

Rs. 800 crores against drawal of foreign exchange reserves, the assumption being that such borrowing would be non-inflationary, as it is covered by increased imports of goods. Accordingly, the Budget document shows a net deficit of Rs. 632 crores.

7. In the context of the rise in the whole-sale price index of 12.5 percent that has occurred since March, 1976, any deficit financing has to be viewed with concern. In order to reverse the rising trend of prices, and to usher in a period of reasonable price stability, the Government are of the firm view that financing of public expenditure in a manner which would generate inflationary pressures should be eschewed. It is our firm resolve to review the Fifth Plan and to revise the Budget Estimates so that they reflect our thinking and priorities. We propose to complete this exercise in time for the regular Budget which will be presented in May, 1977.

8. Meanwhile, I have asked my Ministry to request all Ministries, Departments and Public Sector Undertakings under the control of the Central Government not to take up new schemes and not to enter into fresh major commitments till we have completed our review. The possibility of rephrasing and re-scheduling continuing schemes would also be explored. All Ministries and Departments of Government, and Public Sector Agencies will be asked to observe the utmost economy in expenditure, keeping in view the present Government's emphasis on austerity and avoidance of all forms of ostentation.

9. It is the will of the people of India as expressed unequivocally at the Polls, that there is an urgent

need to redirect our economic policies and priorities so as to ensure that economic growth subserves the objective of speedy eradication of poverty and unemployment, and a progressive reduction in inequalities of income and wealth. The House may rest assured that we shall keep our faith with the people. The task ahead is formidable, but with the willing support and goodwill of the people, we are confident that we shall achieve our objective.

13.05 hrs

FINANCE BILL, 1977*

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): Sir, I beg to move for leave to introduce a Bill to continue for the financial year 1977-78 the existing rates of income-tax with certain modifications and to provide for the continuance of the provisions relating to auxiliary duties of customs and excise and the discontinuance of the duty on salt for the said year.

MR. SPEAKER: The question is;

"That leave be granted to introduce a Bill to continue for the financial year 1977-78 the existing rates of income-tax with certain modifications and to provide for the continuance of the provisions relating to auxiliary duties of customs and excise and the discontinuance of the duty on salt for the said year."

The motion was adopted.

SHRI H. M. PATEL: I introduce** the Bill.

*Published in Gazette of India extraordinary, Part II, section 2 dated 28-3-1977.

**Introduced with the recommendation of the Vice-President acting as President.