strengthen our economy I would like to justify my views by quoting the great economist Shri L. K. Jha.

I quote :

"The trend growth between 1900-01 and 1945-46 was 1.2 per cent for national income, about 0.3 per cent for agricultural production and 2 per cent for industrial production. Recurrence of famine was a common feature of the rural economy."

Further he has said, I quote :

"It was against this backdrop that consistently with the country wide consensus evolved in the years preceding independence, the country opted for a strategy of planned development in which both the public sector and the private sector were to play a symbolic role. While the public sector assumed the responsibility of developing the infrastructure and setting up of large scale capital intensive industries the private sector was entrusted with the task of developing the other industries as well as the largest sector of the Indian economy that is agriculture."

15.38. hrs.

(SHRIMATI BASAVARAJESWARI
in the Chair)

Similarly Madam Chairman if you allow me I would also like to quote : some more views expressed by Mr. Jha.

I quote :

"The highlights of the achievements of our Indian Economy are : the savings and investment rate recorded a consistent increase and expanded from less than 10 per cent of the national income in the years immediately following independence to above 30 per cent in mid-80's and after:-

[Shri Chintamani Jena]

Indian foodgrains output trebled from 50 million tonnes in 1950-51 to over 150 million tonnes in 1980-81 to over 150 million tonnes in mid-80's.

Similarly, the "aggregate industrial output has increased five fold since independence at a compound rate of 6 per cent the share of basic and capital goods industries increasing from less than 5 per cent to about 50 per cent and the trend growth rate of Indian economy rose from about 3 per cent till early 60's to a little over 4 per cent during the 70's and has averaged 5 per cent during the last 7 years. Similarly, the acceleration of the rate of growth, despite the paucity of resources has been achieved with the fullest regard to the commitment to self reliance. Over 90 per cent of the resources deployed were mobilised internally, external resources accounting for less than 10 per cent."

Similarly, Madam, by criticising we cannot solve the problem. Our Prime Minister Shri Rajiv Gandhi, while presenting the budget as Finance Minister in this House for the year 1987-88 has said that the public sector undertakings will be accountable for their performance. The pre-budget economic survey was placed before the House. Madam, please give me two minutes more.

According to the prebudget economic survey 1986-87, the aggregate economic growth is proceeding according to the Plan target. The rate of industrial growth has increased and despite three successive weak monsoons, the food situation remains comfortable. Inflation is under control and in current year, the trade deficit has been reduced significantly. The survey further notes that these substantial achievements made possible by a sound and responsive micro economic policy announcement."

Similarly, Madam, I am just concluding.

[English]

MR. CHAIRMAN : please conclude.

[Translation]

SHRI CHINTAMANI JENA : According to the Economic Survey, the gross national product has increased from 4.5 per cent to 5 per cent during the 1986-87 financial year. That means there have been an average annual increase of 5 per cent in our GNP in last 7 years. But before that there was 3.5 per cent annual increase in our GNP. This clearly shows that Indian economy has moved on to a higher growth rate. Madam, I am going to conclude my speech. Before concluding I would like to say that in the 40th year of country's independence, Indian can justifiably be proud of its remarkable achievements despite various constraints in the economic front. With these words I conclude my speech.

*SHRI R. ANNANAMBI (Pollachi) : Madam Chairman, on behalf of the All Indian Anna Dravida Munnetra Kazhagam, I wish to express some of my views on the economic resolution moved by Shri Bhattam Spiramamoorthy.

Nobody can deny the fact that industrial development of a country automatically results in the economic advancement of that country. As industrial development helps economic growth, water resources of a country, if fruitfully utilised, also gears up economic progress of a country. This august House may kindly recall that big projects like Bhakra-Nangal were constructed during the period of our illustrious leader Pandit Jawahar Lal Nehru. However, such mighty ventures did not continue thereafter. We are now lagging behind in industrial development and we unable to achieve the targeted economic growth. I, therefore, urge upon the Government to pay adequate attention to the industrial front. The Government must amend suitably its industrial policy which is ridden with many infirmities.

At this juncture, let me emphasise the need of our country to become self-reliant. We must put an end to our borrowing spree from world Bank and other friendly nations. We must abrogate all agreements entered into with foreign countries for receiving assistance. It is high time we must stand up

* The Speech was originally delivered in Tamil.

on our legs. A viable economic and industrial policy aimed at augmenting indigenous production is, therefore, an imperative.

Madam, we have this shameful proclivity to go in for credit from foreign countries. We crouch under the debt burden and waste enormous amounts in the form of interest payments. We are unable to extricate ourselves from the quagmire of debt. Our economic programmes suffer constantly due to this frequent resorting to borrowing.

Madam, coal and electricity are the two main infrastructural facilities essentially required for our industry. We do not import electricity as we cannot. We generate it. On the other hand, we import coal. We import coal from Australia because coal mined in Australia contains less ash content and to feed our industry. We spend colossal amounts on these imports. Despite such spending, we are not able to import coal in time. Industries which await and depend on this coal, become, therefore, non-starters. We also incur losses since the installed capacity of many industries go unutilised. This naturally hampers economic development. I, therefore, request the Government to formulate a viable economic and industrial policy in the interests of the Nation.

We must also diversify our industrial activities. Pandit Jawaharlal Nehru showed utmost attention to the development of industries particularly heavy industry. The present Government must also strive to set up heavy industries all over the country. We have passed 40 years of independence 7 five year Plans so far. Still we are lagging behind many nations as far as our industrial and economic development is concerned. It is high time that we set up many more heavy industries to increase national production.

