

[श्री रामावतार शस्त्र]

व्यवस्था ठीक रखें। ऐसा करके ही उप-भोक्ताओं के असंतोष को दूर किया जा सकता है।

(viii) NEED FOR MORE BRANCHES OF NATIONALISED BANKS IN CHOTA-NAGPUR AND SANTHAL PARGANAS IN BIHAR

SHRIMATI KRISHNA SAHI (Begusarai): The total Bank deposits in Bihar amounted to Rs. 1840 crores last year; keeping 43 per cent for liquidity, the rest, viz. only Rs. 1,000 crores had to be advanced to different sectors in Bihar. Out of Rs. 1,000 crores only Rs. 713 crores had been advanced, and there is still a gap of Rs. 250 crores. Instead of making something more available to Bihar from the deposits of richer States, even the defined proportion of Bihar's deposits has not been fully advanced. On the agricultural front alone, Bihar needs a crop loan of Rs. 400-500 crores per year, of which farmers are putting in Rs. 75 crores of their own.

For land development and minor irrigation (tube wells, pumping sets etc.), another Rs. 500 crores are needed. As against this, presently crop credit is available for only Rs. 24 crores per year.

In order that the advances are increased in Bihar, more bank branches will have to be opened. Before nationalization of banks, Bihar had hardly 600 bank branches in the whole of the State, which would have increased to 1478 branches up till March 1982. In Chota Nagpur and Santhal Parganas, where villages are situated at substantial distances from one another, this criterion of 20,000 population ought to be brought down by 10,000—12,000 to make it 8,000—10,000 population for one branch.

12.29 hrs.

# GENERAL BUDGET, 1982-83—GENERAL DISCUSSION—Contd.

MR. SPEAKER: Now the Finance Minister.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): At the very outset, let me express my gratitude to all the hon. Members who have made their contribution, by participating in the debate. I do not know whether a record number of speakers have participated and made their contribution—on this year's Budget proposals during the general discussion but the number is as many as 50. It is obvious as was commented upon by some newspapers, that the lengthiest Budget speech was delivered by the shortest Finance Minister.

MR. SPEAKER: Under the Speaker-ship of the longest man.

SHRI ATAL BIHARI VAJPAYEE (New Delhi): That is the long and short of the Budget.

SHRI SATYASADHAN CHAKRABORTY (Calcutta South): Not the longest but the tallest.

MR. SPEAKER: Amendment accepted, not the longest man, but the tallest man.

SHRI PRANAB MUKHERJEE: The Professor is always here to correct us. Firstly, as is usual, whenever a Budget is presented, it is reviewed from various angularities; and the tendency to give an epithet to the Budget is there and there has been no exception to it. Some have suggested that this is a lack-lustre budget; to others: it is timid; to some others, it is without any direction. I will just start from the observations of my distinguished colleague, Mr. George Fernandes who is not present here. According to him, he started

by saying that this year's budget is the biggest non-event, but I am unable to understand he concluded by saying that this budget is a dangerous one. If it is non-event, I hope it cannot be dangerous. And deliberately I did not like to have an eventful budget after the presentation of which the house-wives of my colleagues including mine may have to organise a demonstration, as was very correctly pointed out by my colleague, Mr. Maganbhai Barot, against the budget proposals of the Finance Minister. Deliberately, I wanted to avoid creating an event like that.

PROF. MADHU DANDAVATE (Rajapur): There is no guarantee that his wife will not demonstrate.

SHRI PRANAB MUKHERJEE: Uptill-now, she has not done it. Coming to the major thrust of the budget proposals, I would like to point out that what I wanted to do through these proposals is to create a situation where incentives for savings are available, investable funds are available, plan is not reduced and the priority sectors including Defence.

Somebody may say that it is not a priority sector; it is not a priority sector, so far as the plan is concerned, but if you look into the overall national priorities, Defence is definitely an important priority sector.

PROF. N. G. RANGA (Guntur): The first priority.

SHRI PRANAB MUKHERJEE: I had to resort to these proposals. The parameter under which, I thought, I should work, is that there should not be a signal to inflation; there should not be heavy doses of taxation on the common man across the board; at the same time, there should not be a deficit financing which would otherwise give a signal to inflationary pressure.

As I have mentioned in my budget speech wholesale price index is declining; it has come down substanti-

ally, but still the inflationary pressure is there in the economy itself and we cannot create a situation in which we can give a green signal to the inflationary pressure. The various proposals may be scrutinised, and when we come to certain points raised by the hon. members, we will discuss it in greater detail. I wanted to emphasise that whatever be our commitment to other sectors including Defence, there must be a sizeable step-up in the planning outlay; and perhaps hon. members would agree that I have been able to do so by increasing the plan outlay at the Centre sector by 27.6 per cent; and taking the Centre and the States together by 21 per cent. One may find out from the budget documents and say, it is an area, where 21 per cent sectoral increment is there, but one will have to keep in mind, if we are to increase substantially in one sector and that to is a very vital sector, the energy sector. Practically in every international forum the year has been treated as the year of the energy, the decade of the energy and everyone is considering seriously the energy crisis and to evolve a strategy on how to fight against it. I hope a Finance Minister need not be apologetic of providing 62 per cent increment in the Plan outlay in the energy sector; and I have done so. And, therefore, if I increased 62 per cent on energy sector, naturally straight increment of 21 per cent in each and every sector is not possible.

