

Title: Discussion on the Finance Bill, 2001.(Bill passed)

In my Budget proposals, I had announced several major changes in the taxation structure and procedures. On the excise side, I had introduced a single rate of CENVAT that applies to most of the commodities. I rationalised the regime of special excise duties. On direct taxes, I have maintained the stability of rates. These proposals have been widely acclaimed by the trade and industry. I have, however, also received representations and suggestions from different quarters with regard to a few aspects of changes that I introduced in the excise and customs duty structure. Many hon. members have also written to me. I express my gratitude for their suggestions and advice.

Sir, on careful consideration of all aspects, I propose to announce a few modifications in my Budget proposals.

12.54 hrs.

FINANCE BILL, 2001*[English]*

MR. DEPUTY-SPEAKER: The House will now take up item no. 12, Finance Bill, 2001. If the House agrees, we may allot five hours for all the three stages of the Finance Bill. That is, four hours for the general discussion on this, half-an-hour for clause by clause consideration and another half-an-hour for the third reading stage of the Bill. Voting may begin at 5 p.m.

Now, the Finance Minister.

[Translation]

SHRIMATI JAS KAUR MEENA (Swai Madhopur): Sir, I had raised an issue relating to sale of nine girls in Rajasthan...*(Interruptions)* Sir, it is a very serious matter that nine girls have been sold...*(Interruptions)*

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): Let us begin discussion on Budget now we would take it up tomorrow.

[English]

MR. DEPUTY-SPEAKER: We have already gone to the next item.

...*(Interruptions)*

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Mr. Deputy-Speaker, Sir, while moving the Finance Bill for consideration, with your permission, I would like to say a few words.

12.56 hrs.

(MR. SPEAKER in the Chair)

Regarding indirect taxes, I had proposed to impose 16 per cent excise duty on branded readymade garments and accessories. It has been argued that restriction of the levy to branded garments and accessories alone would cause distortions and manipulations. Taking these arguments into account, I propose that all garments, branded or unbranded, would be subjected to excise duty at 16 per cent. However, clothing accessories, raincoats and undergarments will be exempt from the new levy. The small scale excise duty exemption scheme would be applicable to garments also. The modified scheme will be effective from 1st May, 2001.

The House will recall that I had proposed an ad-valorem structure of excise duty for independent textile processors. While some have welcomed the abolition of chamber-based duty, some others have pleaded for its restoration. I am convinced that an ad-valorem duty regime is to be preferred to compounded levy system. However, I have received strong representations that the smaller processing houses are yet to prepare themselves fully to meet the threat of competition and to absorb new technology. I am not inclined to restore the chamber-based duty for all independent textile processors. However, processors whose investment on plant and machinery does not exceed Rs. 3 crore would be allowed the option to pay duty on chamber basis. The rate of monthly payment for those who exercise this option would be increased by Rs. 50,000 in each of the two pre-Budget slabs. No abatement for closure of a stenter or removal of a chamber would be allowed. This change will be effective from 1.5.2001.

I also propose to exempt footwear made exclusively of plastic materials and of retail sale price up to Rs. 125 per pair from the nominal excise levy of four per cent ad-valorem that I had proposed in the Budget.

13.00 hrs.

In my budget proposals, I had announced that the ball and roller bearings shall not be eligible to the scheme of SSI exemption. As a special dispensation I propose to exempt units producing ball and roller bearings upto Rs. 25 lakhs per annum from excise duty. This will help tiny units. This new scheme will be operational from 1.5.2001.

To encourage indigenous shipping companies to acquire new ships, it is proposed to abolish the 5 per cent customs duty on ships that was introduced in this budget.

The customs duty on metcoke is proposed to be reduced to 5 per cent on actual user basis to steel plants to help improve their viability.

The concessional rate of duty of 55 per cent for the import of crude palm oil by sick vanaspati units was proposed in the budget. It is proposed to abolish the concessional rate of duty with a view to avoid discrimination.

The CVD of 16 per cent on 12 critical items of textile machinery including shuttleless looms is proposed to be abolished in order to promote capital investment and modernisation of textile mills.