Madam, India is a Union of States. If India is to develop, States should primarily develop. Our Honble Chief Minister, Dr. MGR has undertaken the onerous task of ensuring industrial and economic prosperity in Tamil Nadu. He is working in that direction. With this in view, the Tamil Nadu Government approached the Central

Government to permit it to import coal from Australia and other foreign countries for being used by industries in Tamil Nadu and for use in the generation of electricity.

I draw the attention of the Hon'ble Minister to the fact that the Central Government declined to permit import of coal from Australia by the Tamil Nadu Government. Are not such steps going to hamper development of industries in the State? Will it not block the development of India at the same time? The Hon'ble Minister may kindly state the reasons for refusing the requisite permission to the Tamil Nadu Government for importing coal, in his reply.

I also urge upon the Government to mine coal with less ash content as is done in Australia. The Government must also advise a technique by which the coal with ash content is processed economically to have 100 per cent utility. This would help the Government to abandon the import of coal. We can, therefore, save a good amount of foreign exchange.

Lastly, Madam, smugglers, adulterators and black marketeers and other economic offenders strike at the very roots of our economic progress. They must be imprisoned under the law relating to preventive detention. Fresh laws must be enacted and existing laws must be amended to deal with these anti-national elements firmly. Then only, I can say, we may be able to reach the pinnacle of economic development.

We must also root out corruption. The Government of Tamil Nadu and the Central Government are endeavouring to root out corruption at all levels. Our Hon'ble Chief Minister Dr. MGR has now prescribed entrance examinations for admission into medical, law, engineering and polytechnic colleges. This ensures the selection of meritorious persons who would, in turn, contribute to the prosperity of our nation. That is how the Tamil Nadu Government is fighting corruption with all frenzy.

Lastly, Madam, the Krishna-Cauveri river water Project was inaugurated by late Prime Minister Smt. Indira Gandhi. She

[Shri R. Annamamba]:

had the ambition of executing the project at all costs to put an end to the sufferings of Tamil Nadu arising out of drought conditions. This Project would benefit not only Andhra and Tamil Nadu but also Maharashtra and Karnataka. I request the Hon'ble Prime Minister to give immediate clearance to the Project so that water flows in Tamil Nadu and industries thereat flourish. Schemes of this sort aimed at our industrial and economic progress should not brook delay.

With this, Madam, I conclude.

[English]

SHRI Y. S. MAHAJAN (Jalgaon):
Madam, I am glad to have this opportunity to speak on this Resolution. I welcome the opportunity provided by the Resolution to have a fresh look at our economic policy. But, I cannot support the Resolution wholly because like the courtesan's egg, it is good only in parts i.e. it recommends that certain things should be done which we have been doing till now but makes statements which are not quite correct historically. Let us consider the economic history of our country, for instance, the Resolution. It says:

"Having regard to the planned development of the country and the realisation of the constitutional obligations, this House takes serious note of the wrong economic policies being followed by the Government"...

I cannot subscribe to this statement. Our policies have been on right lines. For the last so many years our agricultural production has been on the increase, and in spite of three years of continuous drought, we have been able to build up agricultural stocks of nearly 23 million tonnes. So, our agricultural strategy has been such as to enable us to overcome drought continuously for a period of three years. Our agricultural strategy has been sound; there can be no doubt it.

As regards industrial production, we have now composed a new index of indus-

trial production which has taken into account the small scale industries and the new industries, the sun-rise industries like the electronics and computers. Having taken such a comprehensive base for the new index of industrial production, we find that the industrial production has increased during the last three years by nearly eight per cent per annum. This is a substantial increase over our industrial production, i.e. rate of growth, about five or six years ago. So, it is quite clear that our agricultural and industrial production policies have been on the right lines. So far as industrial production is concerned, I believe that the rate of growth will increase in the near future because we have taken certain steps in the last two years which will give a fillip, to and boost, industrial production. We have liberalised our import policy. We have removed the controls which were obsolete and vexatious and which bred corruption. We have sanctioned capacities in excess of the licences given to the industrialists. As a result of these policies, I am sure industrial production is bound to increase more in the future, though it would take about a couple of years to show the results.

The Resolution says that we have to curb monopolistic trend and reduce concentration of economic power. This is the objective of our economic policy. We have got the machinery to curb concentration of economic power we have got the MRTP which deals with unfair practices, which curbs economic monopoly; it has been functioning quite satisfactorily over the years. To remove monopoly, we have now injected a higher degree of competition in our economy. We have not only liberalised imports but we have seen to it that the industrial units which are smaller can grow more easily and face greater competition. We are of the view now that, unless competition increases, the cost cannot be brought down. Otherwise, we cannot face the competition in the international market. It is with that end in view that competition has been increased recently. Competition will bring a breath of fresh air. Our industry has grown during the last 20 or 30 years under protection. The economic history of England, France and Germany shows that an industry which has grown under protection does not stand on its own feet unless it is exposed to competition. Therefore, we have decided

that the degree of competition in our economy must increase. We have taken necessary steps in that direction.

The Resolution says that we must reduce the gulf between the rich and the poor. There can be no two opinions about this objective. We have a large number of policies, a large number of schemes, the object of which is to reduce the gulf between the rich and the poor, to bring the poor above the poverty line. I need not mention all those schemes. There is the Integrated Rural Development Programme which is the basis of the other schemes, then we have the schemes which deal with hill areas, we have schemes for marginal farmers; there are about a dozen schemes which give the poor not only economic assets, but also opportunity of employment. Both these things will enable them to get over the poverty line. As a result of the working of the 6th Five Year Plan, the percentage of people who were below the poverty line has come down to 37 per cent—nearly 20 crores of people have been brought above the poverty line. These are the statistics which cannot be denied. Therefore, the Resolution is wrong in saying that the gulf between the rich and the poor is increasing.

