

Clause 7, as amended, was added to the Bill.

MR. DEPUTY-SPEAKER : In clauses 8 to 10, there are no amendments. The question is :

"That clauses 8 to 10 stand part of the Bill."

*The motion was adopted.*

Clause 8 to 10 were added to the Bill.

MR. DEPUTY SPEAKER : The question is :

"That Clause I, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

Clause 1, the Enacting Formula and the Title were added to the Bill.

MR. DEPUTY SPEAKER : Now the Minister.

SHRI VASANT SATHE : I beg to move.

"That the Bill, as amended, be passed."

MR. DEPUTY SPEAKER : The question is :

"That the Bill, as amended, be passed."

*The motion was adopted.*

MR. DEPUTY SPEAKER : We will take up the other Bill—the Cine-Workers Welfare Fund Bill. It will take only 2 or 3 minutes.

SHRI RAMAVATAR SHASTRI : No. I have got six amendments. I will speak on all of them.

SHRI VASANT SATHE : Will the opposition not cooperate ? Here is a welfare Bill. Just 5 or 10 minutes more, and we can adopt that.

SHRI RAMAVATAR SHASTRI : No. It cannot be.

MR. DEPUTY SPEAKER : Are you not considering Government's request.

Their request is that it is only a welfare measure.

SHRI RAMAVATAR SHASTRI : No.

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16.04 hrs.

Motion re current price situation

THE MINISTER OF FINANCE  
(SHRI R. VENKATARAMAN) :  
I beg to move :

"That this House do consider the current price situation and the steps taken by the Government to tackle it."

I will make a brief statement and then I will reply in detail to the various points raised by the Hon. member. The price situation in the country does cause a great deal of concern to the Government. Whatever I say in the course of this debate defending the action of the Government or putting in a little strong language in defence of the Government should not be misunderstood as in any way detracting from the concern which this Government has for the very disturbing feature, namely, the price situation in the country.

16.06 hrs.

[SHRI SOMNATH CHATTERJEE  
in the Chair]

The discussion is welcome to Government because we expect that during the discussion a number of suggestions would be put forward and Government will give their utmost consideration to each one of the suggestions put forward in the course of the debate. I will broadly mention a few facts. In the year 1979, the rate of inflation in the country, the calendar year 1979, was 22.2 per cent. On account of the various steps taken by the Government in the current year, 1980, the rate of inflation was brought down from 22.2 per cent to 14.8 per cent. During the first 8 months in the current year, that is upto 15th August, 1981, the rate of inflation in the country on an annual basis stands at 10.4 per cent.

What I wish to submit to the House is that there is a deceleration in the whole sale price index in the country and that trend is very encouraging. I know that the deceleration in wholesale price index has not got immediately reflected in the consumer price index. There is always a time lag between the wholesale price index and the consumer price index. But for the purpose of comparison, since there is a time lag, we have taken always the wholesale price index. I wish to point out also that though there is deceleration, it is really no answer to the people because this 10.4 per cent annual rate comes over the 22.2 per cent which has been the rate of inflation in 1979 and 14.8 per cent in the year 1980. Therefore, so far as the consumer is concerned, even 1 per cent increase in 1981, though it may be flattering to the Government is of no consequence or is of no advantage because it is 22 plus 1 and not 1 per cent. We fully realise this. But when we come forward

with a statement of the position, we merely say that on account of various steps we have taken the rate of inflation has been brought down. The trend is very healthy and given the kind of production that we have witnessed in the first quarter of the year 1981-82, the rate of inflation has a tendency to decelerate further.

During the course of my budget speech both in 1980 and 1981, I said this Government will adopt the policy of supply management for the purpose of meeting the scourge of inflation. Normally, classical economists always deal with inflationary situation by reference to demand management that is restricting credit, withdrawing money from circulation, imposing greater and greater restriction on money supply and so forth. I said that we will lay greater emphasis on the supply management which means that we will not only accelerate production in the country but will always make the goods, particularly essential goods available in the country through imports. If Hon. Members want any ready reference, they may refer to my speech on April 24th or around, in which I had said that the policy of the Government in respect of supply management is not only to accelerate and increase production in the country, but will also be to import such essential commodities as are necessary for the well-being of the society.

In pursuance of this policy, we have imported 1.5 million tonnes of wheat, two lakh tonnes of sugar, and we are going to import a sizeable quantity of edible oil. I have not given the figure with regard to edible oil because once India goes into the market for purchase, immediately the international price will shoot up; India being a big buyer, the price will go up.



**SHRI SATISH AGARWAL** (Jaipur): As if they do not know?

**SHRI R. VENKATARAMAN**: They may know. But I do not make it official. We do not make it official. You have also resorted to the same trick which I am doing.

**SHRI SATISH AGARWAL**: I am not a classical economist.

**SHRI R. VENKATARAMAN**: Normally, we do not make it official. There is an area of conjecture or speculation. We do not make it official. That is my point. And then the point is raised that when there is a bumper crop in this country why are we importing wheat. And the point also is made that if we gave a one hundred and ninety rupees a quintal, as we are going to give to import wheat, we could have procured all this out of the market. I would like to answer this point, at this stage; because this is going to recur over and over again. If we increase the procurement price of wheat to one hundred and ninety, then it will not be only for 1.5 million tonne, but we will have to give it for 9 million tonnes of procurement. And once we give increase to the price of Rs. 190 per quintal, then the issue price of wheat would also go up. And if issue price goes up, it means that the price of wheat will go up, and if the Government does not pass on the price increase in the issue price, then Government will have to bear it; and if Government bears it there will be higher deficit and deficit financing which ultimately can result again in the prices going up.

Secondly, we are adding to the available stock by 1.5 million tonnes, so that it eases the supply position, whereas if you use the available stock by giving higher price, you are not increasing the available stock in the country thereby it would not help in the reduction of price. This is the principle on which we have decided to import, not only wheat but also sugar and other items which are in shore supply.

I will briefly now refer to the important aspect of price control mechanism and everyone of us knows that the prices for the consumer can be retained only if you have an adequate and well-ordered public distribution system. Government are trying their utmost to expand the public the distribution system, to enlarge it, and to make it as widespread as possible. I will give a few figures to show the attempts made by Government in this regard. In the year 1979 there were only 2,36,000 fair price shops. In the year 1980 the number rose to 2,75,000 shops.

Upto July, 1981, we have 2.97 lakh fair price shops. These fair-price shops have been able to distribute larger quantities of essential commodities which is again borne out by the figures I shall give. 1979-80 under the public distribution system, 11.66 million tons of foodgrains were distributed. In 1980, 14.99 million tons were distributed. In the first seven month of 1981, 7.11 million tons have been distributed. Therefore, it shows that not only are we increasing the distribution agencies, but we are also increasing the volume of foodgrains distributed under the public distribution system.

No discourse on prices would be complete without mentioning the measures taken in respect of controlling the money-supply and demand management. We have been trying to curb the money supply by various means. First of all, we have increased the CRR—cash reserve ratio—from 6 to 7%. Hon. members know that cash reserve ratio is one in which each bank is obliged to keep a certain portion of the deposits with the Reserve Bank. We have also increased the statutory liquidity ratio from 34 to 35%. This by itself will lead to a withdrawal from circulation of something like Rs. 500 crores. These are some of the measures we have taken. In respect of advances to essential items like credit to food-grains, we have increased the margins

under selective credit control and we have introduced very stringent conditions. Therefore, it will not be possible for persons to hoard and profit thereby. There are several other measures which have been taken on the demand side.

AN HON. MEMBER : What about black money ?

SHRI R. VENKATARAMAN : I was only dealing with money which is circulating from the banking system. With regard to money circulating outside the banking system, we are taking very stringent measures. I can tell Hon. members that the seizures which have been made since January, 1981 amount to nearly Rs. 1 crore every week. Recently some of the raids which have been conducted particularly in respect of oil-seeds and edible oil dealers have caused a crash in the edible oil market in Bombay. We have also a number of cases in which we have been able to seize as much Rs. 92 lakhs in cash from some person and jewellery and other things worth Rs. 1 crore from another person and so on. Government's attempts in this direction are going on with the utmost severity and speed. Therefore, Hon. members need not be under any misapprehension that so far as money circulating outside the banking system is concerned, it is not being dealt with as severely as it should be. On the contrary, I can quote some figures to compare what the previous Government was doing with what we are doing, but that is beside the point and I never indulge in that kind of thing.

The next point I would like to deal with is, there are hopeful signs in the present economic situation. The hopeful signs are that there is an increase in production in the first quarter in some of the most important infrastructural items. Coal production has increased in the first quarter over last year's production

by 7.8%. Actually last year's production itself was about 10% more than the previous year's production. Steel has increased by 24.8 per cent over the corresponding period last year. Power generation has increased by 16.9 per cent. The production of crude, which is really the most sought after wealth of today, has increased by as much as 63.8 per cent i. e. from 2.312 million tonnes to 3.788 million tonnes in the first quarter. Fertiliser production has also gone up by 65.3 per cent.

I would also like to mention as I did the other day when I was dealing with the public sector, that for the first time, the public sector is showing trends of making a profit. In fact, the gross profit in the first quarter, as a ratio of the total investment, amounts to 8 per cent. If this trend is maintained, I am hopeful that I will be able to come to the House with a very good Budget in which we will be able to reflect the prosperity, which is envisaged in this.

DR. SUBRAMANIAM SWAMY (Bombay North-East) : Are you sure that you will be there by that time ?

SHRI R. VENKATARAMAN : Man is immortal. And the younger man does not always survive.

I wish to conclude this resume by again expasizing that the Government are not complacent. We will take every measure possible to keep down the level of prices, to increase supplies and increase the wealth of the nation. In this very important task, I would welcome the valued suggestions of the colleagues in the House.

MR. CHAIRMAN : Motion moved :

"That this House do consider the current price situation and the steps taken by the Government to tackle it."

There are notices of substitute motions.

**SHRI SATYANARAYAN JATIYA** (Ujjain): I beg to move :

That for the original motion, the following be substituted, namely :—

"This House, having considered the current price situation and the steps taken by the Government to tackle it, is of opinion that Government should make adequate arrangements to provide foodgrains, edible oils, pulses and other articles of common use at fair price and in adequate purity and to ensure equitable distribution thereof in both urban and rural areas." (1)

**DR. SUBRAMANIAM SWAMY:** I beg to move :

That for the original motion, the following be substituted, namely :—

"This House, having considered the current price situation and the steps taken by the Government to tackle it, is of the opinion that the Government have completely failed to maintain price stability." (2)

**SHRI GEORGE FERNANDES** (Muzaffarpur): I beg to move :

That for the original motion, the following be substituted, namely :—

"This House, having considered the current price situation and the steps taken by the Government to tackle it, is of the opinion that the Government have completely failed to maintain price stability and recommends that—

- (a) the Government should take immediate steps to see that prices of all essential manufactured goods including all taxes and profits thereon, should not be more than 1.1/2 times the cost of manufacture ;
- (b) the farmer should receive a price for his produce which would meet his costs and provide him with an ordinarily decent standard of living ;
- (c) there should be parity and justifiability in agricultural and industrial produce ; and
- (d) fluctuation in the prices of any foodgrains should not be more than 16 per cent between two harvests." (3)

**SHRI RAMAVATAR SHASRI** (Patna): I beg to move :

That for the original motion, the following be substituted, namely :—

"This House, having considered the current price situation and the steps taken by the Government to tackle it, is of the opinion that :—

- (a) effective measures should be taken to bring down prices of all commodities ;
- (b) the public distribution system should be strengthened in urban and rural areas ;
- (c) fair price shops throughout the country should supply all the 18 essential commodities, as is being done in Kerala ;
- (d) the Government should take-over the wholesale trade of essential commodities so as to make the public distribution system more broad-based and strong ;

- (e) stern action should be taken against the blackmarketeers and profiteers and no bank loans should be given to them by nationalised banks ;
- (f) remunerative prices should be given to the farmers and the government should discontinue the policy of increasing prices of essential commodities." (4)

SHRI SUDHIR GIRI (Contai) :  
I beg to move :

That for the original motion, the following be substituted namely :

"This House, having considered the current price situation and the steps taken by the Government to tackle it, is of the opinion that the Government should take over the wholesale trade in foodgrains and other essential commodities and ensure the supply of those articles at reasonable prices to the masses through well organised public distribution system all over the country." (5)

SHRI SUNIL MAITRA (Calcutta North East) : Mr. Chairman, Sir, ever since Mr. Venkataraman took over as the Finance Minister of this country he has been giving the country a message of hope. Now it seems that hope has become a mirage and he has been chasing the mirage. Today standing in the ruins of hopes of our countrymen he is asking the House to feel encouraged because, as he says, there is deceleration in prices. That is all what the Finance Minister has been saying for the last 18 months.

On 16th of June he said that the prices had reached a plateau. But when he made the statement he did not know that beyond the plateau there was a hill and very soon he would have to climb up that hill.

Having reached a plateau, on 16th of June, on 25th of August, the 'Times of India' writes like this ;

"For the first time in seven years, the consumer price index for industrial workers in Delhi has taken a whooping jump of 15 points in just one month from June to July, which has brought the index to 476."

While placing the Budget of 1980-81 the Finance Minister expressed his confidence that the prices would be checked. But between June, 1980 when the Budget was placed before this House, and February, 1981 the working class consumer price index rose from 386 to 418 i.e. a rise of 32 points. This year between February 81 — on 28th February he presented the Budget — and June, 81 the working class consumer price index — in 1960 it was 100 points — rose from 418 to 439 i.e. 21 points.

These figures are eloquent enough to suggest that the situation is going out of control. This price rise is taking place in the background of what the Finance Minister has just now stated. He has given a very rosy picture of our economy. The production is going up. He maintains that in almost every sector production has been going up. In the last year we had a record food production of 133 million tonnes; oilseed production was up by 21 per cent, sugarcane by 19 per cent and coal, which has been standing at 101 to 104 million tonnes, reached 114 million tonnes last year, industrial production has gone up by 3.6 per cent, the gross domestic product has increased by 7 per cent in 1980-81, as against a decline of 4.5 per cent in 1979-80; this is the picture the Government has given to the country. So, it is against this picture that we have to judge this phenomenon of price rise and then only we will understand the enormity of the problem and the futility of

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the measures which the Government have been taking, so far as the price front is concerned.

It has been stated in this House very many times that during the Janata and Lok Dal regime the prices rose steeply and now the prices have been rising at a very slow rate. I will always be talking in terms of the consumer price index, and not in terms of the wholesale price index, because when the housewives go to the market to purchase, they do not get any item at the wholesale price index rate.

From January 1980, the month you took over, to June 1981, upto which the consumer price index is available, it went up from 371 to 439, an increase of 68 points in 18 months. During the Janata regime, from March 1977 to July 1979, the index rose from 312 to 350, an increase of 38 points in 30 months. During the Lok Dal regime, from August 1979 to December 1979, the index rose from 360 to 374, an increase of 14 points in five months. So, it is for this House to analyse and come to proper conclusions because in the 18 months since you took over the consumer price index has gone up by 68 points.

This year's budget is already in shambles. In the Receipts side of your budget you have shown Rs. 1,000 crores from the bearer bonds, but you have actually got only Rs. 380 crores. A few days prior to the closing day of sales of the bearer bonds, the Finance Minister stated at Bombay something which was very ominous. He stated that if he did not get Rs. 1,000 crores by way of bearer bonds, then the people must be prepared for savage taxation. If the blackmarketeers, hoarders and profiteers do not oblige him, because he is not in a position to touch them, the Finance Minister says that the people must be prepared for savage taxation. And savage

indeed it was. Because, three weeks before the Parliament met, the Government of India made an announcement that the prices of petroleum and petroleum products would be raised. Between January 1980 and July 1981 you increased their prices thrice—in 1980 by Rs. 2,100 crores, in January, 1981 by Rs. 1,200 crores and in July, 1981 by Rs. 1,500 crores.

One litre of petrol used to cost Rs. 5.10 in January, 1980. Now it is costing Rs. 6.60. In January 1981 you increased the price of HSD by 37 paise per litre and in July 1981 by 32 paise per litre. You increased the price of kerosene in January 1981 by 10 paise, and in July 1981 by 15 paise. You increased the price of cooking gas in January 1981 by Rs. 5.8 paise and in July 1981 by Rs. 5/-. You increased the price of Naphta in June 1980 by Rs. 475/- per kilolitre and by Rs. 300 per kilolitre in July 1981. This time when you raised the prices of petrol and petroleum products, you justified it by saying that it would be needed for exploration of oil. On previous occasions when you raised the prices you said that international prices were more. Now, this time the international prices are very much less. There is a glut in the international market and in America now a litre of petrol is being sold at Rs. 2.66. Here also I am giving you my source. This is from *Newsweek*, July 13, 1981. (*Interruptions*). It is stated here :

"In New Jersey, for example, the average mid-June price of regular gasoline was \$ 1.34, yet some stations were charging as little as \$ 1.23 a gallon."

I take this price of \$ 1.34 per gallon which works out to Rs. 2.66 per litre. That is the price at which petrol is sold in the markets of the United States of America. If this is the petrol price in the international markets, you have raised it so



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high and now you are saying that this money is needed for the exploration of oil. I say that this is another indirect taxation and it will go to ONGC and Oil India Ltd. for exploration of oil. The Government of India does finance both the ONGC and Oil India for exploration of oil. If today Rs. 1500 crores earned by way of increase in petrol and petroleum products, diesel and other things go to the Oil India and the ONGC, to that extent the Government will be relieved of the responsibility of helping the Oil India and ONGC in financing them. So, if this is not indirect taxation, what else can we say? Therefore, beyond the budgetary pale you are resorting to all sorts of taxation which you would not call 'taxation', but which in reality is taxation.

PROF. N. G. RANGA (Guntur): How do you escape from it when we are faced with deficit?

SHRI SUNIL MAITRA: Regarding the import of wheat, now the Finance Minister says that we had to import wheat to the extent of 1.5 million tonnes. The other day we were told that the landed price of wheat is Rs. 190/- a quintal. If the landed price is Rs. 140/- a quintal, when it reaches the retail outlet it will be more than Rs. 200/- a quintal.

SHRI INDRAJIT GUPTA (Basirhat): Rs. 250/-.

SHRI SUNIL MAITRA: Yes, Rs. 250/- as he said just now. You are procuring wheat at the rate of Rs. 130/- a quintal. If this quantity of 1.5 million tonnes of foodgrains goes to the consumers at the rate of Rs. 250/- per quintal, then you are paying for it. Is it not?

Who is going to bear this increased price? Are you going to subsidise? If you do subsidise to the extent of 1.5 million tonnes of rice, from whom is this subsidy to come? Ultimately you pay to the American farmers and squeeze the money from

the Indian people. That is what you are doing. This is the stern reality, in this country. Last year we had a record production of 133 million tonnes but you could not procure. How can you procure when we have such provincial satraps as the Chief Minister of Maharashtra when you are hand in glove with all sorts of shady people—hoarders and traders; It is not possible for you to touch them. You can cajole them. You can appeal to them. You can appeal to their conscience. But you are appealing to those persons who do not have conscience, those who have been bleeding the Indian people white. Because your party and your entire machinery are financed by them, it is not possible to procure from rich landlords, from rich traders. Because you could not procure, therefore, you went to the American market. You procured 1.5 million tonnes by paying Rs. 190 to the American grain merchants. For this increased price that you paid, the Indian people will be forced to pay through their nose.

Second example is that of Edible Oil. The Finance Minister said that he would not be coming out with the quantity of oil. He would not be coming with the actual quantum of oil that he is to import. The other day we were told that he is to import 1 million tonnes of edible oil in this House.

SHRI R. VENKATARAMAN: I do not know.

SHRI SUNIL MAITRA: One of your colleagues told us in this House. Now you have increased the price of edible oil. Then you have increased the customs tariff from 40%, 50%, 60% to 190% to 200%. The justification given was because in the international market the price of edible oil was low, the trading community by importing this edible



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oil at low price would be selling at the prevailing price here. Therefore, they will be minting huge profit. Therefore, you raised the customs tariff from 40%, 50%, 60%, to 190%, 200%. Could not the Government import 1 million tonnes of edible oil? Why did you not import it? Why did the trading community under O. G. L. was permitted to import edible oil? Why through the State Trading Corporation the Government did not import the entire amount needed for the Indian people? Why did you not distribute it through your public distribution system? But you have allowed them to import—1 million tonnes. Whatever be the quantity, is it a secret that you by raising the customs duty from 40%, 50%, 60% to 190% to 200% will be filling up your coffers and to that extent your budgetary gap you will try to bridge,—again by edible oil; Indian people will have to pay more. That is what ultimately your policy amounts to.