Secondly, as it is said, once I heard a story, that an ideal cow should be, particularly to a brahmin, which will give more milk, which will not eat at all, and at the same time the cow should be docile. Perhaps an ideal Finance Minister would be one who will increase the allocations in various sectors, who will not go for any type of taxation and at the same time, who will not resort to deficit financing. I am afraid, this type of ideal Finance Minister may not be possible. Therefore, I had to impose taxes. And the area which I have chosen is less inflationary. I have increased excise duty

(Shri Pranab Mukherjee.)

on cement, and it has been explained in detail by various speakers who have participated in it. What is the market price today and what is the relevance of the control price? If the control price is Rs. 31 and the market price is Rs. 62 the balance is not coming to the producer.

AN HON MEMBER: Black-marketers!

SHRI PRANAB MUKHERJEE : Yes, that is the point. The balance is not coming to the producers. Consumers are not getting any benefit. Somebody in the middle is appropriating at. Therefore, through price mechanism we will have to create a situation where this can be avoided. When the question of price adjustment will come, I will discuss this point in more detail. Therefore, I have increased 5 per cent point duties on imports.

Sometimes I am really puzzled, particularly when I listened to the observations of various hon. Members, why this point did not strike them, particularly those who are suffering from some sort of an obsession that IMF conditionality, that imposition of customs duty is to some extent against the liberalised import policy and liberalised import policy, according to you, is one of the conditionalities. I will discuss them in detail later, but that is just for the consideration of the hon. Members.

I claim that the Budget will not give a signal to inflation. The question is, whether it is correct. All the hon. Members—I would not say all, because I did not have the privilege of listening to everyone of them directly, but I have gone through their speeches—most of them said that there will be an inflationary trend. On the 27th of February I presented the Budget and today is the 16th of March. I will request the hon. Members—they will immediately say. You do not do to the market—many of you who have gone to the market, can you identify any area and say that this is the area where because of the Budget proposals the prices have gone up?

SHRI ATAL BIHARI VAJPAYEE: Cement.

SHRI PRANAB MUKHERJEE: Cement? I deliberately increased the price. (Interruptions)

Vajpayeeji. I have increased the excise duty on cement. The objective was to increase the price of the cement, to mop up the additional money which is going to the pockets of black-marketeers, so that the producers get it, they get the incentive to produce more. It was a deliberate decision, a conscious decision. But in every area, because of the five hundred and thirty three and odd crores of duty imposed, which is the area of daily use where the prices have increased substantially? And you will say, wait for sometime more. That is why I am prepared to wait for some time more and to see if it becomes a fact. (Interruptions)

SHRI HARIKESH BAHADUR (Gorakhpur): From tomorrow it will start.

SHRI PRANAB MUKHERJEE: Now I would like to read out to you the comments of some economists. I would not like to go through the comments of all the economists. Obviously when I read out the names and gist of their comments, you will agree that all of them are not favourably disposed of towards us.

Mr. Rangachari, an important columnist says that the Budget is good on deficit, utilisation of aid and sayings, bad on corporate sector.

Dr. Hanumantha Rao says—quite positive. ....

Dr. Chelliah says—Positive on non—inflationary character and tax strategy. But Budget does not rationalise tax system. .

Dr. Bhaty says—very positive.

Mr. P. S Jha says—half-hearted but some good features.

Mr. A. K. Verma says—positive.

I would like Prof. Chakravarty to know the comments of Shri S. Bhat-tacharyya. After all, he cannot be blamed that he is rightist. He is one of the most distinguished economists who is known for his leftist views. He says that the Budget is on the right track—not ideological right.

Prof. Lakdawala says—generally positive; may be inflationary.

Therefore, Sir, the hon. Members would appreciate that I have not got a clean chit in what I have quoted. They have pointed out the deficient points in the Budget. I have never claimed that there is no deficiency in my Budget proposals. Nobody can present a Budget where there will be no deficiency. In that case, it would be an ideal Budget. In the given situation, an ideal Budget is not possible. Therefore the direction that I wanted to give to the economy is to save more and if they save, they will get incentives, invest more and if they invest, they will get incentives and remit from abroad and if they permit they will get incentives. The total overall direction is to save, invest and produce. I think, in the situation in which we are today this is the correct signal. I don't know why our leftist friends particularly have failed to know that from FICCI to Marwari Chambers of Commerce in Calcutta, all of them without any exception, have criticised this Budget. Why have they criticised?

SHRI NARAYAN CHOUBEY (Midnapore): They expected more from you.