The House may recall that in my budget proposals, I had proposed to increase the basic customs duty on second hand cars and two-wheelers to 105 per cent. My colleague, the Minister of Commerce and Industry, has suggested that in a similar manner the apprehensions of imports of Completely Built Units of cars and two-wheelers need to be addressed. Taking this into account, I propose to increase the basic customs duty on CBUs of cars and two-wheelers from 35 per cent to 60 per cent.

In my budget proposals I had proposed to reduce the customs duty on telecom equipment from 25 per cent to 15 per cent. However, the duty on parts and components was retained at 15 per cent. I am informed that equalising the duty rates would affect the domestic telecom equipment to their substantial disadvantage. In order to prevent the loss of production of this segment, I propose to reduce the customs duty on specified parts of telecom equipment other than Populated Printed Circuit Boards to five per cent.

As a fillip to the IT industry, I propose to add 32 specified items in the list of machines and equipment that are allowed to be imported at a low rate of five per cent basic customs duty.

Changes in excise and customs duties mentioned above, except a few that are effective from 1.5.2001, will come into force tomorrow. Copies of notifications will be laid on the Table of the House in due course of time. These changes do not have any appreciable revenue implications and are broadly revenue neutral.

Coming to Direct Taxes, Sir, after considering the various representations received from different quarters, I also propose to make some changes in my proposals relating to direct taxes.

Under the existing provisions, the exporters are required to pay tax on 40 per cent of their income for the current year, the percentage increasing to 60 per cent, 80 per cent and 100 per cent for the next three years. Keeping in view the difficulties of these taxpayers, I propose to re-phase the withdrawal provisions through backloading. For the current financial year, they will now be taxed to the extent of 30 per cent of their profits and the percentage of their taxable income will increase to 50 per cent, 70 per cent and 100 per cent respectively for the next three years.

I also propose to modify my proposal for tax deduction at source on interest payments. The limit of TDS is being raised from Rs. 2500 earlier proposed, to Rs. 5000.

In the Finance Bill, I had proposed a reduction in the limit of deduction of interest income under section 80L from Rs. 15,000 to Rs. 9,000. To provide further relief to the taxpayers, I propose to revise the limit to Rs. 12,000. The additional deduction will be with regard to interest on government securities.

At present for salaried taxpayers, standard deduction up to Rs. 25,000 is available for persons having income up to Rs. 1 lakh and up to Rs. 20,000 for persons having income from Rs. 1 lakh to Rs. 5 lakh. In order to give relief to salary earners, I propose to raise the limit of Rs. 25,000 to Rs. 30,000 which will now be available for income up to Rs. 1,50,000. For persons having income from Rs. 1,50,000 to Rs. 3,00,000, the limit is being raised from Rs. 20,000 to Rs. 25,000. Those having the income from Rs. 3 lakh to Rs. 5 lakh will continue to enjoy the existing deduction of Rs. 20,000. While this would result in a revenue loss of about Rs. 1000 crore,

[Shri Yashwant Sinha]

it would concomitantly lead to additional retention of income in the hands of the assesseees in this class to the same extent.

While introducing the Finance Bill, I had proposed two dates for filing of returns — 31st July for non-corporates and 31st October for corporates. I now propose that the due dates for filing of returns in respect of non-corporate taxpayers whose accounts are to be statutorily audited will also be 31st October, in line with the due date for corporates.

The funds enjoying exemption under section 10(23C) are proposed to be put at par with the charitable institutions claiming exemption under section 11, in respect of accumulation of their income. These funds like the charitable institutions will be allowed to accumulate 25 per cent of their income without any time limit. Accumulation of income beyond 25 per cent would be restricted to five years.

Charitable trusts and funds will be required to publish their accounts only if their annual receipts exceed Rs. 1 crore, as against the present limit of Rs. 10 lakh proposed in the Bill.

To facilitate de-mutualization and corporatisation of stock exchanges, it is proposed to provide that transfer of assets in such an arrangement shall not be liable for capital gains taxes.

Transfer pricing provisions are proposed to be modified to clarify that these regulations shall also apply to transaction between the Head Office and its branch and that adjustment made to the transfer price in the case of one enterprise shall not by itself form the basis of consequential adjustment in the case of the other enterprise.

There are also other amendments resulting in minor modifications.

Sir, with these modifications, I beg to move:*

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2001-2002, be taken into consideration."

MR. SPEAKER: So, there are no concessions to the hon. Members.