When you say that there is a ray of hope that the price will come down, we do not subscribe to this point of view. All the symptoms are there that the prices are not coming down; on the contrary, the prices are going to register an increase. If you take the last decade, the trend is that the prices are increasing. The graph shows an upward trend. Perhaps for one year there was a slight drop. But between 1971 and 1981 there is not a single year when the price did not increase.

What then can actually be accounted for by this relentless rise in prices? Our country became independent in 1947. In the last 34 years if you analyse the price situation, with the exception of one or two years, you will find this phenomenon of price rise in almost every year. This is so because of certain basic policies that you have been pursuing.

What about your taxation policy? In 1950, out of the entire taxation,

60 per cent was accounted for by indirect taxation and 40 per cent was accounted for by direct taxation. This year, 83 per cent is accounted for by indirect taxation and 17 per cent is accounted for by direct taxation. Out of indirect taxation, the biggest amount is collected by way of excise duty. In 1950, the people of this country used to pay Rs. 62 crores by way of excise duty and, according to this year's budget, they will be paying Rs. 7200 crores by way of excise duty alone. On every daily necessity of life, you go on imposing excise duty, on a cup of tea, sugar, cigarette, match box, cloth, spectacles, shoes, on everything. For every damn necessity of life, you have an excise duty and almost every year, regularly, without fail, you are increasing the excise duty. The more the excise duty, the more the prices will go up.

Then, you resort to deficit financing. I will take the Janata regime; I will take the Lok Dal regime also. In 1978-79, it was Rs. 2003 crores; in 1979-80, it was Rs. 2780 crores and in 1980-81, it was Rs. 1975 crores. This year, you have budgeted for a deficit of Rs. 1539 crores. When the Finance Minister was presenting the Budget this year—I still remember—when the question of overall deficit came, he stopped and asked us, "guess what is the amount" and then he said, it was Rs. 1539 crores. He wanted to take the credit that it was about half the last year's deficit.

May I invite his attention to another phenomenon? What was the net banking credit to the Government? In 1978-79, during Janata regime, the budgetary deficit was Rs. 2003 crores and the net banking credit from the entire banking system was Rs. 2460 crores. In 1979-80, the budgetary deficit was Rs. 2700 crores and the net banking credit was Rs. 3823 crores. Now, Mr. Venkataraman, in your first budget, your deficit was Rs. 1975 crores but the net bank

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credit was Rs. 5437 crores. That is, the total deficit plus bank credit, in 1978-79, was Rs. 4463 crores, in 1979-80, it was Rs. 6523 crores and in 1980-81, it was Rs. 7412 crores. This is the liquidity in the system that you have injected. Having injected this liquidity, you cannot except that the prices would not rise. The more the liquidity, the more the inflation and the more the inflation, the more the price rise. You have never mentioned this phenomenon of bank credit.

Then, I come to your policy of public borrowings. Today, the net internal debt is of the order of Rs. 47,000 crores. Again your policy is that you allow monopoly houses to make profits.

The more the profit, the more the capital you accumulate. All these measures, your taxation policy, your policy of deficit financing, your policy of borrowing from the banking system, your policy of public borrowing, your policy to let the monopoly capitalists make profit in terms of billions and billions of rupees, all these policies were evolved solely for one political objective. For the last 34 years, this political objective has been to build capitalism in this country the like of which existed in the 17th and 18th centuries. In 17th and 18th centuries, on the one hand, they went on accumulating capital, depriving the peasants of their means of livelihood, of their tools of production, starving them, and turning the peasants into landless agricultural workers, and, on the other hand, they went on making colonies capturing other peoples' lands looting them and plundering capital. In 1947, when India became free, India has been following the path of capitalism. You forget one thing; that India as a capitalist country was born 200 years too late. In spite of that, you tried to develop capitalism in this country. In order to accomplish this task, you have been trying for the last 34 years. The result is price rise,

and because of price rise, today you are facing a crisis like of which this country never faced and it is a crisis which you are not going to solve because it is beyond your capacity to solve the crisis. Unless and until these basic policies are changed on the price front, there cannot be stability however much you may say. This is the position. You say that your inflation rate is coming down. But even if it comes down, you will always be fighting how to slow down the process of increasing prices. You will never be able to stabilise the prices unless and until the basic economic policy changes. Therefore, my suggestion to the Hon. Finance Minister will be to change his policies.

Select 14 essential commodities of daily necessity like rice, pulses and so on and so forth. 14 essential items of daily requirement without which the poor man cannot live. You procure them. Let the Central Government procure them and give it to the States so that the States distribute them through their distribution system. Fix the price within the purchasing capacity of the people. Only then, at least, you can give some relief to the people. All the talk of your 0-point programme and all the talk of relief to the poor, has no meaning. Please do it now and if you do not do it, the prices will escalate and if the prices go on escalating, you are going to face a grave situation in the next two to three years. You won't have to wait up to 1985. All the symptoms are there. All the symptoms of restlessness, all the symptoms of restiveness, are there in this country.

Therefore, please do something immediately to distribute these essential commodities through public distribution system.

With these words, I thank you.

श्री नवल किशोर शर्मा (दोसा) : सभापति जी, देश की बढ़ती हुई कीमतें सभी लोगों के लिए चिंता का विषय है।

एक माननीय सदस्य : चलिए आपने माना तो।

श्री नवल किशोर शर्मा : सही बात में सभी मानता हूँ—आप भी यह आदत सीख लें तो बड़ा अच्छा हो।

सभापति महोदय, देश में बढ़ती हुई कीमतों के बारे में यह अच्छा किया जो वित्त-मंत्री महोदय ने इस विषय पर, इस सदन में स्वयं चर्चा उठाई।

श्री जार्ज फर्नान्डोस : हम लोगों की मांग पर।

श्री नवल किशोर शर्मा : माननीय सदस्यों से यह अपेक्षा की जाती है कि वे इन बढ़ती हुई कीमतों के बारे में कुछ कारगर सुझाव पेश करेंगे।

वैसे आज दुनिया में कीमतें बढ़ रही हैं। हिन्दुस्तान दुनिया से अलग मुल्क नहीं है। किसी भी डिवेलपिंग देश में कीमतें बढ़ना स्वाभाविक होता है। मेरे मित्र सुनील मैत्रा कह रहे थे कि 1950 के बाद कीमतें बराबर बढ़ी हैं। कोई साल ऐसा नहीं गया जब न बढ़ी हों। असल में 1950 के बाद इस देश का विकास शुरू हुआ। विकास-शील देशों का दुनिया का इतिहास इस बात का साक्ष्य है कि उनमें कीमतें न बढ़ें यह सम्भव नहीं है। इसको हम आइसोलेशन में नहीं देख सकते हैं। यह जरूर चिन्ता की बात है कि आम आदमी की जरूरत की चीजों की कीमतें भी बढ़ी हैं जो नहीं बढ़नी चाहियें। सरकार ने जैसा वित्त-मंत्री जी ने

अभी कहा कोशिश की है कि कीमतें घटें। लेकिन कीमतों को घटाने का काम एक दिन में सम्भव नहीं हो सकता है। उन्होंने ठीक ही कहा है कि हम सप्लाय मैनेजमेंट की नीति पर चलना चाहते हैं जिसके मुताबिक प्रोडक्शन बढ़ाना एक काम है और उसके साथ ही साथ ऐसे कदम भी उठाना चाहते हैं ताकि कीमतें घटें। यह जरूरी चीज है।

इससे इन्कार नहीं किया जा सकता है कि जनता और लोक दल की सरकारों के जमाने में हमारे देश में जो इनका स्ट्रक्चर था वह अस्त-व्यस्त हो गया, चरमरा गया, चाहे बिजली की बात हो, कोयले की बात हो, स्टील की बात हो, ट्रांसपोर्ट की बात हो, मनी सप्लाय की बात हो। जो हालत जनता रिजिम में हुई उसका परिणाम एक दिन में नहीं आ सकता था। परिणाम दूरगामी हुआ करते हैं। बिगड़े हुए उन हालात को ठीक करने में समय लगता है। हम सब जानते हैं कि बिजली के बिना चाहे खेती का उत्पादन हो या औद्योगिक उत्पादन हो, बढ़ नहीं सकता है। दुर्भाग्य से बिजली का उत्पादन जनता राज के जमाने में, लोक दल सरकार के जमाने में लोएस्ट हो गया था। उस स्थिति को आज सम्भाला गया है। आज बिजली की कैंपेसिटी युटिलाइजेशन 48 परसेंट है। उसमें और सुधार की गुंजाइश है। कोयले का उत्पादन भी बढ़ा है। मैं आंकड़ों में जाना नहीं चाहता। रेल ट्रांसपोर्ट की मूवमेंट भी बढ़ी है। इस सबका नतीजा यह हुआ है कि हमारा जी० एन० पी०, हमारा औद्योगिक उत्पादन बढ़ा है। फिर भी हमको उन कारणों को तलाश करना होगा जिनकी वजह से आवश्यक वस्तुओं की कीमतें बढ़ती जा रही है।

यह सही है कि देश में जितना प्रोफ्लोरमेंट हम को करना चाहिये था हम नहीं

कर पाए। मेरे मित्र राज्य सरकारों को दोष दे रहे थे। उनको भी दोष दिया जा सकता है। एक बात मुझे कहनी पड़ती है। आप जरा अपने दिल को भी तो टटोलिये, आप के यहां क्या हालात हैं? अभी वह पैरवी कर रहे थे किसानों की कि हम अपने देश के किसानों को बढ़ा कर कीमत नहीं देते हैं और अमरीका से 190 के भाव पर गेहूं खरीद रहे हैं। वह भूल गए कि प्रोक्वोरमेंट प्राइस जब एक बार बढ़ जाती है तो उसको कभी कम नहीं किया जा सकता है। आज अगर हम 1.5 मिलियन टन के लिए बढ़ी हुई कीमत दे रहे हैं और उतनी ही कीमत इस देश के किसान को देने लग जाएं तो फिर आइंदा के लिए इस कीमत को घटाना बहुत मुश्किल हो जाएगा और फिर आप बैठे हैं जिनका काम आन्दोलन करना है। देश कितनी भी मुश्किल में हो, देश की कितनी भी आर्थिक स्थिति खराब हो आपका काम तो यह है कि जितनी भी विपदायें हैं, मुश्किलें हैं उन का राजनीतिक फायदा उठायें। इसीलिए तो आपने किया था नागपुर मार्च। और आपने इस देश में मजबूर किया सरकार को, कुछ तो जस्टीफिकेशन था, मैं भी मानता हूं, किसान की कीमत बढ़ाने का, लेकिन आपने वह आन्दोलन कर के किसान के मन में एक भावना पैदा कर दी कि प्रोक्वोरमेंट की रेट पर माल न दो। और उसका परिणाम यह हुआ कि सरकार के प्रोक्वोरमेंट में बाधा आयी। और इस सब कारणों से, क्योंकि हमारे देश की इकोनामी मार्जिनल इकोनामी है और मार्जिनल इकोनामी जिस मुल्क की हो वह मुल्क खतरे में नहीं ले सकता। इसलिये देश से बफर स्टॉक की जरूरत है, और मैं इस बात का

स्वागत करता हूँ, इस कदम की अच्छा कदम मानता हूँ कि देश में बफर स्टॉक बनाया जाय, भले ही हमें वह इम्पोर्ट कर के बनाना हो।

एक बात और नहीं भूलनी चाहिये कि इस देश में ज्यों ज्यों जीवन स्तर बढ़ता जा रहा है त्यों-त्यों कंजम्पशन भी बढ़ता जा रहा है। हम इस बात को भूल जाते हैं आज हमारे देश में शुगर का कंजम्पशन 55 मिलियन टन के प्रोडक्शन के बाद थोड़ा है, वह हमारे लिये कम है। उसका कारण है। और कारण यह है कि देश में स्टैंडर्ड आफ लिविंग के साथ-साथ जो एसेंशियल कमेडिटीज हैं उनका कंजम्पशन बढ़ता है। और वह बढ़ना चाहिये। तो देश में आर्थिक स्थिति को नियंत्रण में लाने के लिये सरकार ने जो कदम उठाये हैं वह स्वागत योग्य कदम हैं। लेकिन इसके बावजूद भी मैं इस बात को जरूर कहना चाहूंगा कि इस देश में जब तक आप काले धन की अर्थ-व्यवस्था पर अंकुश नहीं लगायेंगे, जब तक पैरेलल इकोनामी चलती रहेगी, आपके सारे कदम उतने कारगर नहीं होंगे जितने कि होने चाहियें।

धारक बांड का मैं तो समर्थक रहा हूँ और हूँ। पर दुर्भाग्य की बात है कि हमारे देश की, मुझे उनके बारे में कुछ नहीं कहना है, सुप्रीम कोर्ट के कारण इस देश में धारक बांड के मामले में जो सफलता मिलनी चाहिए थी वह सरकार को नहीं मिली। बरना बहुत कुछ हद तक वित्त मंत्री का जो बजट का फोरकास्ट था वह सम्भवतः सही साबित होता और ब्लैकमनी एक हद तक निकल जाता लोगों के हाथ से। लेकिन मुझे आज यह जानकर खुशी हुई कि पिछले कुछ दिनों से वित्त मंत्री जी ने जो रेड्स और सीजर्स का अभियान चलाया है

[श्री नवल किशोर शर्मा] : वह कुछ नतीजे देने लगा है। लेकिन यह अभियान और तेजी से चलना चाहिए। जब तक यह अभियान तेजी से नहीं चलेगा यह ब्लैकमनी निकलने वाला नहीं है क्योंकि इसकी जड़ें बहुत गहरी हैं।

साथ ही साथ मुझे इस बात पर संतोष नहीं है, जैसा कि वित्त मंत्री जी ने कहा कि हमने अपने पब्लिक डिस्ट्रिब्यूशन सिस्टम को मजबूत किया है, आंकड़े देकर उन्होंने कहा हमने 1981 के अन्दर 2 लाख 90 हजार पब्लिक डिस्ट्रिब्यूशन सिस्टम के अन्दर दुकानें खोली हैं। इतने बड़े देश में यह 2 लाख 90 हजार दुकानें यह ऊंट के मुंह में जीरे के समान हैं। पब्लिक डिस्ट्री-ब्यूशन सिस्टम को मजबूत करने के लिए हम बात तो बहुत दिनों से करते आ रहे हैं, जरूरत इस बात की है कि अगर वास्तव में इस देश में हम कीमतों पर नियन्त्रण करना चाहते हैं तो इस कारगर बनाना होगा। खाली क्वान्टिटी के बारे और नम्बरों के आंकड़े देकर इस देश के लोगों की समस्या का समाधान नहीं कर सकते हैं, इसका कोई नतीजा नहीं। नीचे से आप को काम का जजमेंट करना पड़ेगा। इसलिए वित्त मंत्री जी से निवेदन है कि इस मामले में सख्ती से आपका कदम उठाने चाहियें।

17 hrs.

हमारे देश में ब्लैक मार्किट आम चीजों में काफी तादाद में होता है। लोगों को शिकायत यह होती है कि ब्लैक मार्किट में वही चीज मिल जाती है। अब तक हमने जो कदम उठाये हैं, उनका कोई नतीजा नहीं है। पिछले दिनों संसद में जब एसेम्बली कमेडिटीज के बारे में चर्चा हो रही थी तो बताया गया था कि 30,000 मुकदमे एक और 10,000 मुकदमे एक अदालत में पेंडिंग हैं। अगर इस तरह के मुकदमे बनाने

से ही आपका काम चलने वाला है और आप समझते हैं कि इस रफ्तार से आप देश की ब्लैक मार्किट को बन्द कर सकेंगे, कीमतों को नीचे ला सकेंगे तो मैं वित्त मंत्री महोदय से यह कहना चाहता हूं कि वह धोखे में हैं। जरूरत इस बात की है कि इस ब्लैक मार्किट को और ऊंची कीमतों पर माल बेचने वाले लोगों को सख्ती से निपटा जाये। आपने संसद से यह अधिकार भी ले लिये हैं। अब आपकी परीक्षा की घड़ी है। अब तक तो आपको बहाना भी था, लेकिन अब देखना यह है कि इस परीक्षा की घड़ी में आप कितने खरे उतरते हैं ?

मैं एक बात और कहना चाहता हूं कि इस देश में आप को कंज्यूमर्स मूवमेंट खड़ी करनी पड़ेगी। आप जब तक यह नहीं करेंगे, इस देश के लोगों में यह कांशसर्नस नहीं लायेंगे कि वह जीवन की आवश्यक वस्तुओं को ऊंची कीमतों पर न खरीदें, उनकी तरफ भागने की मनोवृत्ति को छोड़ें, तब तक काम होने वाला नहीं है।

मैंने पहले कहा है कि इस देश में मार्जिनल इकोनामी है और हमें इस मार्जिनल इकोनामी के आधार पर चलना पड़ेगा। हमारे पास कोई दूसरा विकल्प नहीं है, बढ़ती हुई आबादी के मुल्क में इसके अलावा और कोई दूसरा रास्ता नहीं है। इसलिये इस मार्जिनल इकोनामी के जमाने में इस बात की जरूरत है कि एक स्ट्रांग कंज्यूमर मूवमेंट खड़ी की जाये और उस काम में मैं अपने विरोधी दल के भी जो सद-विचार वाले लोग हैं, जिनमें राष्ट्र प्रेम है, उनसे यह अपील करना चाहता हूं कि वह भी इस काम में सरकार को सहयोग दें।

मैं इस मौके पर सुनील मैत्रा साहब की एक बात की तरदीद करते हुए अपनी बात



समाप्त करना चाहूंगा। उन्होंने कहा कि इस देश और सरकार की नीति पूंजीवादी है। मैं कहना चाहूंगा कि इस सरकार की नीति पूंजीवादी कभी भी नहीं रही और पूंजीवादी नीति के कारण यह बीमारी नहीं है। मैं यह कहना चाहता हूँ कि इस देश में हमने मिक्सड इकोनामी को स्वीकार किया है और इस आधार पर हम सोशलज्म के रास्ते पर देश को आगे ले जाना चाहते हैं। आपको असल में यह बातें गले नहीं उतरतीं इसलिये कि यह आपके लिये करारी चोट है।

मैं एक बात और कहना चाहता हूँ कि पूंजीवादी नीति होने के कारण इस देश की बीमारी नहीं, अगर समाजवादी नीति ही देश की बीमारी का इलाज होता तो जैसा मैं अखबार में पढ़ता हूँ, अन्दर की बात तो डा० सुब्रह्मण्यम स्वामी जानें या हमारे मार्क्सवादी दोस्त जानें, चीन में भी भुखमरी है। चीन में भी महंगाई की समस्या है। वहां भी बढ़ती हुई कीमतों की समस्या है। वह देश तो शुरू से एक रास्ते पर चल रहा है। उसने इस समस्या का समाधान क्यों नहीं कर लिया ?

