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PROBLEMS OF THE EIGHTH PLAN

(T. A. Pai Memorial Lecture - 6)

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T.A.Pai COMMEMORATION COMMITTEE
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VI T. A. PAI MEMORIAL LECTURE
DELIVERED BY DR. G. V. K. RAO IN BANGALORE
ON JANUARY 17, 1989

Honourable Chairman Sri Deshpande, Srimathi Vasanthi Pai, Sri Ramesh Pai, Sri Dharmaveera, Justice Nittoor Srinivas Rao and Friends,

I was asked to deliver this Lecture two-years back when I could not do it, And I am indeed grateful to Smt. Vasanthi Pai and Sri Ramesh Pai for asking me to do it this year.

I had the privilege, as many of you in this audience have had of knowing Sri T. A. Pai for a very long time. The first time I came into contact with him was in 1952, when he was a Legislator in the Madras Assembly. He and his colleagues in the Legislature of South Kanara came to Bangalore, and at that time I happened to be the Secretary-Planning, and Secretary to the Chief Minister of Mysore Sri Hanumanthaiiah. They wanted some power to be given to South Kanara. South Kanara at that time was not as advanced as it is today. And they did not have sufficient Power. I mean Electric power, Mysore State agreed to give 4000 Kw to them, at that time mainly because of the very persuasive arguments of Sri T. A. Pai and his other colleagues, particularly Sri U Srinivas Mallya, Sri Vaikunta Baliga, Justice Sri K S Hegde and others.

One of the characteristics of the South Kanara Legislators, I must say, was their total commitment to their constituencies. I have been in the civil services here, for a fairly long time. I can say that I have been harrassed by the Legislators of South Kanara, day in and day out, but not once would they support the case of any individual. They were always fighting for their constituencies and I must pay a tribute not only to Sri T A Pai, but to the other very distinguished men Sri Srinivasa Mallya from South Kanara, Sri Vaikunta Baliga and Sri Hegde and others, who were model Legislators. Later of course South Kanara part of Mysore and we got to know one another very well, and there was not a single public cause which was worthwhile, which he did not support.

My interest, while in the Civil Service has been a commitment to Agriculture and Rural Development. We did not have sufficient money for it. Agriculture is a neglected subject, all over even now. Some of us like Sri B Shivaraman and myself were arguing that we should get money from the Commercial Banks for Agriculture. The Commercial Banks at that time were prohibited from lending to Agriculture by the Reserve Bank of India. There are distinguished bankers here, and they would remember that they were prohibited from lending to Agriculture which was supposed to be done only by the Co-operatives, and not by anybody else. And it was at that time that Social Control over Commercial Banks came along, and in my very frequent discussions with T A Pai, I said why don't you give money from the Syndicate Bank? He literally stuck his neck out, and gave a cheque for Rupees one crore and twenty lakhs to our Electricity Board, subject to the condition that we energised at least 3000 pump sets in his District, which we did. The Electricity Board and the Karnataka (Mysore Government at that time) did that job. For that act of lending money for Agriculture the Government of India wanted to prosecute Sri T A Pai. In fact this is one of the unknown stories of Indian Banking, because you know that the Syndicate Bank lent money for Agriculture, and it was considered improper.

Very soon, Banks were nationalised, and a policy decision was taken to lend specific amounts of money to the Priority Sectors as they were called and then we get lot more support. Mr Pai then went on to become the Chairman of the Food Corporation of India, and he travelled extensively in the Tungabhadra area. I even persuaded him to buy some land there. Then he sold it. Later on, he became a Minister, and his work is very well known.

But basically he was a professional man, who set up the highest standards of commitment to public good, and it is indeed an honour and privilege for me to be delivering the memorial Lecture today. I thought I would choose a subject on which we had a number of discussions, and so what I say today is somewhat reflective of the views which Sri T A Pai would have had, and would have supported even today.