SHRI PRANAB MUKHERJEE: They might have expected more. But would you not analyse what I have given to them? This is precisely the point I wanted to know. The point is that I have not done much for the corporate sector. I have given some incentives for more production and for savings. I have opened the window for savings. But that is to augment the plan resources and to sustain the growth level which we want to achieve. That

is not to increase the profitability of the corporate sector. Because I do feel that if we can improve the infrastructure for which huge investment in the public sector is necessary, provide adequate power, ensure supply of adequate raw material, can do away with the bottleneck in the transport sector, industry, both private and public sector, will take care of itself. You may say that this is nothing new. When I will come to your views and what you have done during those three years, will you will see that you also accepted this positive stand. Therefore, there is no question of indicating that we have given our objectives go by or we have given series of concessions to corporate sector or private sector. Here, I want to make a small point. I will discuss in detail the taxation proposals a little later. One small point I would like to mention. Many of them have raised the question as to why we have abolished the wealth tax on plantations. Perhaps hon. Members know that most of the plantations are under corporate sector, under the companies and they are not to pay wealth tax. The corporate sector is not to say wealth tax, they pay corporate tax. A very few, a microscopic minority of them, who are under private ownership or partnership, are left. Wealth tax has already been abolished on agricultural land. Therefore, a small fraction was left and they have been given this benefit. It is not merely, as somebody has suggested that we have given a favour to our political supporters; it is not so. Even the tax realisation is very insignificant particularly from that sector.

Sir, coming to the area of budget deficit of Rs. 1365 crores, somebody says that this is a deficit which is more and which the economy cannot bear. To my mind it is not so because with the present level of economic strength to my mind, the Indian economy could bear some more deficit even, but deliberately I have kept it at Rs. 1365 crores, as I mentioned to you, not to give the signal to infla-



[Shri Pranab Mukherjee]

tionary pressure, and one will have to keep in mind that the size of the deficit has also to be viewed against the likely decline in our foreign exchange reserves. The effect of this decline would be deflationary. Therefore, I have provided a deficit of Rs. 1365 crores. I do not agree with the Chairman of FICCI when he suggests that with the present level of economic situation, I could go in for a deficit financing of Rs. 1365 crores. I do not agree with time, I do not consider that Rs. 1365 crores of deficit with the present level of economy, is not bearable and it will have the inflationary effect considering the present growth and various other aspects.

Sir, a point has been made by some hon. Members that we have taken into account the increased resources from the public sector. I would like to quote one hon. Member. He has said, and I quote:

So far this increase in Plan outlay has been possible because of higher internal resources of public enterprises."

Precisely this is what we want. We want that our public sector enterprises would generate more resources so that they can support themselves. We want that the public sector should not be provided with the budgetary support to go on for all times to come. At the initial stage, yes, it is necessary because public sector goes in the non-profitable area, public sector goes in the infrastructure area. Therefore, budgetary support is necessary up to a certain point of time, but it should be an ideal situation. Instead of getting compliment from the hon. Members for taking more resources from the public sector enterprises to support the Plan, it has become a point of criticism. I am unable to understand the rationale behind it.

SHRI SATYASADHAN CHAKRABORTY Not by increasing efficiency, but by increasing prices.

SHRI PRANAB MUKHERJEE:

At the same time, when we deal with public sector undertakings, you will find that we have increased efficiency also. If you just look at it, the document is there about the rate of capacity utilisation in cement industry, in steel, and in aluminium in spite of serious constraints of inputs and constraints even in DVC.

Therefore, one would appreciate that when we start from minus 0.5 or 0.6 percentage increase is not very small or insignificant.

Coming to another area of criticism as to why we are resorting to price adjustment, And particularly when Shri Maitra initiated the Budget discussion he said that the Budget is in instalment because we are raising resources by prices adjustment Yes we are raising resources by price adjustment.

SHRI SUNIL MAITRA (Calcutta North East): Why do you say 'adjustment' say by raising. ....

SHRI PRANAB MUKHERJEE:

I would like to point out to Shri Maitra he is a trade union leader, that a comparison can be made in certain vital sectors—steel, coal etc.,—steel again; I am to initiate negotiations perhaps during the end of the year; coal is also standing on the wing, and in certain other vital sectors cost of inputs bound to go up; if you want to follow a sound fiscal policy one is bound to make price adjustment. This policy is a correct one. When some of the erstwhile ruling party Members of the Janata Party were criticising price adjustment. I thought let me look at what they did not particularly when serious objection is being raised that we are doing it even on the eve of Parliament. Most respectfully, may I submit when Parliament was in Session in June 1978 and April 1979, twice the prices of steel were increased. I am quoting from their document.

SHRI NARAYAN CHOUBEY: So did you.

SHRI PRANAB MUKHERJEE: Mr. Choubey, these things are a little difficult for you to understand. (Interruptions). Please try to understand.

I tried to find out whether Janata Party Government had some positive approach towards any fiscal policy and you must appreciate my hard work. I have found out one. I am quoting from the Economic Survey which the then Finance Minister presented:

"Government is sought to curb difficulties arising out of uneconomic pricing in many cases. The prices of cement and steel and retention price of fertilizers have been raised in order to provide the units in the industries with some increase in the rate of return. Failure to adopt such a policy means that we are in a sense consuming capital."