जैसा कि मैंने निवेदन किया है, कीमतों का सवाल चिन्ता का विषय है। वित्त मंत्री द्वारा उठाए गए कदम दूरगामी कदम हैं। उनके परिणाम एक दिन मैं सामने नहीं आ सकते। इसमें कोई संदेह नहीं कि उनके उठाए हुए कदमों से इन्डस्ट्रियल प्रोडक्शन बढ़ा है, जी० एन० पी० बढ़ा है, हमारी अर्थ-व्यवस्था में सुधार हुआ है, इनफ्लेशन घटा है—22 परसेंट से 10 परसेंट पर आ गया है। ये सब उपलब्धियां हैं। लेकिन आवश्यक वस्तुओं की कीमतें निरन्तर बढ़

रही हैं, यह चिन्ता का विषय है। मैं उम्मीद करता हूँ कि यह सदन और इस देश के सभी प्रबुद्ध लोग कीमतों को गिराने में सरकार की मदद करेंगे, ब्लैक मार्केटिंग और प्राफिटियरिंग करने वाले लोगों का सामाजिक बहिष्कार करेंगे और संचय की मनोवृत्ति को रोकने के लिए कारगर कदम उठावेंगे।

मैं सामने बैठे हुए माननीय सदस्यों से अपील करूंगा कि वे देश में उत्पादन के बढ़ने का अवसर दें। उत्पादन के बिना बंटवारा किसका होगा ? उत्पादन नहीं होगा, बंटवारा नहीं होगा, तो कीमतें बढ़ेंगी। वे कभी-कभी वोटों के लिए भ्रान्दोलन करते हैं, ट्रेड यूनियन मूवमेंट का सही और गलत समर्थन करते हैं। वे देश-हित में इस प्रवृत्ति को भी त्यागें।

इन शब्दों के साथ मैं आपको धन्यवाद देता हूँ।

श्री रतन सिंह राजवां (बम्बई दक्षिण) : क्या श्री नवल किशोर शर्मा बतावेंगे कि माजिनल इकोनामी क्या है ? क्या वह माजिनल इकोनामी पर रोशनी डालेंगे ? (व्यवधान)

श्री जार्ज फर्नान्डोस : सभापति महोदय मुझे अफसोस है कि वित्त मंत्री के जो बयान यहां पर हुए हैं, उन पर विश्वास करना हमारे लिए संभव नहीं है। उन्होंने बहुत आंकड़ों का खेल खेलकर, जिसमें वह काफी होशियार हैं, और कुछ ऐसी बातें कह कर कि स्थिति सुधर रही है, कुल मिलाकर परिस्थिति में आशा नजर आ रही है इत्यादि, कुछ उत्साह की बातें सदन के सामने रखने का प्रयास किया। मैं उनकी बातों पर इस लिए विश्वास



[श्री जार्ज फर्नान्डीस]

नहीं कर सकता कि पिछले बीस महीनों से उनकी कथनी और करनी में, उनके बायदों और देश में पैदा हो रही स्थिति में कभी कोई रिश्ता रहा ही नहीं है।

मैं पुराने साल की बात अभी नहीं कहूंगा, हालांकि इस लोक सभा के पहले ही सत्र में मैंने उस तरफ बैठने वाले—सरकारी दल के—सदस्यों से यहां से एक अपील की थी कि अगर हर मामले में वे जनता-लोकदल का ही एक भूत खड़ा करके देश की समस्याओं की ओर देखते रहेंगे, तो वे कभी भी उन्हें हल नहीं कर पायेंगे। मुझे अफसोस है कि अभी भी यह भूत बहुत से लोगों के सिर से उतरा नहीं है, और इसलिए बुनियादी समस्याओं पर विचार न तो नेतृत्व की ओर से हो पा रहा है और न ही साधारण सदस्यों की ओर से आज भी इस सदन में अभी नवल किशोर जी ने अपने भाषण के दौरान यही कहा कि स्थिति बहुत बिगड़ गई थी और उसे ठीक करना कोई इतना आसान काम नहीं है। हम लोग करने की ओर जा रहे हैं। मैं आप को यह आप की ही सरकार की तरफ से निकाला हुआ पर्चा दिखा रहा हूं जो 1980 के जनवरी महीने में आप ने निकाला है— 1980 ईयर आप न्यू इनीशिएटिव्स। यानी एक साल का आप का जो भी काम रहा है उसमें कैसे आप ने घारी स्थिति को पलटने की दिशा में कदम बढ़ाया है :

“The year holds out a promise of better days for everyone in the country. Signs are already there that the hardwork put in during 1980 is bearing fruit. As 1980 came to a close, the latest available economic indicators show that the economy has been out back on the road to recovery and is now poised for further improvement in the coming months in 1981.”

और फिर आप शुरू करते हैं दाम, फिर वही आंकड़ों का खेल आप खेलते हैं कि पिछले महीने से 6% नीचे उतर गया, पिछले सप्ताह से 2 परसेंट नीचे उतर गया। यह खेल खेलने के बाद आप एक निवेदन करते हैं, आप को सरकार की ओर से एक निवेदन है—

“Arrival of widespread winter rains increased production, higher power generation etc. all point to a favourable turn in the price situation in the coming months. Constant vigilance, however, will be maintained by the Government to see that the price-level is kept under control and the gain so far made in this respect will be improved upon.”

यह आप का बयान है। अब यह बयान आप करते हैं जनवरी महीने में और इस के बाद लगातार वित्त मंत्री एक के बाद एक ऐसे मजेदार बयान करते आए, 27 मई को बोले—

“The Government was working on a package of anti-inflationary measures to control the unsatisfactory but not alarming price-situation.”

यह 27 मई का बयान है। इस के ठीक एक महीने बाद 26 जून को बोले—

“The Union Finance Minister, Shri R. Venkataraman, said here today in Delhi that we will soon come out with a package of measures to curb the rising prices. Talking to UNI, Shri Venkataraman said, I cannot divulge these now since it would strengthen speculation. I will choose the right time for it.”

I would like to ask the Finance Minister, has the right time arrived ?

फिर यह सत्र शुरू होने के बाद अगस्त महीने में, इस बारे में सुना कि कोई टेलीविजन वाली प्रेस कान्फ्रेंस हो गई जिस में कि आप पांच छः लोग बैठ कर लोगों को सुनायें। मैं टेलीविजन देखता नहीं, इसलिए मैं ने सुना ही है, अखबारों में पढ़ा मैं ने, अखबारों में जो इस की रिपोर्ट आई उस में यह बोले—

The Finance Minister, Shri Venkataraman said :

और यह 13 अगस्त का अखबार है जिस में आप की टेलीविजन पर कही हुई बात है :

"The Finance Minister, Mr. R. Venkataraman said I will not allow prices to rise beyond a reasonable level."

So, Mr. Finance Minister, has the reasonable level reached ? It is very important that you tell us whether the reasonable level has been reached ?

असल में जब वित्त मंत्री का बयान हो रहा था, तब मैं इस उम्मीद में था कि वह हमें रोजनेबल लेवल का हिसाब बताएंगे। किसी को वहां बेंच मार्क की याद आई। मुझे उम्मीद थी कि वह हमें बताएंगे कि वह रोजनेबल लेवल क्या है ताकि देश को मालूम हो, देश यह उम्मीद रखे कि हम लोगों के दाम प्रति महीने इतना बढ़ना यह रोजनेबल है। यह वित्त मंत्री का बयान एथॉटिक एण्ड एथॉरिटेटिव है। तो सब लोग अपनी लाञ्छारी समझ कर बैठ जाएंगे, जिस तरह से उनको जीना है जिस तरह से मरना है, अपना अपना फैसला कर के वह सब बैठ जाएंगे। हमें ऐसा क्यों रखते हो आप बयानों पर जिसमें आप यह कहते हो।

'Deceleration', 'trend is encouraging', 'supply management', 'a great deal of concern'. We are fed up with these statements, Mr. Finance Minister.

कोई सुधार की उम्मीद नहीं है क्योंकि अभी भी इसमें राजनीति है। प्रधान मंत्री,

जिसके भरोसे आप सब लोग यहां बैठे हैं—आपने कहा था कि हम लोग कुछ नहीं हैं, वही अकेली हैं—वही प्रधान मंत्री अभी जून के महीने में 9 तारीख को कहती है :

"She said the Government would take strict measures to curb price rise. This could be done without reimposing the Emergency."

"The existing situation in the country is due to the non-performance of the Janata Party and the Lok Dal Governments from 1977 to 1980. If we fail to control the price rise, no other Government can do so," she said."

यह बड़ा खतरनाक बयान है। सिर्फ़ इमर-जेंसी के लिए नहीं क्योंकि उसकी हमें फ़िक्र नहीं है, लेकिन यह बताना (1) कि जो भी दाम बढ़ रहे हैं वह जनता और लोकदल की वजह से और (2) कि अगर हम हल न करें तो कोई भी नहीं कर सकेगा। मतलब यह कि दामों में कमी की उम्मीद को छोड़ो और हमारे पीछे लगकर हमारा साथ दो ... (व्यवधान) तब फिर हम लोग यहां पर कौन सी चर्चा करने के लिए बैठे हैं ?

आज मैं आंकड़ों से परेशान नहीं करूंगा क्योंकि उसका कोई मतलब नहीं है, आपकी उसमें विश्वास नहीं है। लेकिन मैं आपको इतना बताना चाहता हूँ कि पिछले 18 महीनों में—जूनवरी 12, 1980 से लेकर जुलाई 18, 1981 तक—यह दस्तावेज जनता सरकार का नहीं है, आपकी रिजर्व बैंक का ही बुलेटिन है जिसके मुताबिक—होलसेल यानी थोक के भाव आपने 27 फीसदी बढ़ा दिए। जो आवश्यक वस्तुएँ हैं उनमें दालों के भाव 43 प्रतिशत बढ़ा दिए, आयल-सीड्स के दाम 40 प्रतिशत बढ़ा दिए, कूड पेट्रोल के 31 प्रतिशत बढ़ा दिए, फ्यूल, पावर लाइट-ल्यूब्रिकेन्ट्स के दाम 45 प्रतिशत बढ़ा दिए, मिनरल आयल्स के 39 प्रतिशत बढ़ा दिए,

[श्री जार्ज फर्नांडीस]

चीनी, गुड़ और खाण्डसारी के दाम 53 प्रतिशत बढ़ा दिए, एडिबल आयल्स के दाम 40 प्रतिशत बढ़ा दिए, टायर ट्यूब्स में 22 प्रतिशत दाम बढ़ा दिए। और आपने सबसे बड़ा हमला किसानों पर किया जब आपने खाद के दाम 70 प्रतिशत बढ़ा दिए। (व्यवधान) यह सब आपने 18 महीने में कर दिया। यह सारे आंकड़े रिजर्व बैंक के हैं। इसलिए वित्त मंत्री जी से हमारी प्रार्थना है कि आप आंकड़ों का खेल हम से मत खेलें। और यह सारे आंकड़े होलसेल के हैं। रिटेल के नहीं हैं। रोज बाजार में क्या चीज किस दाम पर बिकती है इसकी जानकारी हमारे वित्त मंत्री जी को नहीं है लेकिन वित्त मंत्री जी ने स्वयं कहा है कि थोक भावों को नीचे परकोलेट होने में समय लग जाता है। अगर अभी भी थोक भावों को नीचे रिटेल के भावों में परकोलेट होना है तो हम नहीं जानते वित्त मंत्री हम को कहां पहुँचाना चाहते हैं? आज ही हम लोग परेशान हैं और अभी दामों का परकोलेट होना बाकी है। मैं आपको उदाहरण देना चाहता हूँ :

"In July 1979 the price of a 4-kg tin of a particular brand of groundnut oil rose to Rs. 57.40 as compared to Rs. 47.55 only a few months earlier."

इस पर हल्ला हो गया कि कितने दाम बढ़ गए। उसके बाद फिर अखबार लिखता है :

"The newest price of a 4-kg tin of the same brand which sold for Rs. 57.40 in July 1979, is priced at over Rs. 90. And traders predict that it will cross the Rs. 100 mark before the festival season in October ends."

This is as on 4th August, 1981.

यह एक उदाहरण है। टोमैटो आपने आठ रुपए किलो बिकवाया। आपको याद होगा, अभी कुछ दिनों पहले आलू 25-30 पैसे किलो बिक रहा था। खाद्य मन्त्री जी यहां पर बैठे हुए हैं, वे इसकी गवाही देंगे। मुजफ्फरपुर, बांका और उत्तर प्रदेश के इलाकों में, जहां पर आलू की बड़ी फसल है, वहां 25-30 पैसे किलो में किसानों को आलू बेचना पड़ा।

कृषि तथा ग्रामीण पुनर्निर्माण तथा सिंचाई तथा नागरिक पूर्ति मन्त्री राव वीरेन्द्र सिंह : बिल्कुल गलत।

श्री जार्ज फर्नांडीस : आपको मालूम नहीं है, आपको जानकारी नहीं है—मुझे बहुत अफसोस है। प्याज के लिए लड़ाई लड़नी पड़ी। लोग एक बार फिर मारे गए। प्याज का दाम ठीक नहीं मिला, और आज प्याज का दाम दिल्ली में 2.00 रु० और 2.5 रु० तक पहुँच गया है और 2 रु० और 2.5 रु० बिक रहा है। सभापति जी, इस तरह से दिल्ली में आपने दाम बढ़ाए और अभी यहां पर बैठकर कह रहे हैं कि सारी चीजें गलत हैं। आप किस दुनिया में हैं, इतनी आपको जानकारी नहीं है।

एक बात बहुत स्पष्ट कर देना चाहता हूँ कि दाम पर रोक लगाना इस सरकार के बस का काम नहीं है। मैं उसके तीन मुख्य कारण रखूंगा और कुछ कारण हमारे मित्र, श्री सुनील मैत्रा, बोल चुके हैं। पहला, इन का जो बजट है, वह बजट नाम की कोई चीज नहीं है। अभी कुछ दिनों पहले हमें आश्चर्य हुआ कि दाल, पेट्रोल, डीजल और कैरोसिन आयल तथा इसके साथ-साथ खाद के दाम आपने बढ़ाए। दो हजार करोड़ रुपया वसूल करने का काम आपने इस संसद

अधिवेशन के शुरू होने से चन्द दिनों पहले किया और आपकी सरकार ने, अधिकारियों ने, बयान दिया कि ओ० एन० जी० सी० के लिए पैसा लेने जा रहे हैं। मैं आपसे पूछना चाहता हूँ कि आप तेल की खोज के लिए इस साल आप कितना पैसा खर्च करेंगे, क्या यह आपने फरवरी महीने में बजट पेश करते वक्त नहीं सोचा था, वित्त मंत्री बतायेंगे ? तो कहाँ है, आपका बजट, फरवरी महीने में आपने बजट पेश किया, मई महीने में फाइनेंस बिल पास किया, जुलाई में आप बोलते हैं कि हमें दो हजार करोड़ रु० इसलिए वसूल करना है क्योंकि हमारा ओ० एन० जी० सी० का एक बहुत बड़ा प्रोग्राम आ रहा है।

**एक माननीय सदस्य :** 2600 करोड़ रुपया।

**श्री जार्ज फर्नाण्डीस :** 2600 करोड़ रुपया, तो इस तरह से आप कहाँ लोगों को\*\* बोलकर फसायेंगे।

**सभापति महोदय :** वह अन-पार्लियामेंट्री शब्द है।

**श्री जार्ज फर्नाण्डीस :** असत्य बोलकर फसायेंगे।

मगर, सभापति जी, सवाल यह है कि अगर इनके पास बजट नाम की कोई चीज़ न हो, अगले 12 महीनों का लेखा-जोखा न हो, कितना पैसा आना है कितना पैसा खर्च होना है, तो ये कैसे दामों पर रोक लगाने का काम करेंगे, किस तरह से इस मसले को हल करेंगे ?

दूसरे काले-पैसे का सवाल है। अभी श्री नवल किशोर शर्मा जी बोल रहे थे कि काले-पैसे के बारे में सुप्रीम कोर्ट ने कुछ

हरकतें की हैं। पिछली बार एक माननीय सदस्य ने कहा कि जार्ज फर्नाण्डीस ने हल्ला किया कि स्टेट बैंक, रिज़र्व बैंक पर रोका जाए। इसके चलते पैसा नहीं आया। मैं आपको फिर बोलता हूँ कि यदि इसको फिर कोशिश में लाओगे, तो फिर हम वही काम करायेंगे। मेरी बात छोड़िए, सुप्रीम कोर्ट ने भी कह दिया कि बात ठीक है। लेकिन एक चीज़ मैं माननीय वित्त मंत्री जी से जानना चाहता हूँ कि प्रधान मंत्री जी ने आज से चार सप्ताह पहले श्रीनगर में यह कहा कि मैं इसके पक्ष में नहीं थी। I was misled by accepting the Bearer Bonds scheme. I would like the Finance Minister to clarify this position today. Who misled the Prime Minister ? The Prime Minister is on record unless she comes tomorrow and say that she never said. She is capable of saying this in the House that she never said. But the fact is that it was said once. It was published not once but more than once. Who misled the Prime Minister ? But for whom none of you will be here; but for whom you have no hope at all on earth.

(अवधान) क्यों चिल्लाते हो ..  
(अवधान) आजाद जी क्यों चिल्लाते हो।  
आपके घोषणा पत्र में लिखा है।

What happened to your Party ?  
(Interruptions)

"Indian National Congress (I) is the only Party and Shrimati Indira Gandhi is the only leader who can save the country."

यह आप ने लिखा है, इसलिए परेशान मत होइये। उनको आप मिसलीड क्यों करते हो ? मैं वित्त मंत्री जी से जानना चाहूंगा—किसने उनको गलत दिशा दिखलाने का काम किया ? आज आप काले पैसे पर रोक लगाने की स्थिति में नहीं हैं।

[श्री जार्ज फर्नाण्डीस]

अन्तुले साहब की चर्चा हो गई—लेकिन मैं इतना ही पूछना चाहता हूँ—वित्त मंत्री जी, अब आप 150 रुपये में सीमेंट बेचने का काम कर रहे हैं, जब आप दिल्ली शहर की जमीन को 10 हजार रुपये, 25 हजार रुपये और 50 हजार रुपये गज तक आवेदन करने का काम कर रहे हैं तो क्या इससे दाम गिराने का काम होगा या दाम बढ़ाने का काम होगा? हम जानना चाहेंगे अगर सीमेंट के दाम बढ़ाने का फैसला, जमीन के दाम बढ़ाने का फैसला, कन्स्ट्रक्शन के दाम बढ़ाने का फैसला, दूसरी चीजों के दाम बढ़ाने के फैसले सही हैं, कानूनी हैं तो क्या ये काला-पैसा बनाने के पोषक नहीं हैं।

Black Money Bond is an incentive for creation of black money.

अगर दाम बढ़ाने के ये फैसले सही हैं, तो देश में जो हो रहा है, उस आप रोक लगाने की हालत में नहीं हैं।

सभापति महोदय : अब आप समाप्त कीजिये।

श्री जार्ज फर्नाण्डो : मैं जल्दी समाप्त करूंगा (व्यवधान) जिस फिजूलखर्ची में यह सरकार लगी हुई है (व्यवधान) आप वर्ल्ड बैंक के पास 700 करोड़ रुपये के लिए जा रहे हैं, आप इण्टरनेशनल मानिटरी फंड के पास 5000 करोड़ रुपये के लिए जा रहे हैं—इन हालात में हम को अब भी यह बात जच नहीं रही है। सरकार के साथ हमारे लाख मतभेद हो सकते हैं लेकिन एक बात समझ में नहीं आती है (व्यवधान) दिल्ली में आप होटलों के 3000 कमरे बनाने जा रहे हैं और आप ने इस देश के राष्ट्रीयकरण किये हुए बैंकों से कहा है कि विदेशों से कर्जा लेकर आप

यहां होटलों के कमरे बनाने में लगा दो...

एक माननीय सदस्य : नहीं।

श्री जार्ज फर्नाण्डो : आप की तरफ से एक शब्द भी इन्कार करने की बात आज तक नहीं आई है, हालांकि कई दिनों से इसकी चर्चा चल रही है कि आप एक हजार करोड़ रुपया इस काम पर खर्च करने जा रहे हैं, इसी तरह से मारुति की चर्चा है—कितना रुपया उस में डालने जा रहे हैं, क्योंकि बजट में तो एक पाई भी नहीं है, पंचवर्षीय योजना में भी उसका जिक्र नहीं है—तो आप बतलाइये यह पैसा आप कहां से लेने जा रहे हैं?