Motion moved:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2001-2002, be taken into consideration."

SHRI SHIVRAJ V. PATIL (Latur): Sir, as the time is going to be limited, with your permission, I would like to read out my speech.

The task of the Finance Minister is quite onerous. We understand his difficulties and sympathise with him. What he has done has been praised by some. But the meek and weak ones in the society have no voice. They keep quite and suffer. They have not felt very convinced about the usefulness of the budgetary provisions for them. Some have spoken about their difficulties. In the House, there would be a few members who would take cudgels on their behalf. When they give vent to their feelings and assessment, the government would do better to understand their points of view and accommodate them to the extent possible, and not to brush them aside or try to defend their own views like lawyers in the courts of law. If the views expressed by the members of other parties are accepted to the extent possible, the budget would become more acceptable to the people and the result that would come out of it would become more acceptable to the people and to all of us. Sometimes, it is done. Sometimes, it is not done. And so, the results are commensurate with what is done, and what is not done. What is proposed to be done for the development of infrastructure, for broad band network, and internet services, for power generation, transmission and distribution network, for housing, for tea industry, for scientific research in some areas, for knowledge industry, for rural electrification, for integrated handling, storage and transportation of food grains and some such other measures cannot be found fault with.

Let us hope that they may be used to increase production and productivity and not misused to manipulate the capital market. Modifications now suggested by the hon. Minister are also welcome.

The capital market should develop. Capital should become available for the development of industry trade, technology, agriculture etc. But, at times it is found that capital market is manipulated to earn unequitable profits and in the process the common man, who is not of manipulative nature, who trusts others easily, suffers and loses the savings of his life. The results of such manipulation cannot help the development of industry and trade. They sap the enthusiasm of common citizens and ultimately affect the short term and long term developmental activities and process. Those who want to

*Moved with the recommendation of the President.

manipulate and earn do not care what happens to others. They care for their profits and gains. The Government, the Parliament and the people at large cannot neglect the common man. They have to protect him. They should not throw him to the wind blowing in the market. If they do not do it, they can be blamed for dereliction of their duties. That has really happened in the past few days. The Government should take necessary steps to remedy the situation, to protect the unsuspecting investors, and establish the true credibility to the capital market. If necessary, laws should be made and amended to strengthen SEBI and other organisations to protect the investors. The matter should be fully inquired into. A parliamentary probe can be allowed and corrective and punitive steps can be taken to remedy the situation and book and punish the manipulators and wrong doers. Let us hope that the Government may not flinch from doing its duty in this respect.

The concessions and assistance proposed to be given to the industry and trade may be expected to help the productive activity and the economy. But would they help? Would they achieve these objectives? For industrial development, the emphasis is placed on capital only. There is nothing to help the workers and the officers. The labour is not favoured in any way. The interest on their provident and pension funds is reduced.

It is proposed that enterprises that employ more than one thousand workers only would be subject to Industrial Disputes Act and not those that employ one hundred workers. The Government wants to dilute the Contract Labour Protection Act. And the Government wants to introduce such other modifications in labour laws of the country and call these attempts as labour law reforms. We do not understand how they can be recognised as labour law reforms. They are bound to frustrate the officers and workers in the industry. By creating conditions in which the officers and workers in the productive activities become frustrated the feel disenchanting, how can the industrial development take place?

For developing industry, agriculture, services and other capabilities in the field of production, in the present times technologies of advanced nature are required. What has been provided in the budget for this propose is too little and too inadequate. Some provisions are made for helping the electronic and genetic science and technology developing activities. But what has been done is not sufficient. It is not going to help. In fact, massive efforts, large sums of money, clear planning and futuristic vision are required.

They do not appear in the design of the Government, which would not help our country to come on par with the advanced countries of the world. In this situation, we would be scared of WTO, the competition and the challenge that the globalisation flings at us. and they would not be properly faced by us. These are the reasons because of which the targets for the rate of growth in industrial development are not met and industrial development is showing signs of sluggishness.