This is from the Economic Survey of 1978-79. I hope the Finance Minister was Shri Charan Singh. This is from the Economic Survey of Chaudhri Charan Singh and Janata Party was undivided at that time.

SHRI NARAYAN CHOUBEY: Are you following their footsteps?

SHRI PRANAB MUKHERJEE: No, I am not following their footsteps. I am appreciating that this is a correct policy. I have no hesitation in saying that some of the policies which they had were good. It is wrong to say that we always criticise them. Sometimes we follow them because they have followed us. What they have done, they have not initiated anything new. How can they? One will have to keep in mind that half of the stalwarts have gone from this side to that side.

SHRI ATAL BIHARI VAJPAYEE: More than half.

SHRI PRANAB MUKHERJEE: More than half. I stand corrected.

A point was raised that as you have accepted the IMF conditionality, you will be giving up subsidies. Particularly, Mr. Maitra was very much vociferous on this point. My most respectful submission through you to him is, please find out one area where we have given up subsidies. I think total budgetary subsidy is a little more this year. It is our accepted policy. We would like to reduce it because after all subsidies are not coming either from my pocket, I may be the Finance Minister, or from Shri Maitra's pocket. It is coming from the system for which every one is spending. Every one is paying. It is a principle. We shall have to accept to some extent that after all the consumers are to bear the expenses. Why the non-consumers should subsidise? If you artificially lower the price of steel or cement or aluminium or any other, where there are very basic metals which are necessary, certainly to some extent you have to provide them support.

But if you just inculcate the philosophy in it that the consumers will have to be subsidised by the non-consumers, I am afraid we will distort the economy to a very large extent. Therefore, that point is not, to my mind, a very solid one.

Now I will deal with some of the points and of the major criticisms which the hon. Members have mentioned. Obviously I will have to start with the International Monetary Fund because, according to some Members, the Budget is dictated by the IMF. They said a team came before the Budget, a team went after the Budget, and we have explained to them the Budget. Quotations have been made from the statement of policies which was presented to IMF and all these things have been said.

[Shri Pranab Mukherjee]

The speeches of the hon. Members on the IMF, have been very correctly dealt with by Mr. Yeshwantrao Chavan, former Finance Minister. I will not go into the economic aspects which have been dealt with by Mr. Venkataraman on a number of times. But I deal with certain other important aspects. When I listened to their observations, one thing comes to my mind. Perhaps, they are too much obsessed with the IMF as Macbeth used to see the imaginary dagger everywhere, though it was pointed out that the dagger did not exist. It is a false creation of heat-oppressed brain. Sir, everywhere they find the hands of IMF, though it does not exist.

SHRI SATYASADHAN CHAKRABORTY: You were enticed by their wiles.

SHRI PRANAB MUKHERJEE: I am enticed by none, not even by Prof. Charaborty. So, it does not exist.

Now, Sir, Mr. Indrajit Gupta has said, no, no, it is not that the Budget was dictated by the IMF; the Government of India has been pursuing the policy that is acceptable to the IMF, for quite some time. But the other side says including Mr. Moitra, no, no; the Budget is dictated by the IMF. Sir, I will leave it to them to sort it out, whether the Budget is being dictated by the IMF or the Government of India is pursuing the policies which are acceptable to the IMF. I will leave it to them to decide.

Only one point, I would like to submit. Yes, the budget has the imprint of one document. But it is not the document of the International Monetary Fund. The only imprint it has is that of the election manifesto of our Party which was circulated to the people and which was placed before the people of this country.

SHRI SATYASADHAN CHAKRABORTY: So, your election manifesto was dictated by the IMF.

SHRI PRANAB MUKHERJEE: Sir,

if you would permit me, I would like to quote:

"Congress will make a two-pronged attack in respect of demand and supply in order to contain the two digit inflation unleashed by the Janata Party Government. Conspicuous consumption will be controlled by appropriate fiscal measures and monetary management. A guaranteed and effective programme will be drawn up to boost the stagnating level of production by improving the investment climate and providing timely and adequate supplies of essential inputs. Full utilisation of licensed capacity in all sectors will be ensured by insistence on drastic efficiency measures. Recourse will be made on a cautious and selective basis to utilise our foreign exchange reserves for vital imports calculated to increase local production capacity and enhancing export potential in the long run."

Yes, it has this imprint. We have made medium term adjustment to which my good friend Mr. Agarwal has also taken some exceptions. But I would say that his speech was one of the constructive speeches. I appreciate some of your constructive suggestions which you have made. But what was the option? As I pointed out in the Budget speech, if the defence expenditure is more, it is not of our seeking.

13 hrs.