तो यह फिजूलखर्ची चल रही है, मैंने दो उदाहरण दिये हैं, ऐसे अनेक उदाहरण दिये जा सकते हैं। इस फिजूलखर्ची के चलते मैं नहीं मानता कि इस सरकार की तरफ से दामों पर लगाम लगाने का काम कभी हो पायेगा। ऐसी स्थिति में वित्त मंत्री जी का हम लोगों से सुझाव मांगना बेमतलब है। आपकी नीतियों में फर्क करना, मेरे ख्याल से आपके लिए सम्भव नहीं है, इसलिये मेरी इतनी ही प्रार्थना है कि जो बात आप लोग कह कर यहां आये थे कि हम ऐसी सरकार चलायेंगे जो काम करेगी, इन्होंने एक ही काम किया दामों को बढ़ाने का, उसकी रफ्तार को बढ़ाने का। जब आप के बस का यह काम नहीं है, तो मैं आपसे प्रार्थना करूंगा कि मेहरबानी करके आप यह स्वीकार कर लीजिए कि हमारे बस का यह नहीं है और मेहरबानी करके आप यहां से हट जाइए।

इतना कह कर मैं अपनी बात को समाप्त करता हूँ।



**SHRI KAMAL NATH** (Chhindwara): Sir, we have just heard the Marxist wisdom of Mr. Sunil Maitra and the fiery speech from my esteemed colleague, Shri George Fernandes. Sir, since the very motion which we are discussing today is an economic one, I would confine myself to the economics of it, knowing that economic problems can be solved only by economic solutions, and not by political solutions. We are discussing a national issue, which is of vital concern to the people. Prices are a national concern and as legislators, it should be our duty to place the subject above party politics. I believe prices and tempers should not rise simultaneously at least on the floor of the House. It can happen in the market where prices and tempers rise together, but when tempers cool down, prices do not follow suit. That being the experience of life, let us try to understand the problem rationally, logically and dispassionately. Let me reiterate today that what we are discussing is the current price situation and not the situation as it prevailed during the Janata-Lok Dal Governments. References to the past are, of course, always necessary in any analysis of the economic forces, because economic wisdom is largely retrospective. But let us not be bogged down in mutual recrimination, because we want this debate to generate more light than heat, and that I hope is the desire of everyone participating in it. But that has not been the trend so far. When we discuss the trend in the current prices, we have to remember the positive indications. It is a fact that the annual rate of inflation in terms of the wholesale price index has come down progressively from 22.2 per cent in the week ended January 12, 1980 to 14.8 per cent in the week ended January 10, 1981, and further, to 10.3 per cent in the week ended August 8, 1981. I am afraid I have to give some figures, because we have heard distorted figures and I would like to correct the position. On August 8 last year, the wholesale price index had risen by 12.2 per cent over that of the previous year. But on

August 8 this year, it rose only by 6.3 per cent. Here I am not underestimating the fact that the rate of inflation in the country is still high and even downward percentage changes in the rate of inflation cannot conceal the fact that they are indeed growth upon growth. I concede that. The Hon. Finance Minister, Mr. Venkataraman, said earlier this year that the prices would soon hit a plateau, but hitting a plateau is not enough. We have to ensure that after reaching a plateau, the prices actually slide downhill. I shall not extensively dwell on the contributory factors of price rise, because as I said earlier, this is no occasion for mutual recrimination. But if one objectively analyses the factors responsible for the massive price rise, I am sure many of you, Members sitting in the Opposition, will agree with me that you cannot evade responsibility for this entirely. The largest bungling with public finances and the total breakdown in infrastructure has been of the greatest tragedies in our economic life and the shadow of that is still with us today. I shall also not go into the global factors such as the progressive rise in the prices of crude and also rise in the prices of other commodities which we have to essentially import. These are factors on which we have little control. However, we must consider the relative weightage of these factors on the general price rise. The changes are already visible during the current financial year. For example, the impact the petroleum price rise on the overall price increase this year stands at 18 per cent, which is slightly less than what it was last year. There has been a substantial fall in the contribution of sugar, khandsari and gur; it was just about 2 per cent this year in contrast to as high as 39 per cent last year. On the other hand, what has sharply risen is the share of vegetable prices, milk and milk products, fish and meat, cereals, pulses, oil seeds and edible oils. On the



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whole, it has followed a pattern; whatever is subject to seasonal variations has become scarce and therefore dear. I am prepared to put it down to climatic factors upto an extent. But at the same time, I must request the Hon. Finance Minister to enlighten us on this as to why there has been a failure in poultry and dairy sectors. Even butter today has disappeared. It is scarce in Delhi and in other cities too. We would like you to enlighten us as to why such a situation has arisen

There are other confusing issues. We are told by the Agriculture Ministry that there has been a good sugarcane crop this year. If that had been so, why are we importing two lakh tonnes of sugar this year? We are fortunate that the Agriculture Minister is sitting here. I would like him to enlighten us on this point.

With the request that Shri Venkataramn will bridge this small information gap, let me pass on to the main strategies that are now being applied by the Government. My first question is whether there is any particular strategy at all which our Government is applying to control the price rise. Because we had the three years of Janata rule when there was no strategy at all; even the plan was called the rolling plan. That is why I am asking what is the strategy? It is not my intention to theorise here or to sound scholastic because scholastic debates are not meant for Parliament, but common sense is. I firmly believe that no theory can be viable unless it can be understood by common sense. In a nutshell, I look at the economic strategy of our Government in the 80s as radically different from the

past. There was hardly any difference in the styles and approaches of the previous two decades i.e., the 60s and the 70s. The approach then was one of the demand management without caring for the supply side. The Keynesian scholars who dominated the planning process in those days, presumed that the role of the Government in the economy was only confined to maintaining the suitable levels of aggregate demand. And since the Government alone could print money—the chief instrument of demand—it was also presumed that fiscal measures alone could control the entire economy. Thus demand held the key to all Government policies and slowly the supply side got a back seat. So when there was a glut of goods in the market, it was thought that the crises could be warded off by discouraging savings and encouraging spending—that is through a fiscal remedy. Similarly, in a condition of scarcity, the first thing that the Government would do was to tax the goods heavily, thus trying to lower consumption by artificial means. The proof of all this is there is in the tangled web of licensing procedures the maze of statutes and laws binding business activities—all formulated during the 60s and the 70s. In one sentence, the guiding principle then was—Demand creates Supply. I am happy that our Government has revised this stand. Instead of being obsessed with the demand side, for the first time we have launched ourselves on a programme to tackle the supply side. We now want to say that if the prices refuse to come down, if the inflation rate leap-frogs, the Government cannot solve the problem merely by taxing the goods, by passing laws that will only discourage or punish consumption. The new strategy of our

Government is to remove constraints on supply, on the artificial barriers between the producer and the consumer and give the manufacturing sector a chance to function without let or hindrance. The supply side economics has an emphasis on growth and not on distribution. Actually supply side economics is in direct contrast to the demand side economics which we have been following earlier. Though I am in full agreement with this theoretical shift, which is now being totally reversed by the theory that Supply creates Demand, I would have been happier if all-round measures were taken to improve supplies.

One very important part in supply side management is the infra-structure. The toning up of the infra-structure has to be done with greater effort and with more speed. There is no doubt about it that the infra-structure has improved. During this quarter, power generation increased by 17 per cent over the corresponding period last year, coal production by about 8 per cent and goods movement by railways by about 16 per cent. Down the line, there has also been a rise in the production of saleable steel by about 26 per cent, cement by about 19 per cent, crude petroleum by about 64 per cent, petroleum products by 21 per cent and fertilizer by 65 per cent. However, despite all these improvements, I still think that our infrastructure is very much infra. Even though our coal production has registered such a sharp increase, there has been chronic shortages for superior grade coal used in industry. The movement of goods on the railways has increased, but one still has to ponder how much of it is due to higher prices for trucking and how much of it is genuine.

We have also to see to what extent the increase in our power generation is because of the good monsoon, because of which the generation of hydel power has increased. If our supply side economics has to work, our infra-structure has to be commensurate with the supply side management, which we are attempting. In fact, our attempts have to be doubled towards infra-structure within the next couple of months.

One crucial area of concern for all of us should be the money supply situation. While I commend the efforts made by the Government for decreasing the money supply situation in the country, I still feel that the recent impounding of currency in our monetary system is not adequate enough. The cash reserve ratio and the statutory liquidity ratio have been increased. This may curtail the liquidity of the banks. I feel the most important thing is to cut the bank credit to the trading sector. Today the bank credit to our trading sector, non-food trading sector, continues to be Rs. 3,500 crores, or may be more. The Finance Minister may correct me, if I am wrong.

**SHRI R. VENKATARAMAN:** This finance is for buffer stock operations of the Government.

**SHRI KAMAL NATH :** Unless we are able to cure and curb our money situation in relation to the gross national production, unless our gross national production rises in some relation with production, with productivity, our economic mass will continue. The supreme economic law is that inflation is caused by increase in

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the quantity of money per unit of output. It is extremely essential to devise some system and control for curbing the money supply to the trading sector and, on the other hand, increase credit facilities to the manufacturing sector.

In the last session, I spoke on the Finance Bill and I complimented the Finance Minister on his innovation of the Special Bearer Bonds Scheme. I thought it was a good scheme. This scheme yielded Rs. 387 crores and was an integral part of the Government's anti-inflationary strategy. I am happy that the Supreme Court, by its judgement yesterday, has upheld its constitutional validity and vindicated the stand of the Government. I think we would have got more than Rs. 387 crores if only the judgment had been delivered a little earlier.

Reference has been made to food-grains and agricultural prices. In the case of procurement price of food-grains, over which there has been a lot of controversy this year as to what should be the procurement price we must understand certain basic things. I entirely agree with the farmers that there has to be some connection between the price paid to them and the input prices. A rationalise has to be found somewhere because any increase in the procurement price will lead to an increase in the retail price, which will start the inflationary cycle all over again. The only other way is to subsidise it, and if we subsidise it, it will lead to further budgetary deficit and, consequently, a further dose of taxation.

These are some of the paradoxes facing the economy. The only answer

to this paradox is to augment the efforts in financial management, to augment supplies and restrict demand only to the extent that it would not affect the health of the economy. When prices rise, the most important measure for curbing the tendency is to produce more. This is the basic economic law and there is no political solution to this. As my Marxist friend says, whether it is China or Russia or America or Germany or France or Sri Lanka or Nepal, these are basic hardcore economic laws and as I have said, the economic maladies can only be curbed by antibiotics. There is no Anacin or Aspro which would cure economic maladies. When prices rise, the most important measure, as I have said, is to produce more. Many measures and many therapies will be suggested, but these are all manoeuvres. We have to look at solving the economic problems with a strategy, not by manoeuvres. Any policy or any programme undertaken in isolation will only create more problems in the long run.

With these words, I would like to conclude with an appeal to my friends on this side... ..(Interruptions) I am sure that the economy in the country would improve. The price rise which is being complained about, which is the subject of the Motion today, would be arrested if my friends here would not scuttle the various efforts being made by the Government and would not disturb the economic life and create chaos.(Ends)

SHRI SATYASADHAN CHAKRABORTY (Calcutta South): Sir, one point of clarification from my Hon. friend. (Interruptions) Mr.

Kamal Nath told that the supply creates its own demand. Mr. Venkataraman, you know this is known as Sey's Law. Now the economists have discarded this. How you are saying that.....(*interruptions*).

MR. CHAIRMAN: Now, Dr. Subramaniam Swamy.

17.48 hrs.

DR. SUBRAMANIAM SWAMY (Bombay North East): Sir, the ground is somewhat slipping under Mr. Venkataraman's feet, and no matter what he says, it is now well established in this country that the Government has failed to maintain prices. And Mr. Venkataraman's statements over the last 18 months are indices of that. Mr. Fernandes already read out some of the things and I also made some notes of some.....

MR. CHAIRMAN: Are you in agreement with George Fernandes?

DR. SUBRAMANIAM SWAMY: When we are sitting on this bench we are in agreement. Only when he sits on that side we are in disagreement (*Interruptions*).

Sir, on 23rd August last year Mr. Venkataraman told reporters is in New Delhi that prices would fall within three months. And they have already reached a plateau, the worst is over. Within three weeks, on 15th September last year Mr. Venkataraman was in Ahmedabad and he said: "Well, prices were not under control", but he warned of drastic steps if prices would not come down. I do not know whether he warned the prices or those who are fixing the prices. In Madras, on 13th December, Mr.

Venkataraman made a fantastic statement. He said, what the housewife feels is very much different from what the economists are advising him. In other words, the economists are telling him that the prices are stable, but the housewife does not feel so, and he says that the fault is with the housewife and not with the economists. So, the latest Mr. Venkataraman has said is reported in *Deccan Herald*, on 1st September this year where he said that 'if prices do not come down I will get them arrested'. Whether he will declare Emergency or whether he means that he would bring the laws to have them arrested.....

SHRI Y.S. MAHAJAN (Jalgaon): Arrest rising prices.

DR. SUBRAMANIAM SWAMY: Arrest rising prices—I do not know how he is going to do that. So the question is that Mr. Venkataraman has come with schemes after schemes and all of them have fizzled. On 11th July he came with a package. He says 'supply management' but the package is 100% demand management—all the question of cash reserves, credit restrictions, rise in interest rates. They are all demand management techniques. But he says that I am bringing supply management. That has already fizzled. On 11th of July he said that. To-day he is facing Parliament and he is not in a position to tell how he is going to control prices. His normal excuse is—all have become stale, not even correct, they are wrong. I would remind Shri Venkataraman of an unpleasant commitment to Parliament "If I am not able to control prices, I will go. I am clear about that", he said. So, I would not remind him because

[Dr. Subramanian Swamy]

he is a good man. He is in the wrong company. I know that. I am sure that even though he wants to resign, the Prime Minister is not allowing him to resign. That also I know.

MR. CHAIRMAN : I hope you will stay on to listen to his reply.

Dr. SUBRAMANIAM SWAMY :

Yes, Sir. I will make only a.....  
(Interruptions).

The usual excuse we heard in the speeches 'Janata Legacy'. Of course 'Janata Lok Dal legacy' they say. But I am only responsible for Janata legacy. What is Janata legacy? We left 23 million tonnes of food-grains in buffer stock. He cannot deny that. I have got Reserve Bank figures. Now to-day, according to the latest figure supplied by the Agriculture Minister in course of an answer to a question, this has come down to 11 million tonnes. From 23 million it has come down to 13 million tonnes if not 11 million tonnes. We left behind 350 crores in foreign exchange reserve. Shri Venkataraman has quietly informed International Monetary Fund. One economist of International Monetary Fund who is my ex-student he told me that the Government has informed them that the Foreign Exchange reserve has come down to 3,600 crores. Such a low level; From 5,300 which we left, to-day it is 3600 crores.

The stock of gold has also come down. It was 260 tonnes when we left power. To-day it is 245 tonnes. So, I want to know what is this legacy that he is complaining about? I cannot understand.

The other excuse he has given is global factor. Global factor can only effect us through fuel and lubricants. If you look at the price index, you will find that mineral oil is only 4-1/2%. Even if the fuel prices were to rise 50%...

SHRI Y. S. MAHAJAN : 8-1/2%.

DR. SUBRAMANIAM SWAMY : 8-1/2 is including coal. It is your responsibility. It is not a global factor. I do not think you are importing coal just yet. In the index the imported oil's share in the index is only 4-1/2%. Even if it goes up by 50% you will see, total contribution to the inflation due to 50% rise in crude oil price is only 2-1/2%, just 2-1/2%. The inflation rate is 14%. Of that only 2-1/2% is due to the imported component. What about the rest? What is the explanation for that. The usual arguments we cannot accept. The worst part of to-day's inflation is that the terms of trade are turning against the farmers. In other words, the prices being paid for the farmers are rising slower than the rate at which products he has to buy the prices of the products that he has to buy.

RAO BIRENDRA SINGH : This is wrong.

DR. SUBRAMANIAM SWAMY : While sitting in your air conditioned room of Krishi Bhawan you do not know.

But the fact of the matter is, these are the statistics given that the terms of trade have turned against the farmers. The farmers are being squeezed in this regard. The prices of fertilizers, the prices of diesel, all these are well known and the farmers are naturally complaining. They are unfortunately not organised.

They are not unionised. So, they are not able to do very much. But the fact of the matter is this is one aspect.

The second aspect is that with this inflation the stock market is booming.

It is the poor and the middle-class which has to stand in the queue and it is suffering. It is the prices of essential commodities which are rising the fastest. The terms of trade are turning against the poor and the middle-class.

These are the two aspects for which he has no explanation. I know, in the reply, he will never answer all the points which are well taken care of on my side. He will pick on something which I have said in passing and make that a big issue. That is his advantage. But the fact of the matter is that the country is not going to be satisfied with this kind of reply.

**SHRI R. VENKATARAMAN :** Why do you accept defeat ?

**DR. SUBRAMANIAM SWAMY :** I have given up hope from him.

**MR. CHAIRMAN :** Wherein lies your hope ?

**DR. SUBRAMANIAM SWAMY :** In coming to power in the next elections. If our party is voted to power in the next elections, there is every hope for the country. Otherwise, there is no hope. During our regime, there was no mention about inflation. During the Janata rule, during those two years, there was perfect price stability and the increase was only 4.5 per cent. Today, it is rising by 15 to 16 per cent. Anyhow, I will not rub that point too much.

What I am worried about is Mr. R. Venkataraman's economics. That is exactly what Mr. Ronald Reagan

is saying about the United States. This is what he thinks. My Hon. friend, Mr. Chakraborty said, this is what J. B. say, the out dated, discredited, economist in the Western countries had said, after John Maynard Keynes—the latest economics is not going to say that—that supply creates its own demand. But the fact of the matter is that he may say about the supply side but he continues to function on the demand side in terms of the restrictions that he has placed recently.

I would say, the problem with the present Government is that it is incapable of maintaining prices. What was the common criticism against the Janata Government ? It was that we were setting up too many commissions, the Shah Commission, the Baweja Commission, so many other Commissions. What is the complaint against this Government. They are taking too many commissions. That is the real problem. It is the taking of the commissions which is responsible for the rise in prices. Mr. Antulay's name I will not take. I cannot take because we have already had a debate. But he himself admits that he has taken the commission. In an American farmer is being paid Rs 180 or Rs 190 per quintal, all the arguments advanced fail. They say that once they pay Rs 180 to an Indian farmer, they cannot offer him less.

आचार्य भगवान देव : (अजमेर) मि० स्वामी, सैनिक तानाशाह जनरल जिया के विशेष निमंत्रण पर आप पाकिस्तान गये, वहां से कितना कमीशन लाये, वहां क्या साठ-गांठ कर के आये, वहां की ग्रंथ व्यवस्था बंगौरह भी बता दें।

**DR. SUBRAMANIAM SWAMY :** In Shakespeare, they say, 'Every serious play must have a comic relief.' So, I do not mind that. The argument that they have given is that an American



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farmer must be paid Rs. 180, not an Indian farmer, because you pay Rs. 180 to an Indian farmer, you cannot pay him less. That is a false argument. They need not limit to Rs. 180. They can go to the market and buy at the market price through open market operations. There will be no commitment on the part of the Government to buy next-year at the same price. They are buying in the American market. Instead of that, they can buy in the Indian market. But the problem is that an Indian farmer may not give commission whereas an American farmer can give them commission. And that is the substance of why an American farmer is being given preference.

MR. CHAIRMAN : Please conclude now.

DR. SUBRAMANIAM SWAMY : I will conclude by offering him solutions. I know, he is totally helpless and he does not have any clue on how to solve any problems.

First of all, I will commend Mr. Kamal Nath's suggestions, namely, that money supply has to be restrained and that there has to be relationship between money supply and the rate of growth of national income. As a rule of thumb, money supply should not exceed twice the rate of growth of national income. I do not know whether the national income is growing at all during their regime. But assuming there is the growth rate of 3-1/2 per cent per year, the rate of growth of money supply should not be more than 7 per cent. This is one step if they can take, the prices would be maintained.

18 hrs.

(MR. DEPUTY SPEAKER IN THE CHAIR)

I tell you that in terms of not bank credit to Government the Janata Government did precisely that, do not look at the deficit,

deficit is out-of-date concept take the net R. B. I. credit to the Government you take that and you see that the Janata Government maintained this limit.

Secondly, a number of controls have become out of date which are actually a method of collecting money.

MR. DEPUTY SPEAKER : Chairman was asking you to conclude,

DR. SUBRAMANIAM SWAMY : I am giving wonderful solutions to solve the country's problems.

MR. DEPUTY SPEAKER : I heard that when I took ; the chair.

DR. SUBRAMANIAM SWAMY :

I am glad that you appreciate my views. The controls which are being used to manipulate prices, those controls should be removed. How did the Janata Government bring down sugar prices ? We de-controlled the sale of sugar. You can do the same. But you will not get commission, That is the problem. If you are prepared to give up your commissions, you can bring down the price of sugar. .... (Interruptions)

Similarly, the price of sugar during Janata rule was Rs. 2.20 throughout the period and everywhere people know it. You may not know it. Anywhere you go in the country, people know.....(Interruptions)

We paid him then the cost of production. Rs. 12/- per quintal..... (Interruptions). Only the sugar factory owners forced the farmers to do it. Not our Government. They were your supporters, the sugar mill owners, some of them also manufacture liquor on this side. This is one thing they can do immediately, de-control. Sugar prices will come down. You lose your commission. But it does not matter. The country will benefit.