Next, I come to development of agriculture. The fact that the agriculture in India is the mainstay of our country's economy and that, around 70 per cent of its population depends upon it, should never be forgotten. Like industry, it needs capital, new technologies, advance planning, irrigation on a massive scale, electricity, education, transport, which should not be missed. What is done in these respects through the Governmental designs and plans is not satisfactory. What is the quantum of credit facility provided for the agriculturists in the country? It is in the vicinity of Rs. 50,000 crore only. Is it sufficient? Can it meet the requirements of this sector? If not, why steps are not being taken to provide it on a higher scale? The capital investment in agriculture is on sliding slope. It affects irrigation, and facilities, mostly required for agricultural development. The banks are asked to provide 18 per cent of the total loan given by them to the agriculturists. The public sector banks have given loan to the extent of 14 to 15 per cent. The private sector banks have given loans to the extent of four to six percent. The NABARD was asked to get the funds to the extent of 18 per cent from the banks and provide the same to the agriculturists. That is not done satisfactorily. Why is this aspect not studied by the Government and effective steps are not taken? Is it because those who are in the farming activity are a silent lot, unagitating, ungrumbling, given to content, and cooperative in nature? The Government wants to collect income-tax from NABARD, National Housing Bank, Small Industries Development Bank, as it does from other banks. Is it necessary? The Government has reduced the tax on the income of the lotteries. And it wants to reduce the funds available to these banks which want to help agriculturists, housing activities, and small scale industry. This approach cannot be appreciated by the people who are not strong and wealthy, to whom many concessions have been given, to which we may not object. But we are certainly sour because those who need the help most are denied the assistance and favourable planning by the Government.

Now, I come to deficit. The Government is worried about the deficit. It should be. It wants to reduce it to acceptable levels. It should do it. We cannot object to

[Shri Shivraj V. Patil]

their desire to reduce it to the acceptable level. But how does it want to do it? The means it wants to use for doing it are disinvestment, reduction of subsidies and downsizing the Government. These are the routes it wants to follow to reach at its goal of reducing the deficit. These means are discussed more than other means which can be used. While doing so, it is forgotten that it is not sufficient to rely upon them only, that it is necessary to adopt other means and methods to achieve the objective. It is forgotten that these means are of negative nature and they are not of positive nature.

It should not be forgotten that disinvestment without proper policies, the disinvestment of profit-making enterprises, the disinvestment of enterprises which are meant to provide impetus to development in other fields, not only to earn profit, cannot help, cannot reduce the deficit. But this is exactly what the Government is doing.

And so, we warn the Government, that this approach with respect to disinvestment to help some, may not be useful to many and to the economic activity in the country. Let us use the strength and capacity of the private sector to the fullest. But, let us not in the process, reduce the strength and capacity of the nation which appears to be happening because of the wrong routes followed in this respect.

The subsidies are provided to help the weaker sections in the society, to encourage the common man in many fields, to do economic and social justice. The benefits that arise out of them may not be visible in the shape of profits earned, and in such other shapes. But, they help to reduce frustration, they help to maintain law and order in the society, they help to get the citizens to join the mainstream of economic and social development. Steps to rationalise them, to see that they reach the targeted groups should be welcome. But steps which are relevant to other developed countries, and which are not in tune, with the Indian realities, need not be taken at the instance of others, who do not grasp the Indian realities. It is fortunate that these arguments appear to have been heard to some extent, and drastic plans to reduce subsidies insensitively have not been drafted and implemented. Let us hope that the common man may not be forgotten. Let us hope that the only relevant and correct policies are made and implemented in a just manner.

The downsizing has become the *mantra* of the Government which it chanted every now and then. It is good that some Members of the establishment do not fully subscribe to downsizing, and subscribe to rightsizing.

We have to help those who do not have properties, those who want to live honestly, by working and earning their bread, if not butter with the sweat of their toil. If we threw them out of their jobs, we would not have done justice to them. We have enough things to do, to develop our economy and our country. They should be properly employed, and continued in jobs which are meant to help us in all respects. Instead of doing it, if we allow retrenchments, and throwing out of jobs of the employed, we would be inviting trouble for ourselves. Let us not forget this.