One of the most important things about T A Pai, and that would be the theme of my talk today, was that we can not have

the same thing over and over again. Things change, and in a country like India which is a complex country, getting Independence after a very long period of feudal and colonial rule, where things have remained static for a very long time and you have to have development in a wide range of areas. It is thoroughly improper and undesirable to stand still, and to think that whatever was done in the past was the best. It is not so. We have to think of new ideas. As Francis Bacon said (it has been quoted in a Magazine which I read a couple of days back) "Unless you find new remedies, you will have new evils." This is the basic thing. Change is permanent, and in a society like India, unless we have proper, guided change and management of change, we are not likely to handle our problems in a competent manner. That is the basic theme which I would say which represented T A Pai at his best.

I deliberately thought I would talk about some of the problems of the 8th plan. This is the last year or next year, is the last year for the 7th plan and the 8th plan should start on the first of April 1990. I do not know why the plans should start on the 1st of April, and nobody takes it seriously either. I think it should start at least on the 2nd of April.

Unfortunately, there is not much discussion about the economic issues in the country today. Of course this is a rather bad year. Politics fills all the pages; who is in, and who is out, and what is happening to some elections here or there. It is indeed a pity that the economic problems do not get the kind of attention which they deserve, and which affect everybody. It is a very unfortunate thing. In fact, in a Seminar which was held recently in honour of the 80th birthday Dr V K R V Rao in the Institute of Social and Economic Change, Sri Sharada Prasad, a very distinguished Journalist and Student of Media, pointed out that 89% of the newspaper coverage in India goes to Politics, and only 11% to developmental issues. It is rather a skewed way of looking at things.

One of the most important things which has to be done in this country is to get a proper sense of proportion about various issues which bother us. Politics is important. I do not mean any offence to the Honourable Chairman. I am sure the Chairman will also agree that there are many other issues which are equally

important, if not more important. Everything should fall in its place. A sense of proportion is what is needed in the entire body politic.

The same view, I would say, should prevail over taking a view on Planning in this country. We have had seven plans and of course my former colleague the late Sri Rajkrishna used to say one Plan, is like another Plan. He was fond of making caustic statements, but he had a wonderful commonsense in the use of words. He was person who said about the Hindu Rate of Growth of 3.5% per year, whatever you do. Whether you plan or not, this country will grow at the rate of 3.5% per year. He also said that when the Planning Commissioner produced an approach paper to the 7th plan, he said that it is the 7th approach to the same plan. There is an element of truth in that. Now that the 8th plan is there, I thought I would speak something about the basic problems relevant now.

The first statement that I would make would be, that more of the same would not do. We had 7 five year plans. That covers 35 years, plus 3 years of the so-called no plan years. What we told a young man of five or ten or fifteen years will not do for a man of 38 years. And this country is now 40 years old and independent and we are moving on to what may be called a rich middle age, and it is desirable to take more balanced views, and not try to handle the country as you would handle a 10 year old or 15 year old or even 18 year old adult. This is one of the things that we should bear in mind. The country is a mature country today, and it is not desirable to run it in the same manner that we thought we should do so during the first plan or the second plan. Things have changed. And this we should realise.

In fact Dr. Khusro, who is quite a knowledgeable and a very sober man, has pointed out that the number of people who are today fairly well off, fairly well educated, and have the means to lead a fairly good life is a large number. Even the number of persons who are literate in this country is quite large. But illiteracy continues to persist. There is no doubt about it. But 230 million people in this country are literate. A large number of them are highly educated; a number of these people have good jobs. 25 million people have good jobs, and a large number of

people are doing honest and good business. This is an open society, and a number of things have happened. The 230 million people who are fairly well off is a large number, almost equal to the population of Europe, without the USSR, and almost equal to the population of the United States.

There has been considerable achievement in this country in a number of areas. There are a number of problems also. That's why in a Seminar which we had the other day, I quoted Jawaharlal Nehru to say that the only people who do not have problems are those who are dead. The living are bound to have more problems. In fact even the rich people have many problems. The USA has many problems ;USSR has many problems; Japan has many problems; European Economic Community has many problems. Here I see many people who are quite distinguished in their lines of activity, and am sure that they will tell you that they are having more problems today than what they had 10 years back. Even the people of achievement, the bankers can testify that they have more problems today with more employees. So just because we have problems, let us not loose our sense of proportion. This country has 800 million people and it has 800 million problems. And it is going to be more because not only the population will go up, but also the complexity of problems will go up in future.