Secondly, remove food zones. They introduced food zones. That is also a method of collecting commissions. The movement of wheat from UP, Bihar and Madhya Pradesh. They put restrictions on edible oil between Gujarat and Maharashtra they put the restrictions when the goods are moving at the cross roads. The period and their associates are earning some commissions. If they could do it, the price of edible oil will come down.

Similarly, levy. It will go up again. Let Diwali come. It will go up. You start giving more concessions. In this way, there are a number of controls which they can remove but which have become the order of the day. If you give up commissions, prices come down.

Today the single most important cause for rise in prices is corruption and this corruption is due to these controls. If these controls are dismantled, then the prices will come down.

Lastly, I would say that if they take one more step, namely, to make all the amount of the money that a person saves and deposits in the bank account as deductible for income-tax purposes, this will create an incentive to cut consumption and this automatically would mean less demand, it will automatically mean lower prices. This is the step that the Government should take. Mr. Venkataraman has been threatening "Reform in the income-tax laws". But he has not been doing. These threats are no substitute for such positive action. In fact, these threats are methods of collecting some money because no prosecution ever follows these threats. It is better to have a positive approach namely make the entire savings man-made and specially the middle class will get relief, tax-deductible, then the prices would also come down. I have given positive suggestions. But I have no hope in this Government. I only wait for, the next elections so that better Government will come to power.

MR. DEPUTY-SPEAKER : Mr. Chandra Sekhar Singh.

SHRI CHANDRA SEKHAR SINGH (Banka) : Mr. Deputy Speaker, Sir, I would not like.....

MR. DEPUTY-SPEAKER : Hon. Members, how long we are going to sit in this House ?

SOME HON. MEMBERS : Up-to 7.00.

MR. DEPUTY-SPEAKER : The first speaker, Shri Subramaniam Swamy spoke. He is leaving the House. Every Speaker leaves the House and when important discussions take place ; I find from my own experience....

SHRI R. VENKATARAMAN : Only the Minister replies to empty Chairs.

MR. DEPUTY SPEAKER : Therefore, I would suggest that the first speakers may not take more time so that everybody can speak. There are a number of speakers and we must fix time. Till what time we are going to sit in the House ? I want the guidance of the House.

SOME HON. MEMBERS : Latest 7. We are not going to sit beyond 7.

MR DEPUTY SPEAKER : The Minister has to reply; there are many Members yet to speak.

SHRI SATYASADHAN CHAKRABORTY : Let the Members on the treasury benches not speak because the Finance Minister will be replying. By that there will be some saving of time.

THE DEPUTY MINISTER IN THE MINISTRY OF RAILWAYS AND IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI MALLIKARJUN) : The Hon.

Finance Minister may be called at 6.30.

MR. DEPUTY-SPEAKER : I would suggest that we complete the debate before 7.00; the Finance Minister will reply at 7.00. Every hon. Member shall take not more than ten minutes.

Mr. Chandra Shekhar Singh.

SHRI JAMILUR RAHMAN (Kishanganj) : What have you decided, Sir ?

MR. DEPUTY SPEAKER : Mr. Chandra Shekhar Singh will speak now.

SHRI CHANDRA SHEKHAR SINGH : Mr. Deputy Speaker, Sir, I would not like to enter into theoretical intricacies over this issue. The fact of the situation is that the present inflation is hardly a textbook situation and it cannot be solved by a textbook solution. Mr. Sunil Maitra should realise that textbook solutions have not achieved that success even in totally controlled economies in the world. I would also not like to raise the ghosts of Janata-Lok Dal Governments or their legacy and then demolish them. They were ghosts and they vanished like a bad dream. I would like to assure Mr. George Fernandes that I would not make any such attempt and cause apprehension on his part. He was creating a lot of heat. I am sorry to say that he could not even give an analysis of the present situation and embarked on a general discussion of the Budget and the deficit which might result at the end of the financial year.

The present inflation is taking place at a time when international prices, due to the rise in the prices of petroleum products and other factors, are running at a high level and we have had literally to import inflation into our country.

I am happy that our Government have taken a realistic view of the situation. It has not bound itself

to any dogma or any one-track approach and has introduced a package of measures to meet the challenge of the situation.

What is exactly the position today ? It is very easy to rouse passions and emotions over this issue, but we have to look at the situation from an economist's angle and not from a politician's angle.

I would like to say without being charged of repeating things, that in 1979-80, the rate of inflation was 22.2%. It was your achievement the achievement of the other side of the House. Dr. Subramaniam Swamy has tried to point out that in the first year of the Janata Rule, there was a relative price stability. But, I would like to point out to him at what cost ? This was the year of comparatively stable international price which has to be kept in mind all the time.

Then, again, you began rolling up the Plan and scaling down the level of developmental expenditure. I need not quote. But the facts are that there was a step up of only 17% in plan investment as against 27% increase last year and 31% increase in 1976-77. Moreover, the Government was drawing upon the foreign exchange reserves and selling gold which you did and also making reckless release of the foodstocks, particularly, the sugar stocks which resulted in a very low level of price of sugar having its impact on the farmers' producing sugarcane. That recoiled with vengeance and the 22.2% price rise was the legacy left to us. In spite of the very difficult international trends, the rate was brought down, as pointed out by the Finance Minister, to 13.8% in 1980-81 and I am hopeful that it would be further reduced to a single digit figure this year, that is, in 1981-82. The price rise in May has been 0.8% and in June it has been 0.6% only. What is true is that the

trend towards deceleration of inflationary pressures is steady and continuing and our Government through a skilful handling of the situation has been able to meet fresh difficulties and avoid setbacks.

Government, as was asked by some of the Members here, has adopted their strategy which is not only of supply management but also of demand management. As has been perhaps corroborated by Dr. Subramaniam Swamy, the Government have adopted a multi-pronged attack on inflationary trends, that is, to increase domestic production in agricultural and industrial sectors, to remove infrastructural bottlenecks through better performance and better co-ordination, to expand the public distribution system and on the demand-management side, to restrict the growth of money supply and bank credit and to reorient public expenditure more firmly towards growth and development.

I would like to remind the House to what is our position in the world scenario... 'While our inflation rate this year is likely to come down to a single digit figure, except may be, a few countries, in all the developed and developing countries, the situation has been far more alarming. Between 1970 and 1980, the rate of inflation has been much higher in U. S. A., U. K., Pakistan or many other countries. Pakistan's inflation rate has been nearly three times that of India's; U. K.'s has been more than double and the U. S. A.'s annual rise has been, during the last year, more or less, of the same order. But the recent trend is that in July it is 15.2%. This is a world phenomenon and, we cannot insulate ourselves from the international forces. The inflationary situation has built up in the entire world. Many other Members on the opposition have pointed out that our economy is in a bad shape. I would like to point out that because of the various incentives provided by the Government the agricultural

production has reached a record of 133 million tonnes a rise of 18% this year. Oil seeds production has gone up by 25%; sugar production reached a figure of 52 lakhs tonnes. In the infrastructure segment, power generation between April to July (1981-82) has gone up by 17%.

Coal production by 8% and railway goods movement by 16 per cent. In the Industrial sector steel production has increased by 26 per cent; cement by 20 per cent; fertilizers by 65 per cent; crude petroleum by 64 per cent; petroleum products by 21 per cent and so on. The index of industrial production during April-June, 1981 has increased by 11.7 per cent as compared to 4.1 per cent in 1980-81 and your record of 1.4 per cent in 1979-80. So, the general outlook of the entire economy holds promise for the future. There is absolutely no doubt about it.

Sir, very recently Government introduced a package of measures. Many things have been said about it. This package of measures is basically anti-inflationary. According to the econometric model system which has made a quantitative forecast of the inflationary rate, while the petroleum price hike is likely to increase prices directly by about 0.7 per cent through prices of services and goods that use petroleum, the inflation rate is likely to be reduced by 0.5 per cent by additional mopping up of Rs. 1000 crores this year. The net result may be just a slight increase of 0.2 per cent because of the petroleum price rise affected in July this year. So also in addition to augmenting production in critical sectors imports of wheat, edible oil and sugar have been made at a time when international prices of these were not high in the international market. This is bound to effect the market considerably.

Government is also effectively following a policy of restricting the growth of money supply. As has been pointed out by my friend the

[Shri Chander Shekhar Singh]

bank rate and other monetary measures have been introduced to out down the demand. The total result of these measures would be to reduce the inflationary rate. These measures introduced in July last will reduce the inflationary rate by 2.6 per cent. The economists forecast a rise of 12 per cent inflation this year but with the present package of measures we are fully hopeful that the rate of inflation this year will be brought down to single-digit figure which is a great achievement for any Government and this Government here.

Sir, we are fully conscious of the responsibility of devastating and de-stabilising influence of inflation on our economy and also that it particularly affects the most vulnerable sections of the society but the fact is that India is getting increasingly susceptible to imported inflation. The present phenomenon is world-wide and India's performance compares favourably to other developed and developing countries of the world. We have to make a sustained effort to increase production and productivity and reduce non-developmental spending and unproductive employment.

But inflation is difficult to be controlled completely and this fact has got to be realised by all of us. I am confident that this Government if it pursues its objectives in a more determined manner, will be able to achieve its objectives and prices can be brought down to a reasonable level. What is reasonable, Mr. George Fernandes was wondering, but Dr. Swamy has tried to define it. I would not like to into the controversy of it. But there is a reasonable or a tolerable level of inflation which any economy can absorb. This matter has been widely discussed by the economists everywhere and certain conclusions have been reached. As I told

the House in the beginning, inflation has been described as too much money chasing too few goods and this Government is trying its best to increase the supply of goods and also to reduce the volume of the supply of money in the market. The Finance Minister's task is an extremely difficult one. He has to take into account countless decisions to spend, to save and to invest, made by 700 million people of this country. I am confident that the Finance Minister and the Government are doing their best under the circumstances. We are hopeful, Government will be able to contain inflation and control inflationary pressures in the country confidently and well. With these words I conclude.

SHRI SATISH AGARWAL (Jaipur) : Mr. Deputy speaker, Sir, I have heard with rapt attention the speech made by the hon. Finance Minister while initiating the debate on the Price Situation. I have also heard with rapt attention the speeches made by hon. Members on this side and also hon. Members on the other side.

Some hon. Members have approached this problem in a political way. Some other hon. Members have approached this discussion in an economic way. But I view the things in a common man's angle. And this is one good reason that we all agreed to a suggestion in the Speaker's chamber that instead of we initiating the debate and censuring the Government and injecting politics into it, let the Government come of its own, to initiate the discussion on this subject which is causing concern to every-body including the hon. Members of Parliament. Because, the whole process of development and the achievements in the 6th plan very much depend upon price stability in the country.



This House is well aware that in respect of whatever we are going to spend on the annual plan this year, 80% of the amount is going to be spent on the on-going projects. What we are going to spend during the 6th plan period, the real investment for achieving the physical targets will be much less if price stability is not there. We are aware of the fact that cost of projects have gone up by a thousand per cent. There is not even a single project during the past 34 years which the Hon. Finance Minister can mention where the project has been completed in time, within the sanctions approved by Parliament and by Government. Not even a single Central Government project has been completed within the sanction-limit and within the time prescribed. This is a matter which is causing concern to us all. We are aware of many other projects, whether it is the Salal project, or Metro Railway project, or Rajasthan Canal project, or Lothal project, or various other hydel and irrigation projects, where the cost has gone up tremendously. If Rs. 2,000 crore has been provided for in the initial stages, now it has gone, up to Rs. 6,000 crores or even more. This huge escalation of costs in the various development projects is eating into the very vitals of our economy. This is something which is of vital concern to the Government who have to see that price stability is maintained so that there will not be any big cost escalation in our development projects.

So far as the price situation is concerned, I do not want to enter into any controversy as to what were the facts during the Janata Government time or during the time of the Lok Dal Government or the Congress-I Government. Now Congress I party is in power, and I was really surprised to hear the Hon. Finance Minister comparing his figures with those of 1979-80 when we had Lok Dal and the Congress (U) including Shri Brahmananda Reddy who has gone

over to your side, including Shri Y. B. Chavan, who is trying to come over to your side, waiting in the waiting-room and many others.

So, I don't want to go into that. But for how long Mr. Finance Minister, will you derive satisfaction by comparing the figures with 1979-80? 1979-80 was an unusual year in the nation's life. It had three Prime Ministers and three Governments. You are deriving satisfaction as if cancer patient is deriving satisfaction after seeing a TB patient. You are deriving satisfaction from the figures which are not comparable.

May I ask the Finance Minister to put the record straight—is it not a fact that the whole-sale price index in March, 1977 was 184? Is it not a fact that the whole-sale price index in July, 1979 was 211? Is it not a fact that when you took over in January 1980, the whole-sale price index was 226.6? And is it not a fact that during the 27 months of Janata rule, it was one point rise every month? It is not a fact that during the Lok Dal-Congress Government backed by Congress (I), the whole-sale price index was one point every fortnight? And is it not a fact that during the last 30 weeks of this year i.e. 1981, the price rise has been sixty points i.e. one point rise per week? If that is a situation, it is alarming. It causes us concern and you have to seek the opinion how to rectify matters. We have got 101 suggestions, which cannot be given on the floor of the House. But I would request the Finance Minister, last year you assured us that you are relying on supply management. Well and good and I support you. Then you said that I am also resorting to demand management. Now you are coming to import management. And then you are resorting to, as some Members said in the House, to some 'trust management'. That is how you look at liquidity in the circulation of money. If these things are

[Shri Satish Agarwal]

resorted to, I am sorry to say, it is not going to bring desired results.

And you could find time to write an article in *Economic Times* of 15th August. A major thrust of your approach in this Article has been that the rate of inflation has come down. Secondly inflation is automatically transported to our economy through rising prices of essential imports.

So far as the rate of inflation has come down it is only in relation to percentage. Supposing there is a rise of five points over hundred, then the percentage is 5%. But rise of five points over 105 will not be 5%. A rise of five points over 150 will not be 5%. The consumers do not make purchases percentage-wise. It is a question how much money he has to pay and this is a hard fact that the consumer of this country, the poor people of this country who were paying Rs. 226 in January, 1980 are being made to pay Rs. 289 in this August 1981, after 19 months, for the same goods and for the same services. So, we have to analyse the situation so far as point-wise increase is concerned. The figures which you are giving are illusory figures. Please do not resort to statistical jugglery. This is not going to help matters.

Now, I would like to know from the Finance Minister to put the record straight, whether the value of the Rupee in March 1977 was 32.05. The value of the Rupee in January 1980, when you took over, was 26.95. Now fall in 33 months has been 5.10 paise, but value of Rupee in June, 1981 is 22.78. Fall in 17 months is 4.17 paise. So, value of Rupee has gone down by 0.15 paise per month during March, 1977 to January, 1980, while the value of rupee is going down at the rate of 0.23 paise during this so-called 'Fund-Management' era. So, in four months one paise is reduced in

the value of a Rupee. This is how we look at things. Face facts and try to find out solutions and not go to statistical jugglery.

I quite appreciate that you have proved to be a very good salesman so far as this Government is concerned. You could sell out very well your Budget last year; you have been able to sell out your Budget this year. And I don't know so far as the next year is concerned, because you have failed on the demand management, you have failed on the supply management, you have failed on the import management; and so far as the fund of the trust management is concerned, somebody else is going to replace you, because you are not going to bear any fruits. I wish you all best because you are my personal friend.

This is about wholesale prices. Now I come to the index of retail prices. You can contradict me. These are all official statistics and official figures. I might have committed some mistakes. I am an inexperienced man. You have been for 22 years in the U. N. O. as Administrator of tribunals. You have been the Industries Minister in Madras, and you have been in the Planning Commission. You are 75 years of age—like my father. You have got much more experience. Don't try to do statistical jugglery.

MR. DEPUTY SPEAKER : You are not stating the correct age of the Finance Minister.

SHRI SATISH AGARWAL : A man is as old as he feels; and a woman is as old as she looks.

In march 1977, the retail price index was 312. In January 1980, it was 371. The rise in 33 months is 59 points. But in June 1981 it is 439. The rise in 17 months is 68 points. In 33 months, the acceleration was less than two points a

month. But in 17 months, the acceleration is four points a month. And despite all these figures which are supplied in the Reserve Bank Bulletins, the Finance Minister and this Government go on claiming from the house tops that there is a deceleration. Where is deceleration? It is in comparison to the last week; it may be in comparison to the last month. But if you take the situation as a whole, there is no deceleration—which is all statistical jugglery—and I request the Finance Minister not to deceive himself, and not to deceive this nation. He should take some concrete steps which he has promised to this House.

Similarly with regard to the wholesale prices also, I have mentioned certain things already. The second point in your article was with regard to the automatic transfers or rather the imported inflation that is being brought into this country. So far as global inflation is concerned, my hon. friend was comparing with America, China, U. K., Canada, Australia or Germany. There is inflation everywhere, including Japan and America. But what is there to compare? Our total tax revenue, in this country, is Rs. 20 millions; but the total tax revenue in America is \$500 million. There is no comparison. What is the *per capita* income in America? Much more than ours. An ordinary man's *per capita* income in America, e. g. a driver's or a chauffeur's income is much more than what the Prime Minister or President of this country gets. The driver there used to take us in the car. He used to come in his own car, park it; and then take us into the car. Why do you make comparisons with such people? You cannot compare with them.

Look to the people living below the poverty line. In the last 34 years, in this country the number of people living below the poverty line has been approximately 50% or 60%.

What about them? What are we going to do with regard to those people.

The second point which the Hon. Finance Minister has given is that we are importing inflation. Is it not a fact that the crude oil in the international market is \$2 a barrel less this year than last year? How are they getting it cheap? You may say; we have got foreign contracts. Why are we not changing the contracts and going into the market for spot purchases, as the Air India has done? They have saved Rs. 1.5 crores. They have cancelled their previous contract, and made spot purchases. They have saved Rs. 1.5 crores. Why can't Government of India do it? Is this Government bound to honour everything?

If it is \$2 less in the international market to-day than last year, it is cheaper. It is costly for us because we have got the excise duties, because Government wants to mop up more money.

You are getting edible oils. Is it not a fact that edible oils are cheaper in the international market? And if they are cheaper, instead of making these edible oils cheaper to the consumer, Government thought: "We should also mop up some profit out of it." So You brought that Customs Tariff (Amendment) Bill. You issued an ordinance, and levied a customs duty of 150% or 200%. Why? You should have evolved a system at least in respect of edible oils, so that item could have been made cheap to the consumers. But you could not resist the temptation.

How is it that the edible oils are cheap? Sugar is cheaper by Re. 1/- a Kg. and so many other things are cheap in the international markets. So, I am sorry to say that we are not importaing inflation, so far as these essential commodities are concerned.

[Shri Satish Agarwal]

Of course, you are importing wheat. But you said earlier: "We are importing everything which is available cheap, in order to augment the public distribution system." But this is not bringing in the desired results. So, on these two counts, this is absolutely a myth, and a false propaganda. Whatever we are importing is comparatively cheap; but the Government is trying to impose customs duties, making it costlier here and the consumers are not taking advantage of it. Similarly, regarding wheat, neither the producer is getting more nor the consumer is getting less; it is somebody in between, the middle man, and on account of the faulty policy of this Government, he is getting advantage of these things. The producer is getting less. The consumer is paying more. This has to be rectified. The producer has to be paid more and the consumer has to get it at a less price.

At this short time, it is not possible to list all those suggestions. He can invite a meeting of the Members of Parliament belonging to various groups. We can discuss the price situation and give him certain suggestions. But I apprehend and I have heard something here in the Central Hall that the Government is, now out of desperation on the economic front because economy is in a very bad situation, is in a chaotic condition, from crisis to chaos, a very gloomy picture, not in a position to control these things; and Mr. Venkataraman, I sympathise with you, that you cannot do any thing all alone with all the good intentions. It absolutely could have an inefficient management two years back, but it is an efficient business mismanagement now. Hawla transactions are going on through all these trusts and fund. This is how you are reducing the liquidity in the money supply. This is not going to help matters will you enlighten the House on this ?