Similarly, if I am compelled to make some medium-term adjustment with IMF to solve the problem of balance of payment, is it our seeking? You forget about one thing. When you took over on 24th March, 1977, for the first time in the history of this country, in 1976 we left the international trade account with a plus figure. When we left, on the international trade account, there was a plus figure of a modest amount of Rs. 72 crores. And when you left, you left with a

deficit on the international trade account, in the year 1979-80, of more than Rs. 2000 crores. Here too I am not depending upon anybody's evidence but on you. This is a press-note which was issued by my good friend, Mr. Mohan Dharia, who was the then Commerce Minister. While presenting his import policy, he even changed the colour of the book, I think from red it was converted to green. Thereafter, I also made some improvement and I made it part green and part red. I would like to quote from the press statement, the press briefing, of the then Commerce Minister, I quote:

"Legitimate requirements of industry for imported raw materials should be met in full. Fortunately, comparatively easy foreign exchange position has made it possible to liberalise the import policy."

This is the statement you are making in 1977-78. We left you with a comparatively favourable foreign exchange position; we left you with a net surplus on the international trade account. And you left us with more than Rs. 2000 crores of deficit on the international trade account and you are objecting why this medium-term adjustment. Mr. R. Venkataraman has mentioned it on a number of times on the floor of the House....

PROF. MADHU DANDAVATE: Let me set the records straight. You have referred to the foreign exchange figure. The day we came to power, the foreign exchange reserve was of the order of Rs. 2700 crores. The day we want the foreign exchange reserve was Rs. 5400 crores. That is the reply given by Mr. R. Venkataraman to a question that I had posed in the very first week of the Parliament session in 1980.

SHRI PRANAB MUKHERJEE: I do appreciate and I would only correct my learned friend by saying that during 1975-76 and 1976-77, the growth was at one time nearly 56 per cent and thereafter, it started declining. You resorted to liberalised import po-

licy. I do agree that that policy had some justification; that was needed. But what I wanted to point out was that you did not have this serious problem of meeting your import requirements because in one year, the petrol prices increased and if I recollect the figure correctly, the imports increased from Rs. 1700 crores to more than Rs. 5000 crores. This is not the position in which we are. Therefore, how are we going to adjust it? I am putting this question to you very honestly. Would you suggest, no import of fertiliser, no import of kerosene, no import of diesel, no import of raw materials, no import of technology—let us go back to the days of cart? If you suggest that to me, I am prepared to accept their suggestion. But if we want to make a real dent, if we want to attain the growth for which we are committed there is no escape but to maintain this level of import. If you want to maintain this level of import, you will have to have medium-term adjustment and you will have to enter into an agreement. In regard to the political aspect, I have pointed out—Mr. R. Venkataraman has pointed out; the Prime Minister has pointed out—that there was no question of accepting any conditionality which will be against the national interest and which is not approved by our Parliament.

My hon. friend, Mr. Ravindra Verma, suggested and, I think, it was some sort of an allegation that the Budget for 1982-83 was communicated to the IMF in the statement of economic policies. And he quoted....

SHRI RAVINDRA VARMA (Bombay North): What I quoted was from the Memorandum of 28th December, 1981, in which there is a specific reference to this 5 per cent levy, not only to the levy but the actual quantum and, therefore, I said that you had informed the IMF earlier.

SHRI PRANAB MUKHERJEE: Have patience.

SHRI RAVINDRA VARMA: I have ample patience.



SHRI PRANAB MUKHERJEE: I wanted to be quite correct about what you referred to.

The Hon. Member said it but perhaps he has forgotten that; what was mentioned in that IMF note was the Budget of 1981-82 which was presented on 28th February, 1981 and there too, there was 5 per cent increase and there is the confusion. You have quoted from Budget, 5 per cent increase is there. Your document is correct. But, unfortunately, you have missed the more vital link that it was the Budget of 1981-82; Simply I wanted to correct you.

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI BHAGWAT JHA AZAD): He referred to the wrong year. Of course, it is not happening all the time!

AN HON. MEMBER: That is why they had been there for two years only!

SHRI PRANAB MUKHERJEE: Now I will come to the points. I am afraid I will have to take a little more time of the House to deal with some of the points raised by Mr. Ravindra Varma, Mr. George Fernandes and some other distinguished Hon. Members.

Mr. Ravindra Varma raised the question where is the goal and reeled out a number of figures. He will, therefore, excuse me if I quote some figures from my side.

	April—Dec. 1981	April-Dec. 1980
Coal including lignite 12% . . . .	April-Dec. '980	
Crude Petroleum 62.3% . . . .	"	
Nitrogenous fertiliser 55.3% . . . .	"	
Saleable steel (main Plants) 19.2% . . . .	"	

I would like to clarify one point which has given rise to confusion. It is true that we have two targets. One

target was fixed by the steel plants themselves. That was 5.74 million tonnes, so far as the integrated steel plants are concerned.

Thereafter, the Hon. Finance Minister indicated—

Shri R. Venkataraman who was Finance Minister at that time indicated and we held a meeting with him when I was Steel Minister—that if we can ensure the availability of extra infrastructural inputs, we can increase the targets and thereafter the target was fixed at 6.3 million tonnes.

What my hon. colleague Shri Charanjit Chana had pointed out on the floor of the House the other day was that it would not be possible to reach that revised target. But we are reaching the original target of 5.7 which is 1 million tonnes more when compared to that of the last year. And when I said that this is an all-time record, it is an all-time record because we did never reach that figure earlier.