It is desirable to have this background, and take a balanced view of whatever we say, think, or do. Very briefly, a society, coming out of a feudal and colonial set-up of 800 years, is suddenly liberated. We now have a Constitution in which the Preamble, the Directive Principles and the Fundamental Rights Chapters, are rather unique. It has raised the aspirations of the people.

Contentment with the status quo which was a hallmark of Indian society for more than 800 years, is no longer true today. Anybody whom you meet wants a good life. You ask anybody whether he is satisfied with what is happening to him. He will say no. When you raise the aspirations discontent is bound to arise. In fact this was, as I see one of the ideas of the Founding Fathers of the Indian Constitution. It was to stimulate the Indian people, to raise their aspirations so that divine discontent comes into the system, and people want more, and better things.

We should always remember it. That's why targets in the Plans, have always been set a little higher than what we can achieve. It is a deliberate strategy of the Planners. Because if you say that you will do this in five years, and do not do it, people will ask later why have you not done it. It is possible to do, as was done particularly in totalitarian states, to keep the targets low, and then say that we have over-achieved the targets. That would not have had the desired results.

In India where we had the debris of the feudal and colonial system of 800 years, we have to get a large amount of discontent into the system, so that it drives the people in authority all the time to achieve something better and higher. This is one of the elements of the strategy in Indian planning. The expectations are very high, and our resources are low. Some people write, and in fact you cannot help feeling amused, that India cannot have any planning, and that the Indian Economy does not require any planning. You must have read such articles in newspapers even yesterday and day before. There were some articles about the need to have no planning at all. You take any individual life; you have a number of requirements and a number of hopes, and you know your resources are limited. You have to plan: your daily chores you have to plan, your expenditure you have to plan. How you handle your income, you have to plan.

The Western Society, is a highly organised and planned society. Please do not think that there is no planning in United States or in the European Economic Community. It is a highly organised society, and it does not mean anything more than trying to list your resources, try to raise your resources to the maximum extent possible, and to have a priority among the different requirements which you have. There is nothing more than that. The same discipline is needed here.

Over achievements are substantial. I don't wish to quote figures. But there is little or no doubt that agriculture production has gone up in a big way from 50 million tonnes at the time of Independence, to 170 million tonnes this year. The rate of growth is phenomenal. Particularly the way the drought was faced in the last year by the Indian people, with all their incompetence, has been a thing about which we can be very proud of.

The first recorded famine in India was in 1862 when a number of people died. There were a number of famines after that time. There was a big famine in 1888, particularly in Bijapur where people died on the roads. Actually it was called 'Bore Bara' and skulls were seen on the road. It has been noted in the Gazetteer. We had a number of famines, the last being the Bengal famine in 1943 in which two or three million people died. It must be said to the credit of India, and Indian independence, that after Independence we have had droughts, but no famines. It may be a foolish claim on my part to say that nobody died, but certainly millions of people have not died.

The last drought in 1987-88 was managed in a very superb way by everybody. The credit should go to the farmers, to the people, to the Government and also to the Press. Swaminath Ayyar read a paper in a recent seminar, how democracy had helped India to manage the famine. You know the press here is an open press. The legislators are free. The Parliament, and the Legislatures do assert their authority vehemently, and if there is any shortage anywhere, if there is anything improper, it is brought to the notice of the public. The FAO Statistics prove that India managed the famine with a smaller quantity of foodgrains per capita, than was available in many African countries in the same year. Tanzania had more foodgrains per capita than we had, but more people suffered in Tanzania acutely than they did in India.