Told one particular gentleman in Bombay reported and brought to the notice of the Governor—I do not want to name anybody—that he paid Rs. 20 lakhs in white and Rs. 30 lakhs in black. That particular matter had been enquired into by the IB. The matter and the papers are pending with the Prime Minister. He may not be in a position to reply today, but I am sure that he will assure this House after verifying from the Prime Minister whether it is a fact; and it is one single instance : and I feel sorry. But there is a case of Mr. Tulmohan Rao, a Member of Parliament taking Rs. 40,000 and being prosecuted and sent to jail. For Rs. 40,000 you send a Member of Parliament to jail. Now how things are being done—Rs. 2-1/2 crores from the cane growers, Rs. 5 crores from sugar magnates Rs. 97 crores from one trust and things like that. If the Government cannot deliver the goods and cannot resort to rural development, were is the sense in having trust and getting things done through trusts ? Can the Government of India and can you also say that from the Consolidated Fund of India in the next budget all the Rs. 20,000 crores are transferred to trust because this Government cannot deliver the goods ; you cannot do rural development and so you are creating this trust. I would like to know whether you are going to revive this Bearer Bonds Scheme ; whether you are going to resort to demoralization as is being beard in certain circles ; and whether you are going to reduce plan and non-plan expenditure because in the present circumstances, this is having cost escalation and adding fuel to the inflationary pressures already in this country ; and whether the Finance Minister is going to adopt that system which is there in small countries like Denmark or Sweden where there is an automatic taxation of the price rise with regard to salary or wages of the workers in this country. I am sure there may be many more suggestions. But unless

development and non-development expenditure is curtailed by 10 per cent, wasteful expenditure is curtailed by 10 per cent, you will not be able to contain money supply; you have to see all this expenditure, this wasteful expenditure. You have to take care of that.

We have given all powers to you—Prevention of Blackmarketing Act, Essential Supplies Act, and the National Security Act, and what not. Despite all these things, despite the assurance given during the Lok Sabha polls, despite the assurance given on the Floor of the House, this Government has miserably failed to control price rise. Prices are rising unabated, unprecedented and I am sorry, this Government will not be able to contain prices. Let them do something. Whatever power you want from this House, whatever co-operation you want from my party and the Opposition with regard to containing prices, we are prepared to offer you. But please do not indulge into this statistical jugglery; it will not take you anywhere. You will meet the same fate which we met in 1980.

MR. DEPUTY-SPEAKER: I have again to remind the Hon. Members that no member shall take more than 10 minutes.

SHRI B. R. NAHATA (Mand-saur): Mr. Deputy-Speaker, the Hon. Members have been discussing the problem of the rising prices and inflation. Members from the Opposition side have been saying that the Finance Minister should not indulge in the jugglery of figures but when they say this, I do not know how they have been quoting one after other, a number of figures. Whether this applies to us only that the figures will not convince them or does it apply to them also? If figures are not going to bring results then in that case nothing is going to happen. One thing, I would submit. The whole problem of inflation and rising prices lies in one thing. What you have to see first is, because it cannot be said

that you cannot make comparisons. Comparisons have to be made, to see whether whatever efforts we have made, whatever restrictions we have imposed, and whatever steps we have taken, whether they have been effective or not, in order to control the prices.

Sir, with respect I submit that the inflation percentage which was 22.3 is coming down gradually. When it is coming down gradually, in that case it cannot be said..... (*Interruptions*)

SHRI RAMAVATAR SHASTRI (Patna): You never go to the market.

SHRI B. R. NAHATA: It is not the question of market. What you are doing is responsible for all these things. I would say that quantity theory of money is a very important theory in Economics, if you know something of it. Quantity theory of money says that if the velocity and the total money in circulation is to be divided by the number of transactions then the monetary value comes. On this basis, let us calculate what is happening. Production is the most important factor. Unless production goes up day by day—production also has to be taken into consideration—but one thing is that—production cannot meet the needs of the people because population is increasing. When we talk about control of population then our friends say all sorts of things family planning, this and that, and whatever we said, they said, was responsible for this increase in prices because production cannot be increased to that extent. But then, production has not been increased. Then comes another factor. What are they doing? They are putting hurdles at every stage. Whenever Government takes steps to increase production and control the nefarious activities they do not want Government to do that. They want to extract money by exploitation. All such legislation they have been opposing. When



[Shri B. R. Nahata]

we say that there will be no strike, they say that we are interfering with the freedom of the people. We do not want to interfere with the freedom of the people. But we cannot permit production to go down. The foremost thing for the prices to be controlled is production must increase. For increasing production it is a must that we must have better production, in the agricultural sector, in the industrial sector and even after production, what has happened? The situation in which they have put us, if you look to that, power was lifeline of the whole development; in the year 1979-80 when they were in power the situation was poor, it was in such a bad shape way there was 16.1 per cent power shortage, which resulted in Rs. 7,000 crores of losses only on the industrial sector. All these things have to be taken into consideration. Then, when you say that whatever steps are being taken we want the money to be curtailed. This is what we are doing. Of course; black money is there, nobody can doubt it. But then when we take steps to curtail black money, and withdraw it from the market, the first thing, as stated is that the quantity of money has to be withdrawn. In order to reduce the prices, therefore, for that purpose the Government of India, our Government has imposed restrictions and they created a policy that the Bearer Bonds should be there. Certain friends in order to show off their intelligence have gone to the Supreme Court and wasted months and months together and thereby the black money was not permitted to be curtailed.

They made speeches saying, "If the Supreme Court declares the bearer bonds legislation as *ultra vires*, what will happen to all of you?" So, although they have been saying that they want to give co-operation to the Government for curtailing the price rise, there is a lot of difference between what they say and what they do. This will not help to curtail the

amount of black money in circulation. Without curtailing the circulation of black money, things cannot improve. So, as we have to consider what steps have to be taken for that purpose.

Another factor to be taken into consideration is this. There should be not only increase in production, but a proper distribution system is also necessary. For that purpose, all necessary steps must be taken. They say that we are taking commission from blackmarketeers and hoarders, but the truth is that some of the political parties on the other side are basing their survival wholly on blackmarketeers and hoarders. Stern action has to be taken against them. They were talking of sugar. I came from a State where the BJP Government was in power and Shri Saklecha was Chief Minister. They fixed the price of sugarcane at Rs. 12 but did not give them even Rs. 8.50. So, at that time all the cultivators had to destroy the sugarcane crop. This is one of the actions of the Janata Government by which sugar production came down. The area under sugarcane came down. They evaporated all the stocks of sugar by free sale. At that time we said that they are creating scarcity in this country. We are still facing the results of the actions of scarcity created them during those thirty months.

To bring the prices under control and to bring down the rate of inflation, we have to do two things. We must increase production and evolve a proper distribution system for implementation. Raids and other similar actions have to be taken. The Hon. Finance Minister should take even more stringent action against blackmarketeers and hoarders. Stern action should be taken against them so that the quantity of black money in circulation may be reduced. If production increase and if there is proper distribution, that will bring down the prices to a level which

people can afford. With these words, submit that the steps taken by the Government deserve our compliments.

\*SHRI C. PALANIAPPAN (Salem) : Hon. Mr. Deputy Speaker, Sir, on behalf of my party the Dravida Munnetra Kazhagam, I wish to say a few words about the current price situation, with particular reference to the essential commodities.

After our Hon. Finance Minister presented his 1981-82 Central Budget a meaningful cartoon appeared in the English daily INDIAN EXPRESS. In this Budget the Finance Minister raised the income tax exemption limit and about 3 lakhs of income tax payers came out of the income tax range. He did not also increase any duty on any of the essential commodities. The exuberant feeling of a housewife was reflected in this cartoon by showing that she was kissing the cheek of our Hon. Finance Minister. I wonder what would be her reaction today and I would not dilate much on that.

We cannot deny that inflation is the prime source of increasing prices. In 1979 the rate of inflation was 22.2%; in 1980 it came down to 14.8% and upto 15th August 1981 the rate of inflation has declined to 10.4% as a result of which the wholesale price index must have shown some reaction. But it has not resulted in any declining trend so far as retail prices are concerned. The Hon. Finance Minister has recently claimed that the inflation has been brought under control. As I said just now, it should have been reflected in the price situation. Even if the prices had not shown a declining trend, it would not matter. At least, the prices should be stable, as a result of controlling the inflation. The proof of containing inflation is in the stability of prices. Unfortunately, even that is not there. Sometimes, such a

state of affairs create a sense of suspicion about the claim of the Hon. Finance Minister.

It may happen that there may be some deficiency in the statistics supplied by the Government. But, here the evidence of price rise is being supplied by the Government's sanction of dearness allowance to the Central Government employees. It is understood that there are two instalments of DA due to the Government employees. So we cannot say that the prices have not risen.

Last week this House gave its approval to the Essential Commodities Bill and also to the Prevention of Blackmarketing Bill. The responsibility of implementing of these Acts lies with the State Government. I wonder how this responsibility can be discharged successfully by the State Governments where there is a multiplicity of authority. For example, in Tamil Nadu there are Five Inspectors-General of Police. I do not know which IG will be directed to implement the provisions of these two Bills. The success of any distribution policy depends upon the rigorous implementation of the above two Acts. I am sure that the House would like to know how effectively these two legislation are being implemented by the State Governments.

Our Hon. Prime Minister has been repeatedly stressing the need for reducing the administrative expenditure, as that is one of the most potent instruments to contain inflation. Probably that is why our Hon. Finance Minister is thinking of impounding the dearness allowance of the Central Government employees. The Finance Minister should also go into the wasteful expenditure in the States. In Tamil Nadu there are 5 Chief Secretaries. You can imagine the burden on the public exchequer. This kind of administrative expenditure must be pruned mercilessly.

\*The original speech was delivered in Tamil.

[Shri C. Palaniappan]

Now, as one of the steps of supply management, wheat, sugar and edible oils are being imported. But, unfortunately, the price of imported wheat is higher than that of the indigenous wheat. I do not know how the price of wheat is going to be reduced in this background. In our country the population today is about 65 crores, for whom there are only 2,97,000 fair price shops. You can judge the effectiveness of public distribution system. All these fair price shops are in metropolitan and urban centres. You know, Sir, that 80% of the people of our country live in rural areas. I would like to know how many fair price shops are there in the rural areas. The Central Planning Commission has conceded that 40 crores of our people earn on an average 75 paise per day. How can we expect them to keep their body and soul together in the environment of spiralling prices?

The Administrative expenditure must be reduced substantially. As a pace-setter for this, this House should take a decision. Presently, the Consultative Committees of the Ministries during the inter-session period are meeting anywhere and everywhere in the country. They should be directed to meet only in Delhi. We will be able to save sizeable sum in this process. As an incentive for the Members of these Consultative Committees, the Central Ministers and the Officials should also reduce their frequent visits abroad. A news item came recently that two Central Government officials had visited Honolulu to buy sports equipment for the Asian Game to be convened in Delhi. Such kind of wasteful administrative expenditure should be reduced drastically.

With these words I conclude my speech.

श्रीमती कृष्णा साही (बेगूसराय):  
उपाध्यक्ष महोदय, थोड़ी देर पहले माननीय

सदस्य श्री जार्ज फर्नान्डीस साहब कह रहे थे कि हमारे वित्त मंत्री ने जो कुछ भी किया है, वह विश्वास करने लायक नहीं है। उन्होंने कहा है कि मैं इनकी जगलरी आफ फिंगर्स में इंडलैजस नहीं करना चाहता।

वह इस समय सदन में बैठे नहीं हैं, जबाब सुनने के लिये यहां नहीं हैं। मैं आपके माध्यम से उनसे जानना चाहती हूँ कि जब जनता पार्टी की सरकार थी, उस समय जो औद्योगिक विकास में ह्रास हुआ, जोकि शून्य तक पहुँच गया था, जितने मैन-डेज का लास हुआ, जितने लाक-आउट हुए, उनके जो फिंगर्स और इकनामिक्स का डाटा अखबारों में हमें पढ़ने को मिला, जो हकीकत थी, क्या उस पर भी विश्वास नहीं किया जा सकता है?

हमारे देश में जो मूल्य वृद्धि हुई है, उस के लिए किस को चिन्ता नहीं है। हमारी सरकार, हमें और सभी को इसकी चिन्ता है और उसकी रोक-थाम के लिये, मूल्य नियंत्रण के लिए हमारी सरकार और हमारे वित्त-मन्त्री जी जो भी कदम उठा रहे हैं, उसके लिये वे सिर्फ प्रशंसनीय कार्य ही नहीं कर रहे हैं, बल्कि वे धन्यवाद के पात्र हैं।

आपने देखा होगा कि काले घन को बाहर लाने के लिए और चोर बाजारी एवं तस्करी को रोकने के लिए बड़े बड़े पूंजीपतियों के घरों पर छापे मारे जा रहे हैं और करोड़ों की सम्पत्ति बरामद हो रही है। इससे लोगों में यह विश्वास पैदा हुआ है कि सरकार जो कुछ कर रही है, वह आम जनता की भलाई के लिए कर रही है।

इसमें कोई दो मत नहीं है कि मूल्य-वृद्धि से जनता की तबाही हुई है, मध्य आय वर्ग और निम्न आय वर्ग की क्रय-शक्ति में ह्रास

हुआ है और उनकी कठिनाइयां बढ़ी हैं। लेकिन क्या माननीय सदस्य यह बताएंगे कि उनके समय एनुअल रेट आफ इनफ्लेशन 22.2 परसेंट था, उसको घटा कर 10.4 परसेंट पर लाना क्या उनकी करामात है या हमारी सरकार की करामात है ?

यह ठीक है कि चीनी, अन्न और तेल आदि एसेंशियल कामोडिटीज की कीमतें बढ़ने से आम परिवारों में परेशानियां पैदा हुई हैं और विशेष रूप से औरतों पर इसका मनो-वैज्ञानिक असर पड़ा है। जब लोग बाहर से काम करके घर आते हैं, तो वे पत्नियों के साथ उलझ पड़ते हैं। महंगाई के कारण आम परिवारों को बड़ी कठिनाइयों का सामना करना पड़ रहा है।

कुछ महीने पहले टाइम्स आफ इण्डिया में एक आर्टिकल प्रकाशित हुआ था : दि बल्टेड इज इन ए मैस, जिससे प्रकट होता है कि हिन्दुस्तान में ही नहीं, बल्कि अन्य देशों को भी इन कठिनाइयों का सामना करना पड़ रहा है। मैं आपकी इजाजत से इसके कुछ अंश को पढ़ना चाहती हूँ :—

“When it comes to inflation, India's record is, relatively speaking remarkably good. Between 1970 and 1979 the prices rose by 854 per cent in Brazil, over 200 per cent in Iran, 124 per cent in Japan, 227 per cent in the United Kingdom, and 97.8 per cent in the United States of America. India has 103 per cent rise in this period.”

दूसरे देशों की तुलना में हमारे देश की स्थिति बुरी नहीं है।

गत वर्ष हम लोग अफ्रीका गये थे। साथ श्री अटल बिहारी वाजपेयी भी थे। वहां की महंगाई को देखकर उन्होंने एक कविता

बनाई थी। वहां 100 क्वांटा में नाश्ता मिलता था, 10 रुपये में अंडा मिलता था।

श्री इन्द्रजीत गुप्त (वसीरहाट) : कहां ?

श्रीमती कृष्णा साहू : हम अफ्रीका गए थे। यह लूसाका की बात है। इनके भी बहुत से लोग हमारे साथ थे।

मैं बड़े अदब के साथ कहना चाहती हूँ कि मूल्य-वृद्धि के कारणों में जाना होगा। सिर्फ आरोप-प्रत्यारोप से काम नहीं चलने वाला है। थोड़ी देर पहले श्री जार्ज फर्नान्डीस ने कहा कि वित्त मंत्री उनसे रचनात्मक सुझाव मांगते हैं, जिससे महंगाई दूर हो, लेकिन ये सुझाव देना बेकार होगा। क्यों बेकार है ? वास्तव में रचनात्मक कार्य करने की उनकी प्रवृत्ति नहीं है। वे क्या करेंगे ? तोड़-फोड़, अराजकता। अभी मेरे पूर्ववक्ताओं ने हड़तालों को बन्द करने की बात कही। इस पर उनको दर्द होता है। वे कहते हैं कि हड़ताल होनी चाहिए। अगर हड़तालें होंगी, तो प्रोडक्शन नहीं होगा।

हमारे देश में आबादी बड़ी तेजी से बढ़ रही है प्रति मिनट 40, 45 बच्चे पैदा होते हैं। हमारे यहां 50 प्रतिशत आबादी महिलाओं की है, जो पुरुषों पर निर्भर करती है। इस स्थिति में हम किस तरह से मूल्य-वृद्धि को रोक सकते हैं ? 1979-80 में जो डाउट हुआ, वैसा सूखा तीस वर्षों में नहीं हुआ था। तब हमारे देश में 31.56 मिलियन टन गेहूं पैदा हुआ। जो हमारे देश में पूरा नहीं हो सका। लेकिन वही आगे के वर्ष में 36 मिलियन टन पैदा हुआ। इस सबके बावजूद भी मैं मन्त्री महोदय को यह कहना चाहती हूँ कि जो हमारे यहां एकोनामिक कंडीशंस हैं उसमें आर्थिक अनुशासन की जरूरत है और उसको करना ही चाहिए।

[श्रीमती कृष्णा साही]

उसको करने के लिए वह खुद भी चिन्तित हैं और करेंगे। लेकिन मैं कुछ सुभाव देना चाहती हूँ।

19 hrs :

हमारे यहां जो निजी और सार्वजनिक क्षेत्र की अर्थ-व्यवस्था है वह जर्जर हो गई है उसके कारण काफी आर्थिक कठिनाइयां हमारे यहां हो रही हैं। जो निजी और सार्वजनिक क्षेत्र के कार्यकलाप हैं वह सही ढंग से नहीं चल रहे हैं। मंत्री महोदय ने कुछ देर पहले कहा था कि उसमें कुछ इस बार आमदनी हुई है और नफा होने के लक्षण दिखाई दिए हैं। यह बुझी की बात है। लेकिन सार्वजनिक क्षेत्र में अपार धन-राशि का विनियोजन हुआ है। जहां 1951 में पांच इकाइयों में 30 करोड़ की पूंजी लगी थी वहां 1981 में वह विनियोजन राशि बढ़कर 18225 करोड़ हो गई है। ऐसी विशाल राशि के विनियोजन का अभि-प्राय यही था कि सार्वजनिक उद्योग क्षेत्र से हमारे विकास का काम हो, हमारी योजनाओं के कार्यान्वयन में हमें मदद मिले जिससे बजट का संतुलन भी हो। लेकिन 1978-79 में 40 करोड़ का घाटा 1979 और 80 में 80 करोड़ के आसपास पहुँच गया है। इससे सार्वजनिक क्षेत्र की विश्वस-नीयता घटती है और उसकी क्षमता पर लोगों को सन्देह होने लगता है। इस और मैं मंत्री जी का ध्यान दिलाना चाहती हूँ।

अन्त में मैं कहना चाहती हूँ कि जिस प्रकार से कोयले के उत्पादन में वृद्धि हुई है, जिस प्रकार से लोहे के उत्पादन में वृद्धि हुई है, जिस प्रकार से हमारी औद्योगिक क्षमता बढ़ी है इसी प्रकार से यदि मानसून अच्छा रहा तो कृषि के क्षेत्र में भी हमारा आगे का भविष्य बहुत सुन्दर नजर आता है।

हमारे जितने भी काम हुए हैं वह इतने अच्छे हैं कि मुझे पूर्ण विश्वास है कि आगे जो हमारा बजट प्रस्तुत होगा वह सब के हित के लिए होगा। इन्हीं शब्दों के साथ मैं पुनः एक बार वित्त-मंत्री को धन्यवाद देती हूँ। जो भी वह काम कर रहे हैं वह देश के हित में कर रहे हैं।

एक बात और कहना चाहती हूँ। हमारी सरकार की मंशा है कि वह काम करे। नाटक या इस तरह कुछ और करने की हमारी प्रवृत्ति नहीं है कि दिखाने के लिए दूसरों को कुछ और कहा जाय। आलोचना अच्छी चीज है। आलोचना होनी चाहिए। स्वस्थ आलोचना होती है तो उससे कुछ लाभ होता है। लेकिन जब अटर्न फ्रस्ट्रेशन से आलोचना होने लगती है, जब वह यह सोचते हैं कि इस तरह वह यहां नहीं आ सकते हैं तो ऐसी उखड़ी-उखड़ी बातें करते हैं और गलतबयानी कर के जनता की गुमराह किया जाता है। जब वह सत्ता में थे, तो जार्ज फर्नान्डिस साहब की पत्नी, धमा कीजिएगा मुझे इसलिए कहना पड़ता है कि हमारी सरकार की मंशा है काम करने की, नाटक रचने की नहीं है, लेकिन उस समय जो मंत्री पद पर थे उन की पत्नियों ने डिमांस्ट्रेशन किया था महंगाई के खिलाफ और वह अखबारों में निकला था जो अभी भी हैं, मैं अपनी ओर से नहीं कह रही हूँ। वह सबूत के तौर पर है। ऐसा क्यों हुआ था? इसीलिए मैं कहना चाहती हूँ आप लोगों से कि हमारी जनता सतर्क है वह समझती है कि हकीकत क्या है। इन्हीं शब्दों के साथ मैं धन्यवाद देती हूँ।

SHRI INDRAJIT GUPTA (Basirhat) : Sir, there is no need for me to repeat many of the things which have been already said by the very able speakers on this side of the House.