16.00 hrs.

Our policies are such, the Resolution says, as are threatening our economic independence. Again, this is based on a wrong appreciation of facts. Take for example the foreign assistance which we have taken over the years. For every Five Year Plan you find that the foreign assistance taken has been 4 per cent, 5 per cent, or 6 per cent. In the 7th Five Year Plan it is not more than 6 per cent. Out of one hundred rupees that is spent on economic development, we borrowed six rupees from outside. That cannot threaten our economic independence.

There is prestigious magazine in Europe Euro which deals with the financial position of Europe. It has rated that credit standing of this country has increased by 20 points. It was 48 and now it has come to 28 points this year. As a result of our credit standing, as a result of the fact that we honour our obligations, as a result of the fact that we pay our dues abroad, our credit standing has

increased and we can borrow. We are not borrowing much because the cost of borrowing has increased. Foreigners are not prepared to give at concessional rate of interest and therefore we are not borrowing as much as we used to do. But there is no reason to fear that our economic independence is threatened.

Finally, the Resolution says :

“must stop the avoidable dependence in foreign technology and capital and support the indigenous R and D efforts in technology”

Our Government is very keen on increasing R and D efforts. In fact, we have been pressing the industrialists to see that they allocate larger and larger funds towards R and D. Unfortunately our industries have not risen to the occasion. They believe in collaboration agreements, in borrowing R and D from abroad. So far we have entered into about 8000 collaboration agreements. Every year the number of collaboration agreements that we enter into are 1500 to 2000. That shows the large variety of technological skills that we borrow from abroad.

There is one thing to be borne in mind in this case, that no country, however great, however highly industrialised, however big is self-sufficient in matters of technology. Even Russia which is the biggest country in the world which occupies 1/6th of the habitable area on this earth and which believes in self-sufficiency is not independent as far as technology is concerned! Russia borrows American technology and America borrows technology from Western European countries. Therefore, there can be no self-sufficiency in matters of technology or scientific skills. What we are doing is, though we are borrowing a lot from abroad, our job is to see that the foreign technology borrowed is adopted to and applied to conditions in this country. That is what Japan has done, which is a model lesson for us. We are trying to do that and also develop R & D locally.

Therefore, I cannot support this Resolution. As I said at the beginning, it is like the Curate's Egg—good only in parts.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Madam, I thank you to have given me a chance to participate in this discussion. I have been sitting here continuously for the last two days to participate in the debate on the Home demands. Anyway, having failed to get a chance to speak there, I am thankful to you for giving me this opportunity.

Frankly and honestly speaking this Resolution has become infructuous. It does not have any standing now. 'Now' means after the budget for 1987-88 was presented. It was discussed thread-bare and a befitting reply given to the discussion by our Hon. Prime Minister who also holds the Finance portfolio. All these points which have been raised in this Resolution were dealt at length during the discussion on the budget and also in the course of the reply given by the Hon. Finance Minister.

I was listening to the previous speech where he rightly pointed out how this Resolution is confusing. This is a confusing Resolution. There were some good points which he has suggested for the Government to follow and take note of but at the same time he has tried to politicise this. There is a political over-tone in this Resolution and, as such, it cannot be supported.

Madam, anybody having a common sense; anybody who sees things in the right perspective cannot deny that India has made spectacular progress in every sphere and in every field—be it agriculture, industry or power generation. In any field you look at we are proud of our achievements. In fact, India has attained an enviable position in the field of development in the whole world. India has achieved an enviable position in as much as this country which at the time of achievement of Independence was not capable of producing a pin is now reckoned as one among the ten industrially advanced countries of the world. Is it not a fact? This country whose Food Minister was moving around the world with almost a begging bowl for food about 20 years ago and about 10 years ago in several States firing was resorted to for procurement operation in order to feed the poor people and in order to supply food grains through the public distribution system today that country is surplus in food-grains. The country which was producing

about 55 million tonnes of foodgrains at the beginning of the First Plan period is now producing about 300 per cent more, i.e., about 150 million tonnes. This increase in production is despite drought situation for two-three years consecutively. Today we do not import foodgrains but we are in a position to send food supplies to South Africa where there was an acute drought situation. Are we not to be proud of all these things? There are some people who just cannot see these things because they have a political motive and nobody can help them. At one time there was disruption in our economy. But what was that period when our economy was derailed. It is not in 1980. It was prior to 1980 and it was after 1977 when Janata people were there at the helm of affairs.

There were distortions in our economy. The entire economy of our country was derailed. But it has been put back on the rails again and it is moving in the right direction. By and large, it is proceeding forward at a rapid speed in the right direction. I need not give here the picture. The GNP growth is around 5 per cent for the last 2-3 years and our industrial growth has exceeded 8 per cent. In spite of this, there is always some criticism since Shri Rajiv Gandhi took over the reins of administration of India. There has been a slogan against him from the opposition side he is anti-public sector. But this year's budget is a befitting reply. Now we have laid emphasis on the public sector. During the Seventh Plan, as much as about Rs. 80,000 crores is being invested here. To our good luck, Madam, the public sector, as a whole, has recorded a profit this year, I think, of about Rs. 1100 crores. Of course, it needs improvement in different units. So much has been our achievement. At the same time, to curb monopoly trade and to reduce economic concentration, we have to look at the objective situation. We have democratic socialism. We have the largest democracy. We have to take everybody along with us. We have to see that right type of climate is there, no violence takes place, secularism also prevails in the country, no communal riots occur and also communal harmony is there. Our democracy can succeed only when secularism is there in a full measure in the country. Amidst diversity, we have to maintain unity. That is the strength of our democracy.