And there are a number of achievements in Industry. Dr. Patil talked to us the other day about the fantastic achievements of the Indian industry. We are a major power. There is a little or no doubt about it. During the last 40 years, we could produce anything from a pin to a ship which we could not do before 1947. There is no doubt about it. We have a large number of technically qualified people. It has been stated repeatedly that we have the third largest technical manpower in the world. In the field of social services also, we have great achievements. Education for instance. Go anywhere, you have primary schools, middle schools, high schools, colleges, hospitals and so on. May be of indifferent quality, about which I will talk a little later. But the public consumption of social services in this country is much higher than what it was before 1947. That is what which

has given raise to about 230 million people who were fairly well off, and that creates other problems about which I will refer to later.

Why I am saying all this is that let us take a balanced view of our achievements, our problems, and the manner in which we have to tackle them. This is where public opinion is needed. Good public opinion is essential in an open society, and in a highly complicated society like ours, so that we can manage our affairs properly. There is also got to be a change in public attitudes.

You see the day's newspapers. There are photographs of some trees being cut. They say that the Government should prevent them. The local community should do this. Some building is not repaired, it is blamed on Government. The blames which are put upon the Government are so many, and our Ministers and Legislators are quite happy to take them up. Because you know, people come to them, and they make promises that we will handle this and we will handle that. Most of these problems are not in the purview of the Government. Public opinion should realise that if something has gone wrong, the public and the public opinion is also responsible for Government taking on more responsibilities than they can manage. Certainly they do not have the resources to manage it. This is where a proper public attitude, and public opinion development, is essential in this country.

To an audience like this consisting of distinguished people, I would make this appeal because we are also partners in Government. We think that we who are either out side government or out of government, think that everything was good when we were there, and everything is bad after we left it. It is not true. Every citizen continues to be part of Government. Let us make it very clear, in fact the word 'non-official' which came in when the British came here does not exist in the dictionary. There is no such word as non-official. Every body who holds an office is an official. There are some career officials, and some elected officials. There is no such word as a non-official. This 'non' business is something of a negative attitude, that is bred in us mainly because of the feudal and the colonial system. Every body who holds an office is an official. He might be an elected official or he may be a career official. As long as you hold an office, you have to discharge your duties with a proper sense of proportion.

After saying this I would like to briefly summarise about what the objectives of the planning are. The objectives of planning in this country are three-fold. One is economic development. We certainly want incomes in this country to go up. Agricultural development should go up. Industrial development should go up. They are the primary and the secondary sectors. Production must go up, productivity must go up. The country must become rich. Without being rich, you cannot really distribute the cake all round. First and foremost, we must do this. All of us are agreed about it. All shades of political philosophy are agreed about it. We want social change, which includes social justice. Ours is not a just society. It has had a large amount of, I use the word, debris, a large amount of dirt, in our system and that is because if you do not clean your house for two months, the amount of dirt which you collect there is fantastic.

Even reinforced concrete, if not taken care of properly will deteriorate. If you allow water to accumulate, I am told of case in which water was allowed to accumulate on a Cement Concrete roof, the reinforcement rod of 3/4 inch diameter, meshed and was reduced to 1/2 inch in diameter, and the roof had to be replaced. Neglect ruins a system. A system which did not have change for 800 years, does deteriorate a lot. Society must change, and everybody must have a feeling of participating in what may be called the changing processes in the country, which is economic development, which is sharing of political power, and so on. So social change, which includes social justice, is important.

The third and the most important factor, is to get economic development and social changes by democratic means. Luckily or un-luckily, the Founding Fathers of Indian Independence have laid such a lot of stress on the democratic principles of handling our own problems. The first two, particularly the economic development and social change, can be brought through totalitarian methods. It has been done elsewhere. The communist world is a fine example, of getting both economic development and social change. They have done it. It can be done under the whip. We have deliberately chosen not to treat our people, with the whip. Because that is not a permanent way. It is interesting that today the second world or the communist world, is using phrases like "Glasnost" and "Perestroika". They are compelled to understand

that without allowing the people to participate in these processes, and without their being heard, no economic development or worth-while social change can take place.