During the discussion on the Budget of 1980-81 I had made one point which I would just briefly like to repeat here and that is—of course, there is nothing original about it, everybody should know it—a period of high inflation is not an unmixed evil, it is not a thing which affects adversely the interests of all sections of people in a capitalist system. In fact, inflation and inflationary period is a big boon and a blessing to the big corporate sector. It should not be thought that because of inflation everybody in the country is having to suffer. That is not so at all. I have pointed it out here—I do not have time, otherwise I could have quoted figures to show that in respect of big business houses and the MRTP companies, the largest industrial houses in the country, if you compare 1979-80 and 1980-81, just precisely in this period there was tremendous inflation. You will find that these companies in respect of their assets, in respect of the profits before tax, in respect of the dividends that they are distributing, have never had it so good.

So, this is a thing which we should remember that by allowing inflation to go on unchecked certain people have got vested interest in this inflation. They are gaining by it and they are not losers in any way.

Another thing, I had said in the last year's discussion on the 1981-82 Budget, perhaps Shri Venkataraman was a bit annoyed because I said 'This was a gambler's budget' and I said 'He is a gambler' and he is gambling with the nation's finances, which he has no business to do. I had specifically said that in the context of the bearers bonds. It may be, its Constitutional validity has been upheld by the Court. That is a different matter. But was it not a gamble? On account of those bearers bonds he had anticipated that here would be realisation of Rs. 1,000 crores and he had already entered that on the income side of

his Budget. He had taken it for granted that his income would be Rs. 1,000 crores out of bearers bonds. That is why I said 'it is a sheer gamble that he is indulging in'. What happened later on? Now we find in this year's Budget about Rs. 625 or Rs. 635 crores which should have been realised out of the bearers bonds was not realised. Only Rs. 365 crores has been realised. (*Interruptions*). That gamble has not paid off. Rs. 650 crores or Rs. 625 crores is a sizeable sum of money and since that has not materialised, it is in the nature of deficit he will have to make up for it some how or the other. My whole theme which I wish to develop in the brief time at my disposal is that now under the pressure of these deficits, the Budget deficits, balance of payment deficits, the deficit on account of inability to service foreign debt which is growing all the time, it is because of these monstrous deficits that the whole economy is going to go out of control completely. He must tell us what is the strategy and what is the solution for this because, first of all he has said, of course, he has harped on the supply management. Very well, many friends have dealt with that. I want to ask him—when the existing production capacity in the country the existing installed production capacity of the industry is not being utilised on the average to more than 50 to 55% if he wants to concentrate on the supply side, that is to increase production, this is what he should have told us about. What is the main strategy of the Government to see that the installed production capacity of the industry including public sector is really going up substantially; otherwise the supply side will only mean—supply management means—you have to rely more and more on imports. Relying on imports in today's world means you have to pay through your nose. That is what is leading us towards the terrific deficit in the balance of payments. It is because we cannot sell our goods abroad at the price we would like to sell them for. The industrialised countries of the West, of the capitalist world, at any rate, they are

[Shri Indrajit Gupta]

indulging in protectionist measures and they have got very high interest rates. On the other hand what we are buying from them, the prices of those things are going up all the time, in spite of your indigenous efforts to increase your production inside the country. I do not want just to be replied to by cheap debating tricks saying that you people on this side are preventing production from going up. That is not so. You know very well. In spite of ordinances which you have brought, your own figures show that it is not strikes so much as lock outs, lay offs and closures for which workers are not responsible, which are responsible for the fall in production. About that he has not told us anything. I was seeing only a couple of days ago that Shri Dawar has made a public statement in which he says 'there has been alarming increase of industrial sickness'. That is of sick units. They also represent some production establishments and some production capacity. Rs. 2000 crores of public funds are tied up in these sick units. Is that not a waste of money? Is there no reason to look into this and see who are the people responsible for creating sickness, the incidence of sickness? Out of these, it is not enough to think that these are small units or medium units which have fallen sick because of power shortage or marketing difficulties or something like that. Mr. Dawar says, out of these total number of sick units, 384 large-scale units are there which have accounted for Rs. 1243.16 crores of public funds, bank funds and all that, which have been tied up in these sick units.

He has also said that, if you analyse the causes of sickness, you will find that they are primarily due to gross mismanagement, mal-practices of the management, embezzlement of funds, diversion of funds from those industries into some other purposes and so on. What is he going to do about all this? How does he talk

of supply management without tackling these problems?

Even our Law Minister, Mr. Shiv Shankar, only the other day, while addressing a seminar or something on company Law said—it is in all newspapers—that the siphoning of corporate funds for personal gains is on the increase, that is, violations of the Company Law are on the increase. By whom? By the workers or by those people who are responsible for sickness, who are responsible for violations of Company Law? These are the people who have been pampered, encouraged, helped and given new concessions and you are banking on them by saying that there is going to be a big boost, with successful management, on the supply side, on production side.

Two years ago, what he said—he was misquoted by Dr. Subramaniam Swamy—was, "If prices do not come down, I will go." I had asked a question, "If these people whom you are depending on do not play fair with you, what will you do?" he said, "If they do not play fair with me, I will have to go." But here are Mr. Shiv Shankar and Mr. Dawar pointing out that these things are increasing, mal-practices, mismanagement, embezzlement and all that. So much public fund is being locked up in these things. For that, he does not seem to have any worry at all.

Another thing which I wish to say is that it is not entirely true that his dependence is only on supply management. One point has not been mentioned which is a part of his anti-inflationary package. It is a sort of hiding behind the curtain, not coming out on the stage in the full glare of spotlights and, that is, the question of impounding of 50 per cent of dearness allowance of 32 lakhs Central Government employees. 32 lakhs Central Government employees with their families, dependants and children, come to quite a lot, about

1-1/2 crores of people. They are the people on whom the entire administration of the Central Government runs.

Every time the questions are asked in the House, Mr. R. Venkataraman or somebody, his deputy, is saying, "We have not yet made up our mind." But two additional instalments of DA which have already been sanctioned by them have not been paid. Does that not mean already impounding of about Rs. 30 crores to Rs. 40 crores? The fact that dearness allowance has been withheld, has not been paid, the money has not come into circulation, it is locked up, that is, it is impounded already, does it have any effect at all on the question of prices?

I find, our new Minister of Planning, in his reply to an Unstarred Question No. 1446 of mine, only two days ago, said :

"The Central Government has already advised the State Governments to credit a part of the additional dearness allowance of their employees—the State Government employees to their provident fund account that means, to impound—and other States particularly those which have been running overdrafts continuously with the Reserve Bank have been advised to consider similar mechanisms. While some States have agreed to follow such a policy, some other States have expressed their inability to do so."

So when this is the considered advice which the Central Government in the Planning Commission or the Finance Ministry has given to the State Governments it is quite obvious that they intend to do the same thing with their own Central Government employees who number 32 lakhs of people and in addition

to withholding those slabs of dearness allowance which have already been sanctioned, they are now making proposals to; the employees on future slabs of dearness allowance because they know that dearness allowance will go up, prices will go up. They cannot control prices, then at least 50% of that should be impounded. I would like to know clearly from him what is the position; because when they cannot hold the price line, what business they; have to impound 50% of the dearness allowance of the Central Government employees and enforce a real wage cut on them? Is there a freeze on dividends? Have these big corporate companies, these MRTTP companies and big business houses who are declaring dividends in an unrestricted manner, 15% 18%, 20%, 25%—you read the company reports—there is no freeze on those dividends. There is no cut, ceiling on those dividends. They can go on giving unrestricted dividends but when it comes to the poor Central Government employees, Class III and class IV, who cannot meet their both ends meet, then they suggest that half of their dearness allowance must be cut. This is not supply management. It is a demand management with a vengeance and I would advice him not to risk confrontation with his own employees again. At least the Ministers or other people or we are not asked to have any cuts. Why don't you impose cut on us and on yourselves also? You raised the prices of petrol. But you don't pay out of your pockets for the petrol of your Ministry's cars or your official cars or the cars of the public sector corporation management people who go about at the expense of those Departments and organisations. If the tax-payer is eventually paying for the petrol which you are using in your official cars, what kind of equity and justice is this? We are unable to understand.

AN HON. MEMBER: MPs should get cars too.

**SHRI INDRAJIT GUPTA :** No, MPs should not get cars.

Then one or two other points. I would like to make one point which has not been touched upon and that is that I would like to know, you, I am talking about all the deficits which are there. It seems that though Mr. Venkataraman began his remarks today by saying that the situation is very promising and good, healthy signs are visible and the rate of inflation is coming down and very encouraging, public sector is picking up and so on, just at this moment when everything, in his opinion, is moving in the favourable direction, that he decides to come to the International Monetary Fund for a loan of over Rs. 5,000 crores. It is bound to be there because they are not able to deal with any of these deficits. Now, my information is that out of Rs. 5,000 crores that they are seeking from the IMF, about Rs. 2,600 crores will be from the IMF's own resources. That carries an interest of 6.25%. But the balance will have to be borrowed by the IMF from other sources, from the commercial market. That will carry an interest rate of 15% or more. If you calculate, when this entire loan, if it is drawn in three years, possibly, then the annual interest charges alone will work out subsequently at Rs. 500 crores per year. Just to service this debt that we will incur from the IMF, we will have to find Rs. 500 crores every year to repay the interest alone. Apart from this, 950 million dollars have been borrowed this year from the foreign commercial banks at very high rate of interest and at variable interest rates and he is not telling the country how much more they propose to borrow from the private commercial market abroad. We are now being told only about the IMF. So these things are very serious because the whole burden of this eventually will again be put on the people.

Somebody mentioned here that in 8 weeks time upto the middle of

August, 1981, in eight weeks previous to that, newspapers reported that foreign exchange reserves have fallen by more than Rs. 500 crores in 8 weeks. This is more than double the rate of decline that there was in the same period last year and I would like to ask a question whether this is due to the fact mainly that large sums of money which the Government held in foreign securities, which were yielding good rate of dividend, whether they have dis-invested these sums held in those foreign securities. If that is true, it is an index of the acute crisis they have come to because of these balance of payments crises.

So, the foreign exchange reserves have come down, as Mr. Satish Agarwal pointed out, to a very, very dangerously low level, and we would like to know what is the Government's strategy regarding all this. I do not know whether he will tell us. That is a different matter....

**DR. SUBRAMANIAM SWAMY :** He must know first.

**SHRI INDRAJIT GUPTA :** About the conditionalities of the IMF loans, he has said elsewhere, and in the House also I think, that there is no fear of devaluation. Of course, if he is going to devalue, if that is at the back of his mind, obviously he has to go on denying it to the last moment: that is obvious; nobody announces beforehand that he is going to devalue. In any case, the rupee is being devalued. Mr. Venkataraman goes about saying that devaluation, in the old classical sense, is no longer real because the rupee is now linked with a basket of currencies. But the fact remains, and figures were quoted here, that the value of the rupee in terms of paise is going down all the time and has gone down to 26 paise or something like that.

**AN HON. MEMBER :** 22 paise.

**SHRI INDRAJIT GUPTA :** I am more worried about the other

conditionalities. I would like to say that even a paper like the *STATESMAN* which belongs to some capitalist group are expressing concern over what the IMF and the World Bank are going to insist on, on things like what they call 'realistic pricing of basic goods and services'—that means, raising of prices—dilution of the public sector, relaxing of licensing, controls and regulations, abolition of subsidies—our whole public distribution system is based on subsidies and they do not like that—, market-oriented, approach, export drive and so on, and allowing more facilities for foreign investment in this country which means multinationals coming in a big way. It is these conditionalities which we are bothered about. Mr. Venkataraman has said, "we will never accept any condition which is derogatory to the dignity or prestige of the nation". That is alright. It may be that straight devaluation may not come just now. But these other things are a gross infringement of the economic sovereignty of this country. If we are going to borrow from a creditor who is going to lay down this type of conditions that you have to change your whole economic policy, otherwise you would not get this money, it means a gross infringement of the economic sovereignty, and I am afraid, the public distribution system, far from being further expanded, is now slowly going to be on the way-out. That is the meaning of it when they say that you must give up subsidies. The food-for-work programme has already been closed down by this Government. I consider the food-for-work programme to be an essential part of the public distribution system, and it is the most valuable part which gives you a return also—that you give food in exchange for work. This is the thing which can help the poor sections of the people in the villages; nothing else can help them; there are no fair price shops in the remote areas of the rural countryside. But you have closed down the food-for-work programme and gradually the

public distribution system, instead of being strengthened, is going to be whittled down and scrapped, because these are the terms by which the IMF and the World Bank are now going to tighten the screw—no subsidies. Therefore, Sir, the people of this country, I am afraid, are in for a hard time.

I will just conclude by saying that this is not something in my imagination because here is an article which has been written by one gentleman who is a member of an IMF organisation. Mr. Manuel Guitiam, Adviser in the Exchange and Trade Relations Department of the IMF, has written an article in the quarterly journal of the IMF, and the World Bank called *Finance & Development*. It is a very interesting article. I do not know whether the Minister has had time to read it. In one place he says :

"...The guidelines make it clear that in helping members to design their adjustment programmes, the Fund will pay due regard to their social, political and economic priorities and objectives."

They are going to look into all these, and we will have to render account to them, and if our political and economic priorities and objectives are not to their liking, then the loan, for which we are so anxious now, will not be so easily forthcoming. So what does it mean? We are entering on to a very dangerous path where all our policies will be subject to the scrutiny and the approval of these people.

Finally, I will say this. I would commend to the Hon. Finance Minister the recommendations which have been made by a group of economists, I am sure he has seen it, from twentythree or twentyfive economists who recently held a seminar.



AN HON. MEMBER : They may be Leftists.

SHRI INDRAJIT GUPTA : They are not Leftists. I am reading it out. I know there are some Leftists and there is nothing wrong with it. But, what would you call some of them? They are :

1. Prof. I. S. Gulati, Centre for Development Studies, Trivandrum ;
2. Dr. Balwant Reddy, Administrative Staff College of India, Hyderabad ;
3. Dr. R. Radhakrishna, University of Hyderabad ;
4. Dr. Deb Kumar Bose, Indian Statistical Institute ;
5. Dr. A. N. Oza, St. Xaviers College, Bombay.
6. Dr. D. K. Rangnekar, Editor, Business Standard ;
7. Dr. Kanta Ranadive, University of Bombay ;
8. Dr. Atul Sharma, Sardar Patel Institute of Economics, Ahmedabad ;
9. H.K. Paranjape, Gokhale Institute of Politics and Economics, Pune ;
10. Shri Krishna Raj.

Everybody knows Shri Krishna Raj. These are some of the names. They have all concentrated on one point. I would commend that to the Hon. Minister. Actually, unless he really pulls up his socks and gets down to fighting this menace of blackmoney, there is no solution to this problem of inflation and high price. It is not going to be done by gimmicks like the bearer-bonds. Some of these suggestions which they

have made, I would just like to tabulate and finish. One is that you should take measures—let us all agree to those measures to ensure accountability of funds received and spent by all political parties. Let the fund which they receive and spend be subject to economic accountability. Then a lot of black money will come out.

Then, they have suggested that the Reserve Bank of India's regulatory powers should be extended to the non-banking financial organisations and the partnership firms. The partnership firms and non-banking organisations are generally used to convert the black money into white. The Reserve Bank of India should extend its regulatory powers over them. There is a question of ownership and transfer of urban property—under valuation of property—which is sold and transferred at an undervalued rate. While some Bill has been passed recently here, no action has been taken. The figures show that in the last eight years, only five properties had been acquired by Government. Though those powers have been deliberately held for acquisition by Government, only five such properties have been taken over in the last eight years. It means it is a humbug. No body takes it seriously. They have of course suggested comprehensive procurement and distribution of essential commodities. This is a must. The procurement prices should be related to the cost of production. If there are affluent sections who have really become very affluent, the rural sections, the rural population, and who are very affluent and rich, they should be brought within the net of income-tax. Why not ? Why should they always be exempt for ever from income-tax ? They have also suggested that the food for work programme should be revived and, in fact, it should be the first claim on the foodgrains stocks of the Government. Food for work programme is a must if you are really serious for

those people who are below poverty-line for whom you are shedding tears everyday.

Lastly, they have suggested avoiding the unnecessary imports of goods, technology and capital which are available in our own country and they should be rigidly controlled. At the moment, liberalisation of imports has become a motto or a slogan of the Government, the gates have been thrown wide open. I cannot resist mentioning a very curious, ironical thing, which has just come to my notice lately. Here, when we are trying in our own steel plant to increase the production as far as possible—some increase has taken place due to improvement in the infrastructural facilities, as he correctly pointed out and production has gone up a bit in the steel plants—the Chairman of the Steel Authority of India—SAIL—writing in a journal of SAIL is lamenting the fact that while they are increasing the production of steel, a whole variety of steel products, cold-steel coils, strips and all that which have come into the country in an unlimited quantity due to the import policy of the Government and he says we are now facing a crisis. We are producing all these products in our steel plants. But where are we going to sell them? The stockyards are full of imported materials which are exactly of the same type. So, there is some total lack of coordination I put it very mildly—between different departments. It may be something much more serious. I am not going into all those commissions and kickbacks which are operating all the time. So, I would suggest in conclusion that Mr. Venkataraman, who at least admits on the Floor of the House that this is a very serious matter, which concerns the whole nation, and we should give it much more thought than within this short space of debate will not try to score debating points but will try to come to grips with the problem.

MR. DEPUTY-SPEAKER : Hon. Members, I earlier announced that the Minister will be called at 7 p. m. The Parliamentary Affairs Minister has since withdrawn all the names pertaining to his party. One or two more names are left but I will call the Minister now.

SHRI CHITTA BASU (Barasat) : What about our Group. You should have been strict earlier...(*Interruptions*)

MR. DEPUTY SPEAKER : I think almost all the points have been covered, I gave more time Mr. Inderajit Gupta so that he may cover all the points. Now, I think proper representation has been given. It will be a mere repetition. I call the Finance Minister.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN) : Mr. Deputy Speaker, Sir, it is not possible to reply in half-an-hour to all the points that have been made during the course of three and a half hours by various speakers. Therefore, if I touch only the major aspects that have been raised and am not able to cover each one of the points raised by the Hon. Members I would request them not to treat it as indifference to what they have stated but it is purely due to compulsions of time.

Sir, my task of replying to this debate has been rendered easy by more polemics than economics and, therefore, I shall deal with the matter which are relevant and germane to the issues that have been raised. In the first place I have stated—and stand by the statement—that the rate of inflation in the country has been brought down. This cannot be denied. The rate of inflation which was 22.2% in 1979-80 has been brought down to 14.8% and then to 10.4% now,

[Shri R. Venkataraman]

Some of my friends and more particularly my esteemed friend, Shri Satish Agarwal, quoted averages and said that the average in your period is higher than the average during my period or any other period. The average which he cites is very much like the average depth of a river.