Therefore,

Transmission tower . . . .	7.3%
Aluminium . . . .	8.6%
Electricity generation . . . .	11.2%
Bicycles . . . .	27.5%
Sugar . . . .	36.9%
Salt . . . .	7.4%
Vanaspati . . . .	17.1%
Leather Footwear Western . . . .	16.2%
Leather Footwear (Indian) . . . .	24.9%
Paper & Paper board . . . .	7.6%
Matches . . . .	8.3%
Incandescent lamps . . . .	30.9%

and so on and so forth. I can go on and give a number of items.

There may, therefore, be certain areas where growth has not taken place. It is anybody's guess that

everywhere there has been no equal percentage of increase. No economy can boast of that.

Another point which has been raised is that if we reduced the duty on acetate filament—I am sorry the Hon. Member has not understood the rationale behind it completely—it is not with a view to give any help to the multi-nationals. It has been alleged that we have opened the door for multi-nationals and that they are the collaborators of monopolists and so on and so forth. I will come to that later.

But we reduced the import duty on the acetate filament. Mainly it has been used in the decentralised sector and as we do not produce sufficient quantity in our country to match the entire economy and the entire import-export policy is to be made flexible, since it goes directly to the weaker sections, therefore there the duty has to be reduced.

And when it goes to relatively affluent sections, there, you will have to increase the prices.

This is the rationale.

He has objected to 45 plus 13-58 items which would be used as raw materials and components which would be used in the electronic industries. Why has there been exemption of duty?

Because we want to give a push to the electronic industries. If we reduce the customs duty on these items, it would help the industry to pick up—which has high employment potential, which is free from pollution and which can be established in any part of the country. And unfortunately this is an area where we have not been able to make any real dent. Therefore, I will not say that I have been able to do much. I am saying it is a very modest attempt. We have to do much more in the electronics sector. This is a small

beginning and perhaps, hon. Member would appreciate that even if we want to have a long march of a thousand miles, we have to start with a small one step.

Coming to his another accusation that I have not increased the concession for additional production. In our whole system we cannot do it because we know that in certain areas we do not want that the production should increase because protection of small scale industries is not related merely by reservation and merely by fiscal incentives. Take the case of the match sector. If you allow the giant match producers to go on producing in an unlimited way, all the small match manufacturers will have to be closed. Therefore, you cannot give concessions for additional production in that area. You will have to be selective. I will just give an instance. That is why we have chosen 38 items because we thought that we require extra production in these areas and which will not effect the interests of either the small scale sector or the collage sector or others.

Now, I am coming to some of the points which have been raised by Mr. George Fernandes. Yesterday listened to him—unfortunately, he is not here, because he raised some points and quoted a number of statistics. That is why particularly I was myself a little flabbergasted whether whatever I have printed was wrong. At least he has appreciated that I have given an objective figure and that I have not manipulated with the figures. This much certificate I have received from Mr. Fernandes.

He said and he quoted from the Economic Survey. That is why I have no option but to quote from the document wherefrom he took his figures and Prof. Chakraborty also demanded that statistics should be fought by statistics. Therefore, I am simply going by and I am strictly adhering to his advice and I am going to fight statistics by statistics

[Shri Pranab Mukherjee]

What was the claim of Mr. Fernandes? That he has increased during the 2-1/2 years or 3 years. whatever you may call it, the per capita income.. (Interruptions). You have also quoted. And what was his claim? He said that when they came to power in 1976-77, it was 652 and, thereafter, it increased substantially and he says that in two years they have increased it substantially and ridiculed the dynamic decade of 1966-67 to 1976-77. And he claimed that what he did so far as the per capita income is concerned is something a miracle and quoted from page 71 of the Economic Survey. I am also quoting from page 71 of the same Economic Survey. I would like to take the hon Members to the figure of 1966-67 when Mrs. Gandhi first become Prime Minister on January 24. The per capita income was 551.5—the base is the same 1970-71 price level which he quoted and I am quoting the same price level. When she left and Mr. Fernandes took office along with his friends, it was 652.9. In the 10 years which we call the dynamic decade and which he does not like, there was a ten point increase every year, from 551.5 to 652.9. What was the performance of the triennial or triumvirate or whatever you may call it? In 1977-78, they inherited the per capita income of 652.9. When they left in 1979-80, the increase was 661. In three years, you have increased it by nine points. You are boasting. You say that the dynamic decade is nothing, no improvement. This is the same figure from the same book and from the same column. I think, Sir, he could have been a little fair to us. Every year, it has increased.

SHRI SUNIL MAITRA: Give the average from 1977-78 to 1979-80 to understand the point.

SHRI PRANAB MUKHERJEE: I am sorry. I am giving the figure for 1979-80. You have provoked me. I did not want to give that figure. If you want, I will give you the figure for 1979-80.

In 1979-80, it was 661; in 1980-81, it was increased to 696.3. We do not have the 1981-82 figure.