It shows that India, with its ancient wisdom, has chosen well to function in this modern world. Professor Jenner, a distinguished Statistician and Economist from United States, was telling us that India is the finest laboratory for socio economic and political change in the whole world today. A number of changes are being made mainly because of the democratic processes. I am deliberately mentioning our strengths, before I go on to the problems. We have a number of strengths. We should make use of them to handle our problems. We are 40 now and we can certainly take a mature view of our problems.

The basic problems as I see for the 8th plan are: the first and foremost is the removal of poverty and unemployment. If we do not remove poverty and unemployment, we are going to have trouble. The 230 million people today are privileged people, and all of us here belong to the privileged classes. We have a number of people who are below the poverty line, whatever the figures may be, whether it is 37% or 42% or 25%. We need not go into details. All of us know that there is poverty; that there are many people who cannot get two meals a day; there are many people who cannot get even one meal a day, and there are many people who can not get even one shirt in their entire life time. We know these facts. It does not require any facts and figures to prove it. In a country of 800 million people. if you have 200 or 250 million people in this category, there will be a lot of tensions, suppressed ambitions, and a tendency to violence. We are seeing violence all over. Apart from the political news, the other news which dominates our news papers are the reports of violence, organised violence like what happened in Vijayawada, like what is happening in Jammu and Kashmir, and what is happening in many other places in our own fairly placid State. Violence erupts mainly, because you have people without property and persons who are deprived of the good things of life, and who do not see any future.

That is a point which Sri T A Pai and I discussed any number of times. He was extremely sensitive to the problems of society. If we have a number of people without property, the

persons who have property are in trouble. It is in the interest of us, who have some property, and who have some stake in society, to see that every body gets some stake in society. And that's why the scheme of giving sites to the landless was started. We distributed sites to 7 lakhs of people in this State, and we do hope that they have a small plot of land which they can call as their own.

So the removal of poverty, and the creation of employment opportunities to as large a number of people as possible, should be the primary aim of development in the coming years. We have done a number of things in other areas which we can drop now, which we took it up when we were young. It is no longer necessary. Our principal aim should be to remove poverty and unemployment as quickly as possible.

Here you know we have two principal things: Agriculture and Industry, and of course Social Services. Agriculture will continue to provide a mode of occupation to a very large number of people in this country. Even now 550 million people live in the rural areas.

For a long time to come. Agriculture will be the main occupation for a large number of people in this Country. Only 25 to 30 million people have jobs in the organised sector, which includes Central and State Governments, the Public sector and private sector where more than ten people are employed. The number of people coming to the job market each year is about 10 million, the number of placements in the organised sector each year, is not more than half a million. The growing number of unemployed in both educated and uneducated, constitutes a growing menace to social order and stability. Industrialisation is important and essential. It should proceed briskly. But it requires large capital investments and we are capital short. More jobs can be created in Agriculture with less capital. So more sustained attention is needed for Agriculture in the coming years.

Maintenance of schools, hospitals, roads and buildings have been badly neglected.

In the Victoria Hospital, there is a board there: 'one way Traffic'. In fact you can verify it. People (Patients) cannot go and return. This is a kind of thing which has happened. There is a total separation of about 100 million people from the rest of

the country, and in fact this is going to cause a lot of problems.

Look at even postal services today. Most important businessmen send their postal covers through couriers. They do not make use of Government Postal Department. I happen to be a Chairman of some Government sponsored Organisations like The Agricultural Finance Corporation, in which 18 Chairmen of Banks are directors. The agenda paper for the meetings is sent through the couriers. This is a shame. This is a public-sector organisation. They say that, if send it through the postal system you do not get the letter at all, and we will be hauled up. There is a seed of a great disaster in it. We are not supporting our own systems, we dare not send our children and grand-children to Government Schools and we dare not take our parents to Government Hospitals. It means that we have been separated from the main stream and in fact this is the conflict between what may be called "India" and "Bharat". I am not quoting Sharad Joshi but this is the conflict which has happened. There is a large amount of privatisation which has taken place. We are separating ourselves from the main stream. In that lies the seed of disaster.