Madam, at the same time, I would say that there are certain things which should be taken note of properly, like the anti-poverty scheme. We have allocated a lot of money for this scheme in this year's budget. We will be spending about Rs. 2,000 crores. There is also a quantum jump in this area, but at the same time proper implementation of the anti-poverty scheme has to be looked into. Of course, the States are concerned but we feel more concerned here because they are not achieving the desired results.

Madam, I am of the firm view that liquor consumption is increasing tremendously in our country. Wherever there is an anti-poverty scheme, you will find some sort of a country liquor shop around that area. I think a lot of money which we are pumping into this channel, for the removal of poverty, is finding its way to the liquorwalla. We may be thinking here that anti-poverty schemes are being implemented, they are giving results and poverty will be eradicated. But that is not the position in the field.

Now about irrigation. Unless we go in for more and more irrigation and, at the same time, unless we bring the areas under more than one or two crops, our agriculture will not progress. The poor agriculturists will not have a sound income. Also, we cannot fight out poverty.

Madam, in the last budget, we had given some concession to the retired employees of the Government of India. The minimum pension that has been fixed is Rs. 375. As compared to this, we will have to see how many cultivators in our country are having a net income of this amount. Very few. So, is it not going to create an imbalance? It has to be taken care of by the Government. Every community-wise, caste-wise, we are going to deservine the weaker sections. We are giving some preferential treatment, when some reservations, etc. But a time has come those who by taking advantage of these things, have come up economically should be deleted. They should not be treated as belonging to the backward class or weaker sections.

Even in the Brahmin community there are very very poor people, but their brilliant

children cannot get into the schools and colleges because of the poverty and because of the concessions given to the other children with less marks and inferior brilliance. These things are going to intensify imbalances in different sectors, and these things will have to be taken care of by treating poor people of all castes and communities alike and proper implementation of the anti-poverty programmes and by enforcement of prohibition and other policies. Because of certain bad habits like this, many poor people do not get the benefits of the money given to them and that goes waste to a large extent.

Then, about the minimum wages. Where there is irrigated area, the daily wages are more than Rs. 25 per labourer, but in the drought areas, sometimes we cannot enforce even the minimum wages. They get Rs. 5 or Rs. 7 per day. Even with that much wages, they are not able to find a job all the time. We have, therefore, to do a lot in that direction.

Further, we need to enforce the land ceiling, which has not been enforced and implemented properly in all the States. In some States like Orissa, it is as low as ten standard acres. In some States, it is very very high, they are quite liberal in that respect. At the same time, there is no urban land ceiling, there is no limit on the industrial income. What are we going to do about it? What is the thinking of the Government? We have to treat all the people in the villages and the urban areas alike. We have done away with the princely States, but let us not create industrial princes, administrative princes; we have to put a restriction on their incomes, otherwise the gap will be there and it will get further widened. It is no doubt that growth and prosperity of our country is very important. At the same time, proper distribution of wealth among different sections of the community has to be ensured as far as possible. Both the things will have to be done, growth with equity and growth with justice. That is our social objective. That is the objective underlying our economic policy, that is the objective underlying our democratic socialism. We are thankful to Jawaharlal Nehru, who laid the firm foundation of democratic socialism in this country. It is through this democratic socialism, by combining the *lok shakti* and *rashtra shakti*,

(Shri Sriballav Panigrahi)

peoples' power and the States power, the voluntary and State's efforts, we have to bring about the desired results. In fact, we are taking a lead in the whole world to show that it is through democratic means that we want to bring about socialism. And if we succeed—and we are sure we can succeed, because we have already created history in the entire world in respect of the freedom movement—We were the first in the world, to shun violence. Without violence and without bloodshed, we have achieved our freedom by *ahimsa*, *satya* and *adhyatimukta*. This country has created a record, and can also create a record in establishing democratic socialism, in removing disparity, in bringing about all round prosperity of the country. We can do that once *rashtra shakti* and *lok shakti*, peoples' power and State's power is combined. And it is only the Congress party which is capable of doing that.

Lastly, there is no basis and this resolution has become infructuous. Anyway, I am thankful to the mover because he has given us another opportunity to discuss various aspects of our economic policy. At the same time, I would request the Hon. Minister that he should not take it for granted that everything is moving well and in the right direction in our country. Much has got to be done. The Government should look at the loopholes and wherever they exist in our schemes, the Government should try to plug them and try to bring down the gap that is increasing day by day in different sectors of our economy.

With these words, I conclude.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Madam Chairman, I do not support the resolution moved by the Hon. Member regarding economic policies on the basis of the progress made in the past years. It has been stated in the resolution that :

[English]

“Having regard to the planned development of the country and the

realisation of the constitutional obligations, this House takes serious note of the wrong economic policies being followed by the Government and the distortions introduced in the earlier policies which are leading to increased concentration of economic power, widening the gulf between rich and the poor and threatening the economic independence of the country by increasingly relying on foreign sources and calls upon the Central Government to take immediate steps...”