SHRI SUNIL MAITRA: Let us have the average of it.

SHRI PRANAB MUKHERJEE: I have very correctly said. When you quote statistics, you take the average. But do not take an isolated year. If you do not have the ten years, average, have the average of three years. If we have the figures for three years, I will have to take the average of three years. If we had ten years figures we would have taken the average of ten years. You always preferred to be on that side and not on this side. What can I do.

So, if we had the ten years' figures, you may make a comparison. I would rage of ten years. You always pre-know a little bit of economics. It is not possible to make one year comparison. One year comparison will lead you nowhere. That is why I am not taking the 1979-80. Try to understand me. If I quote 1979-80 figure, I shall be doing injustice to you because that was the year of drought. If I quote the figure of 1979-80 it would be a disastrous one. Therefore, I have taken the figure of 1977-78 and 1978-79. In 1979-80, you inherited a part of the per capita income of 652. You got the per capita income of 661 over the three year period. Your point to point increment was only three. But, in the dynamic decade—you do not like that—there was an increase of ten points from Rs. 551 to Rs. 653. This is the simple point that I wanted to make.

He quoted another figure. I can depend on facts. He said about the net availability of foodgrains. There too I am giving the same figure. He said that during their period, more foodgrain was made available. I am saying that the net availability of the cereals per capita was: in 1977 it was 391.9; in 1980 it was 386.0 and in 1981 it was 420.4 Sir, I leave the conclusion to the hon. Member. He made

another point. I would like to deal with that. Through he has not spelt out in details, the main contention of his observation was that we have opened our economy to the multi-nationals. We have neglected the small-scale sectors, we have to done anything I can go on discussion the sectorial side. Everywhere you will see that in absolute terms, it has increased.

In percentage terms it cannot increase. Because, as I said, in the overall increment of 21 per cent or 27 per cent, if I increase 92 or 62 in one sector, in other sectors, similar percentage level increment is not possible. But in absolute terms we have increased. He very bitterly criticised us on some points. Particularly he mentioned about edible oil. He made a big plea that it was higher; during their period the per capita availability was 3.8 million K.G. Now, what was the picture in 1980-81? It was 4.1 million K.G. He said, cotton. He said, cloth. He made a big fuss of it. What was the per capita availability in 1978-79 which was the period of the best performance of the Janata party so far as economy was concerned? What was it? It was 10.2 metres in 1980-81. Now it is 11.2 metres. I don't say that it is satisfactory. We require 14, 15, 16 metres. But what arithmetic is there that 10.2 is more than 11.2? This is my simple point. And he is very much proud of the availability of electricity in the domestic sector and he claims that in 1978-79 it was 11.9 KW. Sir, he always compares with 1966-67 the year when Mrs. Gandhi become Prime Minister. He never compares it with 1976-77. Mr. Varma quoted some figures. He confessed saying, I will quote some other figures. That is why I am quoting certain other figures also. Therefore, for the first time it was not merely on the international trade account; for the first time in 1976-77 we had record industrial growth of more than 9 per cent. The profitability of public sector reached

a new high. It is not merely profitability but also overall efficiency. Otherwise the total industrial growth would not have been at that level.

There is another figure which I would like to quote. It is in regard to Electricity. He says that it was 11.9 MW. But in 1980-81 it is 12.4 MW. One point has to be kept in mind in these areas. After all, it takes some time. There is a gestation period. If today you start a plant it does not give production tomorrow. You get advantage after 2 years or 3 years or 4 years. Therefore, we do not say, — none of us claimed,—that you have not done anything. Our simple and humble claim is this: We prepared the economic base over a period and you got a good starting point in 1976-77. Unfortunately you left us a very bad starting point in 1979-80; you will say, it is due to drought. I don't deny that there was severe unprecedented drought, but is it his claim that in 1966 to 1976 there was no drought, there was no flood, all the time God Indira helped us? No. It is not the case. Apart from natural calamities, there was the war of Bangla Desh. Prof. Chakraborty knows it very well. More than 1 crore of refugees had to cross over. We had to provide them with food and shelter. War was fought. We won the battle. But everything has its strain on the economy. You put everything on drought; you pass on everything as due to drought. you talk about 1979-80. You do not take into account certain factors. About the dynamic decade you are very allergic. But there were natural calamities, there were severe setbacks we had two big oil crisis. But in spite of that we have done what best we could. Mr. Chavan was Finance Minister then. In order to make the adjustment he had to place before the House a supplementary budget. If I do not forget it was sometime in 1974; it was because of the severe oil crisis with which we were then confronted with. When this oil crisis was there, at that time, because of the instability of the dollar,



[Shri Pranab Mukherjee]

a very severe economic situation was What is my point? My point is that it was possible to overcome those crises. It is not that we have done it. But it has been done by the Indian people, it has been done by our farmers, it has been done by our workers. You may say that in the 'Year of Productivity' we have not sought the cooperation of the workers. We have sought the cooperation of the working forces. It is wrong to say that the working forces are not with the Congress Party, it is wrong to say that the farmers are not with the Congress Party. Congress Party is basically a party of the farmers. In its long history of 95 years it has always fought for this. One point we have to keep in mind, Mr. Harikesh Bahadur. Even we have provided the Opposition, the first non-Congress Prime Minister in this country, the first two Deputy Prime Ministers of non-Congress Government in this country had come from the Congress Treasury Benches and all of them were colleagues and therefore, whatever has happened from 1966 to 1976, I am prepared to share with Mr. Morarji Desai who was her Deputy Prime Minister; I am prepared to share with Mr. Charan Singh, who was at least once the Congress Minister in Uttar Pradesh. (*Interruptions*)

AN HON. MEMBER: For many years.