There are many things which can be done to reduce the deficit. The capacities which we have established in many fields are not used to the extent to which they can be used. The water in the irrigation dams is not used to the extent to which it can be used. In some cases, only 40 per cent of it is used. The power plants work at 40 to 50 per cent of their capacities in some parts of the country. Certainly they can be made to function at 60 to 80 per cent of their capacities. In some parts of the country, the theft of the power has risen to 40 to 50 per cent of its production. Certainly, that can be stopped. The projects which are in the process of being established are suffering from cost overruns and time overruns. About 200 projects are suffering from the cost overruns, to the extent of Rs. 43,000 crore. Certainly steps can be taken to reduce the cost and time overruns. The FCI suffers from huge damages to the grains stored in their godowns. We are told that the damages suffered are to the tune of 10 per cent of stocks stored. They are many such other things of this nature, which can be handled to enhance production, and to reduce the deficit. The deficit can be reduced only by producing more and in a cost and time effective manner, by using modern means of management, by enthusing the people, and by employing the advanced technologies, by entering into new areas of production and development, by having a vision which is bold, and useful. Instead of doing these things, instead of governing properly, if the Government wants to reduce the deficit by following artificial, negative means, it would not succeed.

It would sink deep in the quagmire of economic inefficiency, deficit and popular frustration of the people. Let the Government govern properly and jointly. The task of reducing the deficit should be done by all the Ministries and the Ministers of the Government. It cannot be done by the Finance Ministry or the Finance Minister alone. If it is done through the efforts of the Finance Ministry and the Finance Minister alone, what would be achieved would not be of lasting nature, would be very artificial, would be unjust to the weak and meek and the non-speaking

ones. Let the task of reducing the deficit be done by all the sectors in the society, by all the Governments in the country on the principles and designs suited to the country and not through borrowed principle or as per the views of others who do not know the nature of the ethos of the Indian people and the realities of the country. We may hear them, heed their views, but we should not be cowed down by their designs and plans. Individuals, shops and industries of small and big magnitude plan their development, their activities in the future to save time, energy and material that are available to them and to produce the best possible results of acceptable nature by adopting correct directions, policies and principles. The plans need not restrict the activities of the individuals, enterprises and Governments. They can give directions, they can encourage cooperation and coordination in economic activities. If planning is a must for the development of an individual, that of a shop or an industry, it is certainly a must for the development of a State or a country. Therefore, a negative attitude towards it should not be allowed to develop. It should be properly used, it should be based on modern principles and realities, but it should not be made ineffective.

In the past, Approach Papers were prepared by the establishment and discussed by the Government and the representatives of the people before they were used to make the Plans. Now they are not properly discussed by the Government also. They are not certainly discussed by the legislators. The plans were discussed by the Government and the legislatures and the people at large extensively before they were adopted and implemented. They were discussed in NDC meetings also. Now that does not appear to be happening.

The Mid-Term Appraisals of the Plan performance were also presented to the Members of the Legislature. They were discussed. The Government could be held accountable for its non-performance or wrong performance in different fields. But that also does not happen these days. The targets fixed by the Government in Plans are not adhered to. They are reduced. The expenditure figure becomes fatter and fatter, but the achievement figures become leaner and leaner. Only a few days back, in this House we were told that the target of the Ninth Five Year Plan of producing 43,000 MW of electricity was, in the first instance, reduced to 28,000 MW and, in the second instance, it was further reduced to 20,000 MW. This is happening in all fields, whether it is in the field of irrigation or agriculture, or industry or social sector. We do not get an opportunity to discuss them in the House, which is not correct, which is counter-productive for the Government and for all of us here.

Therefore, we should discuss the Mid-Term Appraisal of the Ninth Five Year Plan, if not in this Session, at least in the next Session. We should discuss the Approach Paper prepared for making the Tenth Five Year Plan and the Tenth Five Year Plan itself. The discussion of this nature would hold a mirror to the Government and the country to see their performance and would help to take corrective steps in time. If we do not do that, the performance of the Government may be dismal in all fields. The rate of growth of economy may not reach the target figures in agriculture, industry, technology development, social sector and the deficit would increase and not get reduced. These are, unfortunately, not the directions, which are visible through the efforts of the Government. Therefore, all the good that is tried to be done is buried under the debris of all the misdirections, wrong policies and inactions of the establishment.

Let us, therefore, be imaginative, innovative, bold and hardworking in the field of production, just and considerate in the field of distribution and treat the mighty and weak in a manner which would help them and not get inclined only to the fortunate ones. Let us not forget that capital is necessary, but it is not only ingredient that can bring about economic and other kinds of development. Let us remember that good quality of governance and management, the new ideas and technologies and the cooperation and enthusiasm of all those who are involved in productive and other activities are needed.