[Translation]

There is no truth in what has been said because we have undertaken that we will provide food, clothing, shelter, housing accommodation, education, medicines and all other essential facilities to the people of this country and to ensure development of our country through planned economy. You might be remembering fully well the state of affairs prevailing in our country immediately after independence. The situation now has undergone a sea-change due to the industrial development achieved during the last two years. Our economy has become self-reliant today and the inflation has been checked. This is quite praiseworthy. We can say that under the leadership of Shri Rajiv Gandhi, our economic development is taking place in accordance with our plan and accordingly we are trying to adopt this system. As you know that we have made substantial progress in a planned way in regard to providing infrastructure like water, and power and other means required for economic development and our aim is to achieve self-sufficiency in every field. We have planned to develop our industries in such on manner that we are able to produce all our requirements in our country itself and make them available to our people to the maximum extent possible. It is our definite programme and we are making a lot of progress in accordance with the programme. There was a time when we were not able to manufacture even a needle here and now we are manufacturing every type of machinery in our country. We have made efforts to make all those resources available which are required by our country. But the Hon. Member who has moved this resolution feels that neither we have made any industrial development nor our

Public Sector is functioning properly. Our Research and Development programmes are also not going on well. All such allegations are infructuous and useless because we are marching ahead on the path of progress. The way we have developed our industries is certainly laudable and the way we have adopted mixed economy to develop our country through the Public and the Private Sectors, is absolutely correct and has stood the test of the time. The essential or basic industries are being encouraged under the Public Sector and other kinds of industries are being given encouragement and priority under the Private Sector. In this way we are making efforts for constant economic development of the country with the co-operation of both these sectors. In case there are any obstructions, efforts are being made to remove them.

Madam Chairman, so far as big and small scale industries are concerned, we often criticise that big capitalists are given licences for such items which should have been given to small people. I want to request the Hon. Minister of Planning that as he has brought about improvements in the small scale sector, the same should be done in other areas as well. Presently, soaps and such other items are manufactured in the small scale industries but it has been observed that big industries are also being permitted to manufacture these items. Today big multinational companies are being permitted to manufacture small items like soap, vegetable oil, tooth paste brush, etc. It will adversely affect our small scale sector. Although our Government has decided that such items should be manufactured in the small scale sector, yet big companies are being permitted to do so. You should look into this matter seriously because such a confusion adversely affects the small scale sector. The Public Sector is very essential for the development of our country. But due to this regional imbalance is increasing. The people of Rajasthan in particular, complain that industries are not being set up in their State where only one per cent of the total amount has been invested. Only one copper project has been set up there. With the result that Rajasthan remains economically backward.

A zinc plant is also being installed in our State. But this project is being set up at

a place which is far away from that area where the entire raw material is available. As you know, it causes much loss.

You are going to set up a zinc smelter plant at chandera whereas zinc is available in plenty in Rampura and Agucha. It cannot be imagined that so much zinc is available in Rampura and Agucha. You do not get such a large deposit of zinc anywhere in Asia. How did you accord your sanction that it should be set up at Chandera. Did you ever think about the charges required to be incurred on transportation? What are the reasons behind it? Why is it being set up at Chandera? All facilities, like water and electricity are available in Rampura and Agucha. It will cause losses to the tune of crores of rupees to the Government. You may please consider my point seriously. It will save foreign exchange worth Rs. 100 crores.

I would like to know from the Hon. Minister of Planning how he accorded his sanction to this plant. He may reconsider this case. This matter concerns my area and zinc is produced from my area. I do not understand how you are going to earn profit out of it. Please let me know how you are going to set your establishment right. Therefore, you may please re-consider it and take a decision so that zinc smelter plant can be set up at a place where raw material is produced. It will prove economical and profitable. If you can make these arrangements, the work can be carried on properly. This is the reason that I have brought it to your notice that raw material is produced somewhere and you are setting up projects somewhere else at a distance of hundreds of miles. As a result, the expenses are higher and all the projects fail for this very reason and the Government incur losses. You must look into it. Otherwise, we will not be able to promote the Public Sector through which we want to make all round development.

Similarly, I would like to draw your attention towards the fact that mica is available at three places in the country. It is extracted from Bihar, Andhra Pradesh and from Bhilwara district in Rajasthan. Paper plants have been set up at two places. One plant has been set up in Bihar and a decision has been taken to set up a plant in Andhra

[Shri Girdhari Lal Vyss]

Pradesh also But Rajasthan is the only place where a demand is being made for the last many years for a paper plant. But no decision has been taken so far in this regard. When paper plants have been set up in other two places where mica is extracted, it could also have been set up in Rajasthan also. It can earn foreign exchange and provide job opportunities to the people of the area to enable them to earn their livelihood. (*Interruptions*)

Please give me some more time. Now discussion is going on a Private Member's Bill, hence, there is no hurry. Let me place the problems of my area before the Hon. Minister of Planning.

I would like to submit to the Hon. Minister that the programme of setting up of spinning mills in the cooperative sector has totally been postponed. You argue that we have become self-sufficient in the matter of yarn. Therefore, there is no need to set up more spinning mills in the co-operative sector to manufacture yarn. I would like to submit to you that prior to this decision, shares have already been allotted for some co-operative spinning mills, land has also been allotted by the Government and project report has also been prepared. Only financial help remained to be given. In the mean time you took this decision. As a result of this it is becoming difficult to set up co-operative spinning mills. Good quality yarn which foreign countries demand, can only be manufactured by the co-operative spinning mills. This yarn can be supplied to foreign countries. Moreover, it is also necessary for handlooms in the country. Keeping all these facts in view, this matter should be reconsidered. At least, permission should be accorded to those mills which have already been registered and where adequate raw material is available so that the people of the area may get employment and their problem of livelihood may be solved. I have said time and again, about the regional imbalance and that the people of area do not get employment and their income does not get a boost. Our economic condition is not coming up to a proper level. Therefore it is very necessary to check this system.