The transfer of power from the British to India was very easy because the whole of India was one community. But the transfer of power from the 230 million people to the rest may be a very long fought battle. The whole community, I mean the whole Indian Community, must be sensitized to the problems of India which is poverty, unemployment, and taking care of some of these basic issues.

We must get the maximum return. In fact this is a lecture in honour of a former banker, and we have to plan to get maximum returns on investments already made. The unutilised capacity in irrigation, for instance.

Another point is that the Government must get off the back of the people. There is far too much Government in this country. Too many Government servants, means non-government. A smaller number of Government servants can manage the country far better, than a large number of Government servants. A very distinguished former Governor is here. Under Presidents Rule, we used to assist him at that time. I am not trying to flatter him. All the work, he could handle very well between 10-30 a.m. and 1.30 p.m. We could not feed him with papers. In the afternoon

he would meet anybody, entertain anybody, he would be at the golf course at 6 a.m. He did not want to create one more post of Secretary, because he felt that it was not necessary. Today we have far more Government servants than necessary. Big Government is wrong, because actually we are not governing. We must govern well and so to-day it is essential to reduce the size of the Government. To-day Government has become an obstacle to development, rather than being a catalyst for development.

We must be supportive of activities. We must stimulate activities, not control everything. But this is influenced by public opinion. If public opinion wants everything to be done by Government, you create more departments. The main problem of the new fellow is that he should get a room, get his table, and above all should get a car because without a car you are not the Head of the Department. This is all that we do. If you go round Bangalore, Dharwar or any other place, there are Boards all over residential houses. I have not been out of Government for a very long time, and can tell you that left to themselves people can manage their affairs. There is no doubt about it. We must take a decision in the 8th plan that the size of Government should go down. The role of Government must be to stimulate, and to assist, and not to harrass and prevent. It must be a stimulative role. If you go to a Government office they must tell you how you can get along, how things can be done. There is control everywhere which is stifling.

The large number of controls and regulations that have now come in, do not even give honesty as an option to a Government servant. I was told the other day the story of a small industrialist, not here but in Gujarat, who is running a small industry. There are 17 inspectors who come and harass him. He has systematised the whole thing. He had gone abroad, but came back to establish an electronic industry. He asked them how much he should pay them every month? He has listed them. He says this amount comes to Rs. 3,500. He told them that "I will put the amount into in 17 packets. Please come and take them on the first of each month and go." This is the kind of thing which is happening. The all-pervasive corruption which has come into this country is a very great danger. It is worse than cancer. People today think that this is inevitable. Please reduce the chances of Government servants interfering, and coming in the way of the people of this

country. It is interesting to analyse the work which our Senior Government Officers do to day. 70% of their time is taken in handling personnel cases, leave, transfers, punishments, enquiries etc. They do not have the time to look into what may be called the important policy issues, how things are being done, what may be changed and so on.

It is desirable that the organisation of Government changes into a pattern, where stimulation and proper responses to create a good society dominate. But this should be done before it is too late. Otherwise you know the Government has a habit of eating on itself, and becoming bigger and bigger every year. There is no need at all for more Government Servants in any field of activity, both in the Central as well as the States Sectors.

Along with this, there has to be an emphasis on quality. The continuous preoccupation with mediocrity, will not do. This is a rich country. We want competent people. We want good standards in schools, and hospitals. You go to the primary schools, and high schools in this country. The standards are terrible, particularly in Government schools. Children are huddled in schools, nothing is being taught, one person is supposed to handle four classes. This is not correct. People are dying, because you do not have good doctors. When you want to get any wood work done you go to a good carpenter.

The people of this country are entitled to excellent service. Unless excellence becomes part of the Indian Ethos, no development can take place. We must hire good people: Get them to do your work well. If they do not do your work well, sack them. And the standard of excellence must become part of the system. In the Geetha, it is said "Yogah Karmasu Kaushalam". That is Yoga. Excellence is Yoga. In fact the Lord himself has said it. And it is better we reflect it in all our activities.