Let us hope that this would be brought about, and this would be done and would happen.

I would like to make only two more points and then, I would conclude my statement on the Finance Bill.

The acrylic fibre industry is required to pay higher taxes. This is an industry that helps the common man in the country. Now, imposing the higher taxes on acrylic industry will not help those who are in the industry. I would request that this increase in the taxes on this industry should be reduced.

The last point that I want to make is that the trusts are asked to publish their accounts in the newspapers. Some modification in this respect has been suggested by the hon. Minister. But that is not sufficient. If the accounts are required to be published in the newspapers, the cost of publishing these accounts would be enormous. The very fact that the accounts are known to unscrupulous elements in the society will create problems for those who really want to use the instruments of trusts to help the society as a whole.

MR. SPEAKER: Is it about the NGOs?

SHRI SHIVRAJ V. PATIL: The trusts are required to publish their accounts in the newspapers. Now, it is said that if the income of the trust is beyond Rs. 1 crore, they would be required to do so. Even Rs. 1 crore for a trust activity these days is not correct. The Parsee Trust and many other trusts and educational trusts have requested that this kind of requirement should not be there. A gist of it can be published. The certificate given by the auditor and things like that can be published. I think, this request from them deserves our attention and it should be accepted.

I again request that persons like those who are in the acrylic fibre industry or small-scale industry should be helped. An impression has already gone and if they are not helped, it would be strengthened that we are inclined to help those who do not really need the help. And we are not trying to help those who need the help. The acrylic industry is a small-scale industry. It helps the poor people especially those living in the villages and using the raw material there. These things should be done.

[Translation]

SHRI CHINMAYANAND SWAMI (Jaunpur): Mr. Speaker, Sir, first of all I express my gratitude to you since you gave me an opportunity to speak on Finance Bill 2001-2002. Prior to me, hon'ble Patilji, a senior Member of the House, who had been Speaker of this House has spoken. Before I start my speech, I would like to quote respectable Sant Trivalloor, who said that the land bears the weight of a person also who digs it. Similarly, we should bear with creative criticism and adopt a positive attitude towards that. Perhaps this is the most important aspect of this House. I treat Shri Patil's views as suggestion that we should have discussion on various issues and the atmosphere should be conducive to discussion. When Shri Patilji was the Speaker of the House, the atmosphere used to be ideal for discussion. It is true that we gather a lot through discussion. At least there should be an opportunity to have discussion on the country's Budget. I am grateful to the Members of the Congress Party who accepted the suggestion of hon'ble Speaker to do away with Impasse and have discussion on Budget. People were concerned a lot throughout the country that the discussion on Budget is not going to be held and if the Budget is passed without any debate, it would send a wrong signal to the public and how we would be able to raise our issues and hon'ble Finance Minister will not be able to hear suggestions from Members so as to carry out some amendments, if the deems necessary. But this moment is very important.

Impasse in Parliament was quite unfortunate and a solution to the logjam could be found out through intervention of the hon'ble Speaker and good sense that prevailed on Congress. And thereby we are discussing the Budget today. Alongwith the Congress party, I am grateful to you, too, since you are the custodian of the House.

When this Budget was presented by the hon'ble Finance Minister, I do not think there was any objection to this Budget from any quarter. Almost everyone praised this Budget. Not only this, this time maximum attention was paid toward a particular class the farmer, rural people and agriculture labour which had been neglected since long. But this time maximum attention has been paid towards agriculture. During Zero Hour, my colleague expressed concern regarding agro-products. Since I was born in a peasant family, and have experience in this field I understand what are the problems of a farmer? He does not produce wheat and paddy only, he produces a lot more. His source of income are fruits, vegetables and other crops cultivated by him. So far only wheat crop was treated as a produce and not other crops and the Government never bothered about it.