Now, I want to make submission about shortage of electricity in Rajasthan. Due to shortage of electricity in Rajasthan, its progress cannot keep pace with other States. The gas-based electricity project that you have allotted to Rajasthan has not so far been commissioned. I, therefore, submit to you that you should provide the means of electricity to Rajasthan. It does not matter if the plant is based on lignite. Five Projects of Rajasthan have been submitted to you. You may please accord your sanction to them so that more and more industrial development takes place in Rajasthan and its economic condition is strengthened.

I want to submit to you about irrigation also. In the matter of irrigation also Rajasthan would require Rs. 1200 crores for the Rajasthan canal known as the Indira Gandhi canal. The Government of Rajasthan cannot to spend this much money. Therefore, it is necessary that the work of the Indira Gandhi canal should be taken over by the Central Government. You may also bring the waters of Ganga and Yamuna in the desert areas so that it may facilitate irrigation and strengthen the economic condition of Rajasthan further. Rajasthan is making a lot of progress under the leadership of Shri Rajiv Gandhi. The projects which have been submitted to the Government for approval, should be approved at the earliest. I hope that you will make a contribution in the development of Rajasthan by approving these schemes.

With these words, I conclude.

[*English*]

SHRI BHADRESWAR TANTI (Kaliabor) : I extend my wholehearted support to the mover of the resolution on Economic Policies. After the independence of the country, we have no doubt achieved many things so far as industrial development is concerned; but Government has miserably failed in the commitment given to the people in respect of the development of various States. The ratio of development after independence has gone down in terms of its expenditure.

We have had the first, second, third, fourth, fifth and the sixth five-year Plans;

and we are now in the 7th five-year Plan period. Many industrial projects have come up. Big industrial projects have come up in certain areas, in certain States, but there still are certain States where you do not find even one public sector or even a private sector industry. Why ?

Government is committed to the development of all the States, and to the development of the country as a whole. But if you look to the north-eastern States such as Mizoram, Nagaland, Manipur, Arunachal Pradesh, Meghalaya, Assam and Sikkim, you will not find a public sector industries there, except a few in Assam, including two very mini refineries Assam, and the Hindustan Paper Corporation which has been recently set up at Nowgong. In the other States of the north-eastern region, not a single public sector industry could be set up by Government. That is the achievement of this Government, and they take pride in this.

Assam earn 66 per cent of the foreign exchange from tea, but the tea garden labourers who are earning this foreign exchange, are living below the poverty line. Why ?

Tea gardens are being run by private industrialists. There is industrial loss. They are to provide with commodation, hospitals, bonus and other medical facilities. But still today if you go there you will not find them. Many people who were socially, economically backward were taken to the State of Assam during the British days from other parts of the country to get them engaged in tea industry; those people are living there just like bonded labour and the government have failed to uplift them and solve their problems so that they may come up socially, economically and educationally. If you go to tea estates you will not find, even in one tea garden a matriculate, what to speak of B.As. M.As. What is the commitment of the government in this regard ? Whatever we talk about literacy, we only talk here. If you develop cities like Calcutta, Delhi, Madras and Bombay, it will not solve their problems. All the States in the country must be developed. Then only you can say that you have achieved something. All that is happening because of regional imbalances.

The public distribution system has gone down; it is worse. We do not find foodgrains in the interior places. Poor people do not get foodgrains easily. Whatever foodgrains, to the agents of the Cooperatives are given for public distribution most of them sell them out to middlemen. Business men deal with unscrupulous and other persons of the society. The purpose for which the public distribution system has been set up has not been achieved. There is no authority to control it properly. The industrial law has been violated by the management and the officials do not take any action against them for their personal gain. That is their achievement.

Our satisfaction is that ours is the largest democracy in the world. But I must say that ours is the largest illiterate democracy in the world; that is why the country could not progress properly.

The workers who are working under the organised sector are a little bit better. But those who are working under the unorganised sector are living below the poverty line. There is no authority to help them. Laws are there. We have passed so many laws after the independence but there is no protection of the law; there is no protection of the Constitution; it is nothing, but a scrap of paper. A Common man does not understand them because he is illiterate and we have not taken any steps to make him literate.

Removal of poverty schemes are there. 20-point programmes are also there. But how many people are getting these benefits ? Actually, the benefits are being taken by the middle man. SC and ST and other backward people do not get any benefits out of it. The provisions of Articles 341 and 342 of the Constitution are very clear. If a man is backward, he is backward anywhere in the country; if a man is SC and ST he is SC and ST in any corner of the country, but due to area restrictions, a lot of people have been deprived of their constitutional rights. If a high caste person, if a Brahmin in HP goes to Madras, Bombay, Assam or other places i.e. from one place to other, he remains there as Brahmin. But for a SC and ST because of area restriction, he does not get constitu-

[Shri Bhadreswar Tanti]

tional protection. In our place he is either SC and ST but not in another place. Then what is the remedy? You do not have any remedy. Under the Assam Accord, you are bound to set up a refinery in Assam. Recently, the Hon. Prime Minister laid the foundationstone of a new refinery at Karnal because elections are there. But why not in Assam first in terms of the Accord.

MR. CHAIRMAN: The time allotted for this Resolution is over. Is it the opinion of the Members that I should extend the time by another two hours because there are a number of Hon. Members to speak?

