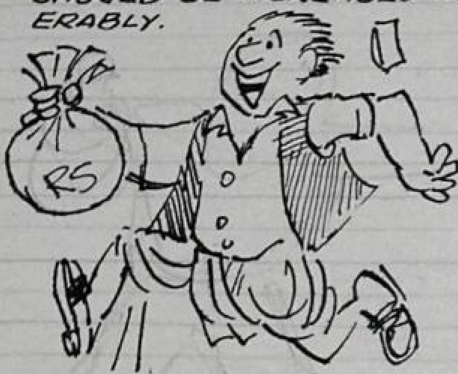
4 FOUNDATION OF ECONOMIC GROWTH- SAVINGS...

THE FOUNDATION OF ECONOMIC GROWTH IS THE SAVING HABIT OF THE PEOPLE.

SINCE THE INDIAN PEOPLE ARE SAVING-MINDED, PROPER INCENTIVES SHOULD BE GIVEN THEM TO SAVE.

THEREFORE, THE RATE OF INTEREST ON BANK DEPOSITS AND GOVERNMENT SECURITIES SHOULD BE INCREASED CONSIDERABLY.

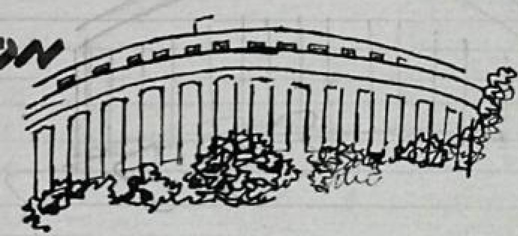


5 MONETARY CORRECTIVE

MONETARY CORRECTIVE MEANS THAT *REPAYMENTS LIKE BANK DEPOSITS, LIFE INSURANCE, GOVERNMENT LOANS, ETC. ARE MADE IN TERMS OF THE REAL PURCHASING POWER OF THE CURRENCY.*

THE EXPERIMENT WHEN TRIED IN BRAZIL PROVED EFFECTIVE IN BRINGING DOWN THE RATE OF INFLATION.

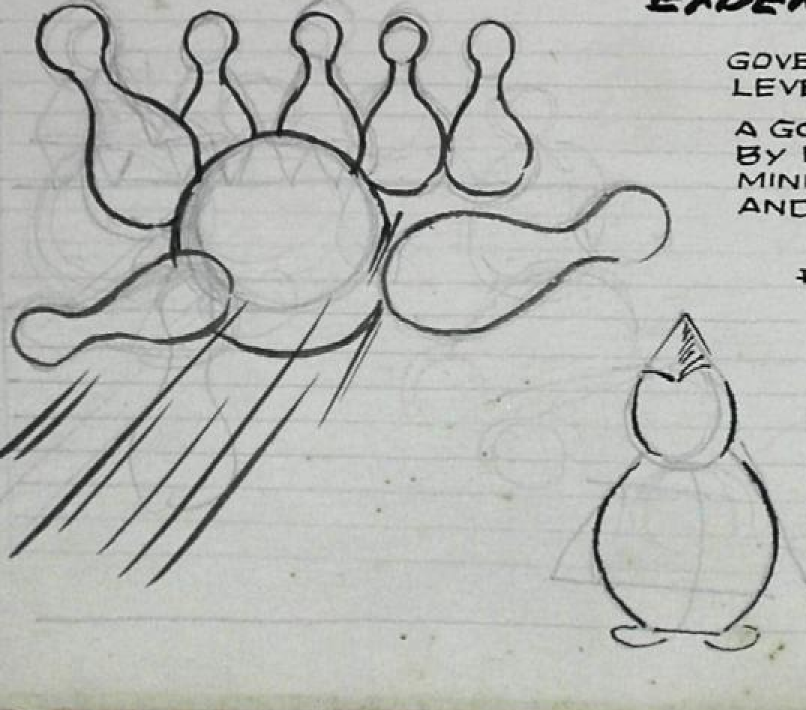
6 PARLIAMENTARY SANCTION FOR DEFICIT FINANCING.



UNDER OUR CONSTITUTION, IT IS ONLY THE LOK SABHA WHICH HAS THE POWER TO RAISE TAXES.

IT IS THEREFORE IMPLICIT THAT THE GOVERNMENT MUST OBTAIN PARLIAMENTARY SANCTION TO INCREASE MONEY SUPPLY, THROUGH DEFICIT FINANCING.

7 REDUCTION IN GOVERNMENTAL EXPENDITURE



GOVERNMENTAL EXPENDITURE AT ALL LEVELS MUST BE REDUCED.

A GOOD BEGINNING CAN BE MADE BY REDUCING THE SIZE OF THE MINISTRIES BOTH AT THE CENTRE AND THE VARIOUS STATES.

FOR INSTANCE, THE MINISTRY OF 61 AT THE CENTRE IS A LUXURY A POOR COUNTRY LIKE INDIA CAN ILL AFFORD. A MINISTRY OF 10 SHOULD BE SUFFICIENT.