A person with a temperature of 105 degrees delirium was delivered to me as the economy of the country in 1980, January 14th, with a rate of 22.4 per cent inflation, a 2700 crore deficit, with a minus 1.4 per cent growth in industry; and with all these things, I had to bring that delirium down. There is no use in saying that in respect of this patient if you take his average temperature during the last one year it was lower than 105. (An Hon. Member: Polemics?) It is economics. I have to put it in a language which you understand. I would not indulge in this but for some kind of statement that he made. And when the economy has reached a level in which it was in the worst shape, every effort has to be made to bring it from that level by degrees to a lower level up to normalcy. When I say that it has been reduced from a 22 per cent level to a 14 per cent level and from there to a 10 per cent level, certainly, I show that there has been a marked improvement in the development and in the economy of the country. But if you say that this person had an excellent health during the three years preceding his fever or delirium and therefore you must compare it with the period when he had his good health, I am sorry, it is not possible to compare at all because the economy that was delivered to me was one in which there was absolutely no kind of stability, no kind of growth, and it was, on the other hand, full of deleterious consequences. Therefore when I say that this economy has been steadily improving and that the rate of inflation has been brought down it cannot be controverted at all.

I expected better contribution from my friend Mr. George Fernandes. He just went on picking up some sentences and reports from newspapers out of context and then made fun of them. Well, I have learnt one thing from him. Hereafter when I have to reply to the debate, I will take the newspaper cuttings of all the statements which these opposition members make out of context and when they tell these things I read back and sit down. But this is not the contribution that we should make. He said, and he misquoted there even, — that in the Television Interview I said that I will not allow the prices to go beyond a reasonable level. On the contrary—you can verify from the text—when the UNI people put me the question, I said:

“All that I can assure the country is that I will not allow the price to go beyond a reasonable level of increase, an increase being inevitable in the present context of world economic situation.”

I hope you understand the difference between the two. I said, the increase is inevitable, but I will keep it within reasonable level. This is the thing which I said. Sir, it is one thing to say that it does not satisfy me. It is another thing to say, you said it. Mr. George Fernandes said that you will keep prices at reasonable level; what is reasonable level? And he went on making fun: What is reasonable 20 per cent, 18 per cent, 15 per cent? He could have gone on for one hour like the old story of the foolish king saying, another sparrow came and took away another grain, and so on. Like that he could have gone on for one hour saying 20 per cent, 18 per cent, 15 per cent and so on. Sir, I am sorry this is not the kind of thing I can deal with.

And he said Indira Gandhi is the only leader and you are the only party and all this. Yes, Sir. All the parties in the Opposition together

went to the bye-elections which recently took place throughout North India and trumped the very same criticism which they are now making—the prices have gone up, everything has gone wrong, the country has been ruined—and what verdict did they get, may I ask? Not one seat they could win. The country has rejected their criticism of our party.

**DR. SUBRAMANIAM SWAMY:**  
So far.

**SHRI R. VENKATARAMAN :**  
Yes, and it will be thus far at every time.

Sir, I will now refer to the kind of situation that prevails in the world. We do not live in isolation. We have to import a lot of goods. Our imports are of the order of Rs. 13,000/- crore. The import of machinery, which are costly in the European markets because of rate of inflation in their own country, transmit inflation here also. We import of oil to the tune of Rs. 5400/- crores. All these bring in their wake not only the goods, but an implied inflation along with the goods which we get. Similarly, when we import capital goods for the purpose of manufacture and whatever inflation is contained in the capital goods we import, gets transmitted in the commodities which are produced from those capital goods.

Now, take the world situation. I will not compare with developed countries; I will compare with the non oil developing countries which are similarly placed. Now this is the World Economic Outlook of the I.M.F. Subramaniam Swamy must have at least read it.

**DR. SUBRAMANIAM SWAMY:**  
But I have to get it from them, not from you.

**SHRI R. VENKATARAMAN :**  
I refuse to give it to you.

**DR. SUBRAMANIAM SWAMY:**  
I know that.

**SHRI R. VENKATARAMAN :**  
This Report is a public document. In 1980, the rate of inflation in Asia excluding Peoples Republic of China was 16.2%; in the Middle East it was 44.4%; in the Latin American countries (Western Hemisphere) it was 16.2%. Then in the low-income countries, to which India belongs, excluding Peoples Republic of China it was 15.9 per cent; and in India it was 11.4% the lowest.

**DR. SUBRAMANIAM SWAMY :**  
Can I ask you a question? Could you read out the income, the rate of increase of per-capita income in the Middle East particularly?

**SHRI R. VENKATARAMAN :**  
Mr. Subramaniam Swamy, calls himself an economist. What has the rate of inflation to do with the per-capita income?

**DR. SUBRAMANIAM SWAMY :**  
No, rise in per-capita income.

**SHRI R. VENKATARAMAN :**  
It has no relationship. If you are an economist, you must be able to establish to me what is the relation between per-capita income and inflation?

**DR. SUBRAMANIAM SWAMY :**  
I am talking of increase in per-capita income. There the rate of increase of income is much more.

**SHRI R. VENKATARAMAN :**  
You go through the book and then come.

**DR. SUBRAMANIAM SWAMY:**  
Sir, I have been through the book.

**SHRI R. VENKATARAMAN :**  
You must have forgotten. Because you are a politician now, you must have forgotten. Refresh your memory and then come.

**DR. SUBRAMANIAM SWAMY:**  
I said the rate of increase in income in those countries is much faster.

**SHRI R. VENKATARAMAN :**  
How is it directly related to inflation. For all this I will have to take half-an-hour to educate you.

**DR. SUBRAMANIAM SWAMY:**  
I am beyond education.

**SHRI R. VENKATARAMAN :**  
There you are at least honest.

I will now deal with certain very important aspects. My friend Shri Indrajit Gupta is one of the persons who always make very weighty and valuable contributions to the debate. I always listen to him with respect—though I joke about Dr. Swamy, I give him credence for his knowledge of the subject, Economics.

The figures which he quoted about the budgetary deficits are not correct. What I said in the Budget was that Rs. 1,000 crores would be expected from the Bearer Bonds, out of which Rs. 200 crores would accrue in the year 1980-81, and Rs. 800 crores would accrue in the year 1981-82. In the year 1980-81, Rs. 80 crores accrued, and Rs. 120 crores were the deficit. That was included in my Rs. 1735 crores deficit which by the way, was very much lower than the precedent set by Mr. Charan Singh—and I said—which, I hope, no one else who comes after me will ever equal.

And then when you come to 1981-82, out of this Rs. 800 crores, we got Rs. 300 crores. Notwithstanding the fact that it was pending before the Supreme Court, we got Rs. 300 crores. The result was that our deficit was only Rs. 500 crores ; and this deficit does not accrue on the date. This is a period upto March 31, 1982. And, therefore, if you say that I have immediately gone into a deficit and that my finances are all awry, you will concede that it is not correct.

**SHRI INDRAJIT GUPTA :** We hope what you say is correct.

**SHRI R. VENKATARAMAN :**  
You are hoping that I will fail. They said that the deficit which I will incur, will be Rs. 3,000 crores or Rs. 4,000 crores. And Dr. Swamy was jumping. With every Rs. 1,000 crores, he jumped one foot higher. Ultimately, I was able to show a deficit of only Rs. 1700 crores in spite of the deficit in the Bearer Bonds. And I am still hoping that I will be able to maintain the deficit which I have put in my Budget Estimates ; and it will not go very far beyond the Budget Estimates, in the Revised Estimates, as in any other year of which I have been in charge. I will not emulate other people.

Therefore, the impression that Mr. Indrajit Gupta created, viz. that we have run into a deficit of Rs. 500 crores now, is not correct, because that is an amount which is likely to arise in the course of the year. There are other factors which will counter-balance.

I can also give you another piece of good news. The buoyancy of revenues, both in the direct and indirect taxes, is very good. And if the buoyancy continues, these Rs. 500 crores are not much, and could be made up.

**SHRI SATISH AGARWAL :**  
For this, give credit to Chaudhri Charan Singh. He increased the excise duty.

**SHRI R. VENKATARAMAN :**  
I have reduced it. Mr. Agarwal has a very sharp memory. I have reduced various excise duties in my budget for 1980-81. I have not added one pie. I know all of you want this Government to fail; and you want me to contribute to it. You will not succeed. (*Interruptions*)

I now want to go on more seriously. After all, it is 8 o'clock.



I want to deal with them. The second point which he raised was about the sick units. Well it is a mistake in my opinion to have taken up all sick units and that is why we are in this great difficulty. In fact, I do not know what kind of socialism it is where if a private sector makes profit, it will take it home and where it makes losses, the Government must take it over. That is the philosophy of sick units. In fact, the Government are now considering very seriously the question of policy with regard to sick units and I can assure you that so far as the Government is concerned, they are reviewing this policy and they will take an appropriate decision so that the country is not burdened with all the mistakes and misdeeds of somebody else.

Then he made a very powerful plea for not impounding the D A, and he asked me whether the freeze in dividend is all considered. Well, I am unable to take either him or the House into confidence. All that I can say is that at the moment we are discussing with the persons directly concerned and the discussions are going on. I am unable to give more information than what I had given in my statement with regard to IMF loan. There are a lot of speculations. So many people are writing. But under the convention, as I mentioned in the House, neither IMF nor I can disclose terms; and once it is finalised, as I said, I will come with another statement as I did on the opening day of the session. It is not true to say that the food for work programme has been given up. On the contrary, it has been replaced by the national rural employment programme (NREP); and NREP is more comprehensive programme than the food for work; and the NREP provides not only for more food for the work which was being done in the past but for a kind of component by which you will add durable assets to the rural areas. The amount provided in the 1981-82 budget is Rs. 360 crores.

**DR. SUBRAMANIAM SWAMY :** That is Rs. 180 crores from the Centre and assuming that the States will match an equal amount.

**SHRI R. VENKATARAMAN :** It is Rs. 180 crores from the States and Rs. 180 crores from the Centre. It has been agreed to by the States; and on that basis, this allocation has been worked out; and we are going to give 5 lakh tonnes of foodgrains for this purpose as part of the scheme. Then he mentioned under-valuation of property. Mr. Indrajit Gupta knows that we have tried to acquire some of these properties which have been under valued. But there have been various legal difficulties and many of them have been held up in courts. There are also difficulties with regard to acquisition of properties held by companies and cooperatives. We have brought this law now to get over those difficulties; and I am hopeful that given the cooperation in respect of handling this blackmoney transaction, we will be able to enforce the law. If we are held up by various courts and various tribunals and various other institutions which give preference or priority to individual personal rights over the social right of the nation, then we have to abide by the constitution and take the consequence as it is.

**SHRI INDRAJIT GUPTA :** Could you say something about the borrowing plan from the foreign commercial banks abroad?

**SHRI R. VENKATARAMAN :** We do not make a programme in advance as to how much we are going to borrow in respect of commercial banks. As and when an occasion arises, we do. Last year, we had to borrow for the purpose of a aluminium plant and therefore, we went to the international market, euro dollar and we borrowed 850 million dollars.

Now, if such schemes fructify and if it becomes necessary, at that stage we decide how much to borrow, where to borrow, considering various aspects. We do not make in advance like a budget, how much we are going to borrow in this year or that. It may be that we will not be obliged to borrow from the commercial markets or it may be that we are obliged to borrow from the commercial market, the international multilateral institutions. That would depend on the amount of money which we get either in the IDA programmes, AID programmes or World Bank and number of other institutions; and as I said, we do not have a figure already set, as a target, to be achieved.

Then I will take up Mr. Satish Agarwal's points.

**DR. SUBRAMANIAM SWAMY:**  
How long are you going to carry on by your wits?

**SHRI R. VENKATARAMAN:**  
How long? As long as I am able to mislead people like you!

I agree with him; that the real investment declines when there is cost escalation; and everybody knows that it is true. It has been our endeavour to see that the projects are properly prepared, their costs properly estimated, and their execution is not delayed leading to further cost escalations. I know of several instances—I was also a Member of the Planning Commission—in all these cases owing to factors certainly beyond our control, some of these projects become very costly and the cost escalation takes place some times due to international factors, mainly, mostly due to our own shortcomings. Every effort is being made by the Public Investment Board—Mr. Satish Agarwal knows this very well—to have a correct assessment not only of the cost of the project, but also of the time, the gestation period, and

everything to see that the cost escalations do not take place. I take his caution in this matter and we will do everything possible to see that there is no cost escalation in this.

Then he asked me why I am taking always this period, the year 1979-80 as the year for comparison. It is—fortunate or unfortunate—that is the year immediately preceding our taking office. How do we compare ourselves with something? You have to compare yourself with the thing which happened immediately before you took office and 1979-80 is the year which is immediately before we took office and therefore we have to compare and say that in that period it happened like this and now we have improved it this way.

**AN HON. MEMBER:** When they took, they took the previous year. Criticise...*(Interruptions)*.

**SHRI R. VENKATARAMAN:**  
They did the same thing...*(Interruptions)* No, no. I have learnt one thing as a Minister and I have been a Minister for a number of years. A Minister must always reply to the criticism. Minister must not criticise others. I have never tried to criticise other people. Occasionally joking with Mr. Swamy is something different.

**MR. DEPUTY-SPEAKER:** He likes that also.

**SHRI R. VENKATARAMAN:**  
In many of the debates you would have seen.

Now, the point is, I have to take a particular year for comparison and the year I can take and should take is the year immediately preceding our assuming office and that is the period which I have taken.

20.00 hrs.

Then, Mr. Satish Agarwal made a great point that the value of the rupee has gone down. The term 'value

of the rupee is generally in terms of international currency. But what we say here is 'purchasing power.' The purchasing power is a reflex of the rise in the cost of living index. If the cost of living index goes up, you divide it, it is only an arithmetical calculation. It is not as if the value of the rupee goes down immediately on the basis of its relation to other things. It is only measured in terms of the increase in the cost of living. Either you say that the cost of living has gone up from 300 to 400 or you say that the purchasing power has come down from 35 to 30. It is nothing which shows that the economy has weakened on that account. The prices have a tendency to go up over a period. I am yet to know of any country where they have not gone up, except during the period of the world recession in the thirties when prices had come down after the first world war. To say that the rupee has been under-valued or devalued or that the value of the rupee has gone down does not mean anything which reflects on the policies of the Government or anything which reflects on the performance of the Government.

He said that the consumer price index was higher. I myself mentioned it. Then opened, I said it. Consumer price index is one which gets reflected after a period. Therefore, there is a time lag between the wholesale price index and consumer price index. It is a fact that the consumer price index shows some difference because of the time lag. That the consumer price index is going up is a fact which I have admitted. I have not said it is not going up. All that I have been trying ever since 14th January, 1980 is to say that I will keep down the rate of inflation lower; I never said that I will bring down the prices. Nobody can quote me saying that.

**SHRI CHITTA BASU :** So, it is safe to conclude that the prices will increase.

**SHRI R. VENKATARAMAN :** Whether you like it or not, wherever you go, to India or to Timbuctoo, you will find that the prices will be increasing. I will make one qualification and that is, in a totally controlled economy where it is possible to control the supplies, where it is possible to control production, where it is possible to control prices, then only it is possible. But that is not the economy which we have accepted. Therefore, it is not possible.

He mentioned about some Asian Games and all that. If he wants any further information, that can be given. Now, I will deal with Shri Maitra. I want to deal with representative opinions expressed. He said that the price index has gone up, which have answered. He said that production in agriculture and in industry has increased and yet, the prices have gone up. Production has gone up and that has gone to mitigate the rise in prices. If the production has not gone up, the rise in prices would have been higher. That is why I said that the trend is good. In the first quarter of 1981-82, the production has gone up and I said that the public sector is now utilising its capacity to a larger extent than it had done before. Due to constraints on power, transport, coal and other infra-structure, the public sector could not do its best during 1979-80. Now, I said, during the first quarter of 1981-82 the public sector is doing better and I gave the figures in reply to a question in Parliament a few days ago that as a percentage of gross profit to the total production, it has become 8%. From minus it has become plus. You will have to see whether this trend will continue throughout the year. There are some cases in which the production has not come up to the level which we had really targeted. But there are cases where it has increased and crossed the target.

Therefore, taking an average it shows a very healthy trend. On that

[Shri R. Venkataraman]

account I want to tell the Hon. Members that the progress is very good, very hopeful and very encouraging.

He said something about the bearer bonds and that it would lead to a deficit. I have answered that point.

Dr. Subramaniam Swamy has said that the term of trade have deteriorated so far as agriculture is concerned. On the contrary, this is the index for the 8th August. In cereals the change as compared to last year is +15 per cent. In agricultural commodities as a whole, it is 17.1 per cent, while in manufactured articles it is only +4 per cent. The credit for all this goes to my esteemed colleague, who champions the cause of agriculture in the Government. It is a very creditable thing that the terms of trade in respect of these items, particularly the increase in the value of the agricultural products have been greater than the increase in the industrial products. I hope, this will at least please Dr. Subramaniam Swamy though it may be a discouraging thing that he has proved to be wrong.

Mr. Maitra wanted to know the logic of importing edible oils and imposing 150 and 200 per cent duty. I owed a duty to the House and to the country which, I thought, I had discharged sufficiently when I moved consideration of this Bill. Mr. Maitra is not right when he says that the Government have allowed private trade to import. Actually Government have canalised import of edible oil through the STC. But certain private trade said that they had entered into agreements earlier to the day on which this canalisation order was passed and on that account they were entitled to import. We tried to resist it. But certain decisions were given which enabled the private trade to import. The cif price of these edible oils whether coconut oil or groundnut oil, was about Rs. 7000/-

as against Rs. 14,000/- in the market. If I had not levied this 150 per cent duty on it, the private trade would have made a killing and they would have kept all the profit. The reason why I had to issue an ordinance was that the statutory limit to which I could increase the customs duty was only 40 per cent. Therefore, we had to issue an ordinance empowering ourselves to raise the levy of customs duty upto 200 per cent. Then we issued the notification under which we placed the duty at 150 per cent. When Mr. Maitra says that we should not raise the levy duty, I am afraid, people will misunderstand it. They will think that he is pleading the cause of the private trade though it is not his intention.

Then the next question is whether on account of this imposition of 150 per cent duty, prices of edible oil will go up. I say no. Because still under the notification issued by the Government the import duty on edible oil imported by the STC is only 5 per cent. Government are importing it and then selling it at reasonable prices. Therefore, the prices will not go up. Hon. Members would have seen that recently we have tracked down all these edible oil people in Bombay and various other places, as a result of which the prices have crashed down, and today the edible oil prices have come down from Rs. 16 per kg to Rs. 14 and Rs. 13. These are the figures which I have got. Therefore, the policy has not only been justified, but it has paid dividends.

Lastly, Shri Maitra said that the bank credit to the Government has gone up. Yes, it has gone up, because of the larger investments which we are making in the Plan. Our Plan outlay is Rs. 97,500 crores, as against the earlier Plan, which was smaller. So, our targets are greater. He made a mistake; he thought Rs. 1,975 crores is in addition to Rs. 5,400 crores of bank credit. No. This figure of Rs. 5,400 crores includes Rs. 1,975

crores. Therefore, it is factually incorrect. But that is only a correction of an information. But what I want to point out is, because of the size of the Plan and a large number of items which we are now putting there, we have to increase our borrowing from the banks. When the Plans yield results and when the returns come, it will be slowly reduced. That is the position.

I do not know if I should take more time. I think I have covered all the points. If I have satisfied Dr. Subramaniam Swamy, I can sit down. If he does not say "Yes" I will not sit down.

Finally, I wish to thank the House for the kind co-operation it has extended to me. I have taken note of every one of the points. I shall go through them carefully and whatever can be implemented, I shall do with the utmost vigour.

MR. DEPUTY-SPEAKER : We will now take up the substitute motions. I will now put the substitute motion by Dr. Subramaniam Swamy to the vote of the House.

*Substitute Motion No. 2 was put and negatived.*

MR. DEPUTY-SPEAKER : I will now put the substitute motion moved by Shri George Fernandes to the vote of the House.

*Substitute Motion No. 3 was put and negatived.*

MR. DEPUTY-SPEAKER : I will now put the substitute motion moved by Shri Satyanarayan Jatiya to the vote of the House.

*Substitute Motion No. 1 was put and negatived.*

MR. DEPUTY-SPEAKER : I will now put the substitute motion moved by Shri Ramavatar Shastri to the vote of the House.

*Substitute Motion No. 4 was put and negatived.*

MR. DEPUTY-SPEAKER : I will now put the substitute motion moved by Shri Sudhir Giri to the vote of the House.

*Substitute Motion No. 5 was put and negatived.*

MR. DEPUTY-SPEAKER : The House stands adjourned to meet again tomorrow at 11 a. m.

20.15 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Friday, September 4, 1981/Bhadra 13, 1903 (Saka).*