SHRI BALASAHEB VIKHE PATIL (Kopergaon): So many times the time for the Resolution is extended. The other Resolutions will lapse, at this rate.

MR. CHAIRMAN: There are many Hon. Members who want to speak on this matter. Should we extend the time of the House, by two hours?

Mr. Patil, I have extended the time by another two hours. You continue, Mr. Tanti.

SHRI BHADRESWAR TANTI: This is the commitment of the Government. Although we have enacted many laws, after Independence, we have failed to implement those laws, and the poor people and backward people are still denied of their right to get the benefit. If you go to the interior places in the countryside, you will find hospitals, no doubt, but there are no doctors, no medicines. Patients are dying without getting any treatment. We have many hospitals in the cities and towns but in the villages and rural areas, if one falls ill it is very difficult to take the patients to the hospitals because the system of roads and communications system is the worst. The Anganwadi workers, how much do they get? It is just a paltry sum of Rs. 30, 40 or 50. Through the Fourth Pay Commission you have increased the pay range up to Rs. 9,500 but the economic condition of the weaker sections continues to be bad, because the stronger section is going upwards.

All the middlemen are active and the money is being concentrated amongst the middlemen and the capitalists. The purchasing power of the poor people has gone down and is almost nil now. If a family has two children, they cannot afford to send them to school. They cannot bear the expenses. So, I support this Resolution. I have many things to say but because the time is short I request that the Government should take immediate steps to change the bad policies of the Government so that the weaker sections, that is, the Scheduled Castes and Scheduled Tribes also get the benefits and they can also have a better life. With these words I conclude.

MR. CHAIRMAN: Dr. Phulrenu Guha.

[Translation]

*DR. PHULRENU GUHA (Contai): Madam Chairman, at the very outset I will like to thank the Hon. Mover of this resolution for providing us what an opportunity to discuss this important subject, though I do not fully support this resolution. I hope the Hon. Minister will himself bring forth a comprehensive Bill or resolution on this subject in the coming days based on the present discussion. Many of my Hon. Colleagues have said many things on this resolution in this House and I do not want to repeat those things. I wish to confine myself to certain special and specific points only. Some people say that nothing has been done in our country. But I want to remind those friends that at the time of our independence in 1947 not even a needle was being produced in our country. Whereas today, through enormous technological progress our country is able to send man to the moon. I do not at all argue with those who say that we haven't made any progress or nothing has been done in our country. We have made tremendous progress no doubt but in spite of that I agree that much remains to be done yet. There are millions of people in our country who are illiterate and devoid of knowledge, there are millions who are halfstarved or do not get two square meals a day.

* The Speech was Originally delivered in Bengali.

There are millions of women and children in our country today who are totally backward. All these things we should not forget. In this context I have to say that we are not following what Mahatma Gandhi said. India is a country of village. We have not yet formulated our plans and programmes with a view to the upliftment, development and betterment of our villages. We are going on expanding and multiplying our cities only. All our plans and programmes are city based. But if the villages do not develop then the village people cannot also develop and progress. We all know that the majority of our people live in the villages. Hence, if the village people do not make any progress then our country cannot make any progress in the real sense. Therefore, I will urge that more small, medium and cottage industries should be set up in our country in the rural areas. We have discussed in detail about the 'no industry city' and 'no industry block'. But no work has yet started in that respect.

Many of our friends have said that much progress has been achieved in the Socialist countries like USSR and China. I will ask them that when they visited those Socialist countries, did they go to the villages also? They talk about the European countries of the Soviet Union. Have they gone to the Asian countries of the Soviet Union also? I visited them when they were celebrating their 50th anniversary. I found that the Asian countries there have not made that much progress. Our friends from the other side say many things here. But why do they forget that there are no trade unionism there. They do not indulge in agitations and other type of movements there. Our friends forget all these things. I will say one thing here. I do not know whether it will be taken in the right spirit. When the freedom movement was going on in our country, many persons sacrifice their lives for the cause, many persons sacrificed all that they had. But how many people today have made any sacrifices for the economic development of our country? We see the doings of our trade unions. What do they do? They agitate for increasing the salaries of the people who are in the organised sector. They never say that for 2 or 3 years there should be a wage freeze. No body's pay would be increased during that period above a fixed limit. The money

thus saved would be utilised for the development of villages and village people. But alas! no body has any thought for the villages. They only agitate for higher and higher salaries for the organised sector and for the Government employees.

Another thing I want to say is that we would not make any progress unless we give ownership of land to the tiller. Here I will stress that land should be given only to him who really cultivates the land and works in the field. From our experience we find that this does not happen in many cases. One who has never worked in the field gets land and another who actually works in the field does not get it. This is our sad experience. All these poor people have to be saved from this sad plight. I know that there is not much time for me to speak. But I will raise another point. We see that people from the villages constantly rush towards the cities. Why is it so? This is because they do not have enough to eat in the villages, there are not enough avenues of work and employment where they can earn their livelihood. Therefore, if we cannot provide enough employment opportunities in the villages, then all of them will make an exodus to the cities. In the cities what is their plight. They have to live on the footpaths. Therefore, we will have to change our entire outlook and will have to endeavour to improve and develop the villages, first. If we can do that, then the villages folk will not rush towards the cities under great hardship, because they have their own dwellings in the villages may be it is only a small hut. They love to live in the villages in the open and fresh air. Why should they rush to the cities? They are compelled to move to the cities now undertaking great hardship. We do not provide any facilities for them in the villages. There are no avenue of employment there is no drinking water. I will specially mention about the plight of the womenfolk. There is no drinking water in the villages in my area. As a result, the women have to carry water from long distances. This hardship faced by the women is not felt or realised by most of our menfolk. Many of them are not even aware of it. No man can understand or feel the sorrow of the mother when she cannot provide education for her child, when she cannot provide medicine to her sick

[Dr. Phulrenu Guha]

children. Only the mothers know this sorrow. I cannot help speaking for those mothers. When we speak about employment, we forget about those countless women who are today unemployed who have no means of earning their livelihood. When we talk about the unemployed, our attention is focused only on those educated or little educated boys and men only. Little attention is also paid to some educated girls. You never talk of the millions of village women who have no opportunity of work!