Dr. Isher Aluwalia the Economist who has written a number of excellent articles, has observed that the Government has to withdraw from a large number of areas of low priority. Some of the activities have been taken in an absent-minded manner; Why should Government manufacture soaps? In Mysore, there is a strong pride about Mysore Sandal Soap. It was important at that time. But why should we manufacture soap now? A number of other people are doing it in a better way. We have not managed

our affairs well. Why should we make bread? Why should we make paper? There are a number of activities which Government need not do now, because they are of low priority. It was necessary at one point of time. No longer so.

We should concentrate on things which are only essential. We need to get a quantum jump in Power because it is essential. Maintain your roads properly. Maintain your infrastructure properly. Help people to get along with activities of entrepreneurship. These are the activities which Government should do. Do what you must. And whatever you can give up, please give up. It is where you know the public opinion should assert itself. We do not have the courage to give up a number of activities which Government need not do, and which others are doing quite well.

Two other things I will mention, and close though there are many other things, because it is late. The debt trap for this country, both internal and external debt, are very large. The Auditor General, Sri T. N. Chaturvedi has prepared a magnificent report about it. It was not sufficiently covered in newspapers. The education of public opinion is important. He deliberately wrote a short Report. It was not covered well. The debt trap is very very large. Let us not fool ourselves. And to day the expenditure of the Government of India gets into just three main budget heads: one is repayment of debt, along with interest, second: defence expenditure and the third: salaries of Government servants and pensions to old folkies like us. This covers a large portion of the Government of India's budget. Do you want this to continue? Where is the money left for development? These are the major issues. This is where more of the same thing does not go far. If the 8th plan becomes a repetition of 7th plan, it will be a disaster. The same point you know about the balancing of the trade gap. There is far too much complacency in this country on these two issues. The balance of trade gap, is very very high.

We are importing far too many things. Liberalisation is necessary. But under the cover of liberalisation all sorts of unnecessary things are being imported. Unless that is stopped the trade gap which is about Rs. 6000 or Rs. 7000 crores, and which is likely to increase, may not be closed. Let us be very clear about it. And if we do not do it quickly we are going to have a lot of trouble. We are going to have the same type of trouble which

Brazil and Mexico and Latin American countries are having now.

This is where a Swadeshi cult is essential. You must buy Swadeshi. To-day our garment exports are of the order of Rs. 4000 crores per year. I took my grandson yesterday to get him a jeans. The shop keeper says that it is imported material. I said that it is not an imported material. We export Rs. 4000 crores worth of garments and outside the country you know this is all Indian garments but the trader here wants to say that it is an imported material. This is a kind of complex which we have. Today we are a major industrialised nation. We produce the finest goods and you know there is no necessity to import. It is where the politicians and the public opinion have to create the cult of Swadeshi. The TV sets are all made in India. In fact the best sets are made in Bangalore. Everybody says that it is an imported TV set. If you have some spare parts missing you are in trouble. In fact the best VCRs are made in Bangalore. Why do not we feel proud of being ourselves? And unless you get back this feeling of pride and this feeling that we can manage our own affairs, we are going to have a lot of trouble. At the end of 40 years it is desirable to say that you can cook your own meal. You can do so here.

We should also remember the international setting. Things are changing very fast in the world. Particularly Glasnost and Peristroika in the Western World of Gorbeshv. They want to look after their own affairs. They have dropped Afghanistan. They are dropping India. We should also remember that they are dropping Amebia. They have dropped Angola. They are going to drop Kampuchia in a week or two. I have been to Kampuchia five times and I know the kind of situations that they have. Because you know they want to look after themselves. There is nothing wrong with it. You have to look after yourselves and Europe is becoming one in 1992. It is going to become one Community. There will be no borders. There will be no passports and EEC will be a very powerful country. In fact all tariff walls will go up against us and these two things are going to affect India in a very big way. This is where foreign policy is important, where you know we should cultivate markets. In fact we should cultivate markets particularly in Africa and Latin America, and Middle East.