SHRI PRANAB MUKHERJEE: I am talking of 1966-67. Afterwards he found his own party.

SHRI BHAGWAT JHA AZAD: For many years.

SHRI PRANAB MUKHERJEE: I am talking of the period during the Prime Ministership of Mrs. Indira Gandhi. (*Interruptions*). Therefore, I am prepared to give a lion's share to Bapuji who was a Minister in Mrs. Gandhi's time for quite some time and during the entire period of this development decade. So, that is not the point. What I wanted to point out to you, including Mr. Harikesh Bahadur, is that it would be wrong to say that the work-

ing classes are not with us, the entire working forces are against us and our policy is against the farmers. Sometimes very artificial attempts are being made to show that a particular sector has not received adequate attention. Take the case of agriculture. If we cannot provide power to our farmers, if we cannot provide fertilisers to our farmers, if we cannot provide pesticides to our farmers, if we cannot provide power tillers, tractors and trailers to our farmers, can agriculture be given a boost? And investment in this sector does not go directly into agriculture. Therefore, whatever is given to Irrigation is indirectly given to the agriculture if you exclude all these things, it is not a presentation of the correct picture. This is my most humble submission to the hon. Members.

The last point which I would like to make is the one which was also raised by Mr. George Fernandes. He spoke about Defence. Sir, it is not correct to say so. Apart from its being a sensitive subject, there should be no objection to our having a national debate on this. But it is not correct to say that it gives handles to our enemy that our expenditure on defence is something astronomical or something which is much more. What is the position in regard to per capita expenditure on defence in so far India is concerned? I am quoting a figure of 1981, It is \$7 and for Pakistan it is \$17. I am not talking of any other country. Percentage-wise figures of G.N.P. with some of the comparable countries in the South-East Asia are like this. In Singapore, it is 6.3 per cent, in South Korea, it is 5.1 per cent in Pakistan, it is 5.9 per cent in Thailand it is 5.5 per cent and in India it is 3.4 per cent. Is it too much? After all one will have to keep in mind that ours is a federal structure and the entire defence expenditure comes from the Central Budget alone. If you take the Central and State Budgets together, the percentage will be much less. In regard to budgetary expenses when you talk of 17 per cent or 18 per cent, you forget 4 per cent. Therefore, this point is to be kept in mind.

Somebody may say that if they were there, they would have established better relations with Pakistan. We do want to establish better relations with Pakistan, but I am not going into that aspect; that is not my area. But the hard fact remains that since the days of independence, not a single bullet has been fired from the Pakistan side to any other direction, but only to India. This is a fact, be it on the issue of Kashmir in the late forties, or in mid-sixties or in early seventies; unfortunately, not a single bullet was fired in any other direction from Pakistan. It was aimed only at India. Under this situation, and with such a long border, can any responsible Government suggest that there is no need of defence expenditure. It is true that the defence of the country depends upon the economic strength on the courage and on the strength of the working forces. That is the reason why the Prime Minister has given a call that we should move together, not in isolation, not in compartmentalisation, so that we can meet the challenge. I would like to conclude here and once again express

my gratitude and thank the hon. Members for making very useful contributions to this debate.

13.32 hrs.

# DEMANDS\* FOR GRANTS ON ACCOUNT (GENERAL), 1982-83.

MR. SPEAKER: I shall now put to the vote of the House the Demands for Grants on Account in respect of the Budget (General) for 1982-83.

The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order paper, be granted to the President out of the Consolidated Fund of India, on account, for or towards defraying the charges during the year ending on the 31st day of March, 1983, in respect of the heads of demands entered in the second column thereof against Demands Nos. 1 to 108."

The motion was adopted.

## Demands for Grants on Account (General) 1982-83 Voted by Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House	
1	2	3	
		Revenue Rs.	Capital Rs.
<b>MINISTRY OF AGRICULTURE</b>			
1.	Department of Agriculture and Cooperation . . . . .	58,09,000	..
2.	Agriculture . . . . .	15,10,10,000	198,78,64,000
3.	Fisheries . . . . .	2,98,12,000,	1,38,95,000
4.	Animal Husbandry and Dairy Development . . . . .	22,71,22,000	1,35,17,000
5.	Forest . . . . .	6,06,33,000	12,50,000
6.	Cooperation . . . . .	3,34,96,000	28,86,71,000

\*Moved with the recommendation of the President.