I reiterate that our country has made tremendous progress since independence. But I will again say with regret that on the one hand our country has made remarkable progress but on the other hand there are still millions of people who are having a very low standard of living. Those teeming millions who do not get two square meals even today. Those who do not have any opportunity for education. Those who are living in darkness and immersed in superstition. If we fail to dispel those superstitious we will not be able to make any real progress. I will again request our Hon. Minister to bring forth a comprehensive resolution before this House based on the present debate which will help our country to progress in real terms in the near future.

16.55 hrs.

[MR SPEAKER *in the Chair*]

[*Translation*]

(*Interruptions*)

MR. SPEAKER : Have you any objection ?

[*English*]

SHRI S. JAIPAL REDDY (Mabhub-nagar) : On a Point of Order, Sir.

MR. SPEAKER : What is the Point of order now ? ...(*Interruptions*)

AN HON. MEMBER : We will not tolerate any interruptions, Sir ...(*Interruptions*)

[*Translation*]

MR. SPEAKER : If there is a point of order, let him raise it.

[*English*]

AN HON. MEMBER : I have got a Point of Order against his Point of Order... (*Interruptions*). Our point of Order is that we will not allow them ...(*Interruptions*)

[*Translation*]

MR. SPEAKER : What is your objection ?

[*English*]

(*Interruptions*)

MR. SPEAKER : Might be I will decide that. If you will let me do it, I will do it.

SHRI H. A. DORA (Srikakulam) : Sir, his Point of Order is not to allow us to speak. Please allow that Point of Order.

PROF. MADHU DANDAVATE (Rajapur) : Can it be done ? Ask Mr. Speaker whether there can be a Point of Order on Point of Order...(*Interruptions*)

SHRI H. A. DORA : Is it a Point of Order not to allow the Opposition Benches to speak ?

17.00 hrs.

(*Interruptions*)

MR. SPEAKER : Will you please sit down ? It is the same which you do it. Both ways it is the same. Which rule has been violated ?

(*Interruptions*)

[*Translation*]

MR. SPEAKER : Kindly resume your seat.

[*English*]

SHRI S. JAIPAL REDDY : Let me formulate my point of order. I have given notice of Privilege Motion. (*Interruptions*)

MR. SPEAKER : I have disallowed it.

(Interruptions)

SHRI SAIFUDDIN CHOWDHARY
(Katwa) : When you disallowed that ?
(Interruptions)

MR. SPEAKER : I disallowed it.

(Interruptions)

SHRI S. JAIPAL REDDY : But I have
not received it, Sir.

MR. SPEAKER : I have sent it to you.
But even that does not bar.

(Interruptions)

MR. SPEAKER : I disallowed it.
Overruled.

(Interruptions)

SHRI S. JAIPAL REDDY : What is the
rule under which the Prime Minister is
Making the statement ? *(Interruptions)*

[Translation]

MR. SPEAKER : Why do they stand
up without any purpose.

STATEMENT RE : APPOINTMENT OF
SUPREME COURT JUDGE TO EN-
QUIRE INTO ISSUES CONNECTED
WITH FAIRFAX GROUP OF
UNITED STATES OF AMERICA

[English]

THE PRIME MINISTER (SHRI RAJIV
GANDHI) : Mr, Speaker, Sir. on 31st
March, 1987, this Hon'ble House had a
comprehensive discussion on the question of
utilising the Fairfax Group of the United
States of America. The Government placed
before the House the information that was
available. Nevertheless, questions continue
to be raised. In view of the importance of
the matter, all controversies must be set at
rest. Government, have, therefore, decided
to appoint a sitting judge of the Supreme

Court in consultation with the Hon'ble the
Chief Justice of India to enquire into the
issues connected with the above matter.

(Interruptions)

MR. SPEAKER : No questions. There
is rule 372.

(Interruptions)

PROF. MADHU. DANDAVATE
(Rajapur) : I have seen that. But I want
to point out to you, Sir, that some of us
have given a substantive motion demanding
setting up of a House Committee to enquire
into the matter. *(Interruptions)*

MR. SPEAKER : Not allowed.

*(Interruptions)**

MR. SPEAKER : Mr Namgyal.

(Interruptions)

PROF. MADHU DANDAVATE : What
about the terms of reference ?

MR. SPEAKER : They will have to tell
us. They will tell us. They will follow.

(Interruptions)

PROF. MADHU DANDAVATE : Sir,
you ask the Prime Minister what will be the
terms of the Enquiry Commission that is
going to be appointed. *(Interruptions)*

MR. SPEAKER : Naturally, they will
tell us.

(Interruptions)

[Translation]

MR. SPEAKER : Not now ..they will
tell you on Monday.

[English]

MR. SPEAKER : I will ask them to give
you.

(Interruptions)

*Not recorded.