But, in this Budget this aspect has been considered as to how we can preserve fruits and vegetables, and make proper storage facilities for these products. For this purpose, the Government have made a provision for advancing soft loan with an element of concessions thereon. At least in case of marginal farmers, which constitute only 20 percent of farming community, who cultivate only fruits and vegetables there is a need of not only making arrangement for preserving his product but also to provide him remunerative price of his product, because these products, especially fruits and vegetables are such that these cannot be stored for long. Therefore, there is a need to make marketing arrangements of these products. In fact, the Government should procure these items and make arrangements of its marketing through railways. During peak season, when these products arrive in the market, they are damn cheap whereas in other big markets they are damn cheap whereas in other big markets same items are sold at very high price. When new potato crop arrives, it fetches hardly Rs. 1 or 1½ a kilo whereas in cities like Delhi and Mumbai, it may be sold around Rs. 10-12 a kilo. In such a situation, if arrangements can be made for transportation of such crops, I am sure even small and marginal farmers can face the challenges that come their way.

When hon'ble Finance Minister was presenting the Budget, the country was facing two great crisis. First Gujarat was devastated by an unprecedented earthquake. The entire State was badly hit. Patilji knows, what a

pitiable situation arose when Latur was hit by an earthquake. I too, accompanied by a saint had gone to Gujarat. Gujarat tragedy was more severe than this. The Government was not prepared to meet that tragedy, there was no financial arrangement also. In the wake of unprecedented devastation the Government imposed a surcharge of just two percent and the Government could come over the tragedy with the cooperation from the Public. People of our country deserve lot of thanks for their kind gesture who contributed open heartedly though they were poor and took the crisis as if it had befallen on them. I do not think any State or district is left in the country that did not contribute generously to overcome this crisis. Everyone contributed and faced the crisis.

And second crisis is still before us. That crisis is thrust upon us by WTO, whose seeds were sown during Tenth Lok Sabha when hon'ble Patil ji was the Speaker of the House. Today, that seed has taken the shape of a tree. It has come before us a challenge today. First of April, 2001 is the day of great challenge for us. This day may be a day of crisis for us, at the same time it may turn out to be a day of blessing. We know that restriction have been lifted on import of items consequently now foreigners would be able to sell their products in our country I know a period of six years was enough for us and we should have prepared ourselves during these six years to face the challenges of an open market. Though, Shri Patilji was concerned about it, but what the Government had been doing during that period. When we signed WTO agreement, we know that 6-8 years were still available for us to get ourselves prepared before the agreement could come into effect. In fact, though we knew it yet failed to prepare ourselves keeping our economic policies in mind and that is why we are apprehensive today. But, I am sure, that present Budget provides us enough scope for tackling all these problems.

This is true that the Government should be downsized. Unduly large size for the Government, as Shri Patil ji has expressed his concern, increase unproductive expenditure.

We should be serious about bringing down unwanted, unproductive expenditure. On the question of bringing this wasteful expenditure down, Shri Patil ji has some reservation on retrenchment of Government staff but at the same time, it would have been more effective if he had suggested some other way out. But he is in favour of cutting down expenditure. I would like to say that it is our misfortune that after independence. We treat Government service as the only employment. Service is not an employment. In Eastern-Uttar Pradesh, the area I hail from, there was a poet named Ghagh in a village called Gawain, who had said that.

[Translation]

He had said — "Uttam Kheti, Madhyam Baan, Nishidh Chakri, Bheekh Nidan". i.e. the best occupation is agriculture, second is trade and the third is service, but this country considers service as its main occupation. All persons engaged in Cultivation, or trade, or industrial activities, or running cottage industries have gone into one job, i.e., services. We leaders belong to villages. We are born and brought up in rural areas and have been elected from rural areas. Today, people in villages are not willing to engage themselves in farming. Infact agriculture is a sort of Industry, they also have a highly fertile land, but they do not cultivate it.

It is very unfortunate that people after attaining more and more education, deviated from the path of conventional industries and proceeded towards services, that too either of a Babu (Clerk) or, a teacher in a school, or peon etc. and considered this their livelihood. Infact this can be livelihood for a person, but can prove to be baneful for nation as a whole. But the service should not be taken as a synonym of employment. Hon. Patil ji was saying the same thing right now, perhaps he considers service as a synonym of employment. I want to say that the time has come when the people should change their definition of employment and prepare themselves accordingly. The Government's responsibility is not to ensure prosperity of the nation. Though Government can extend its co-operation in the prosperity of the country, but they are not almighty God that they can eliminate poverty from the country with surety. Poverty of the country can be eliminated only when every person of the country makes his own effort at his own level. Only then we would be able to lessen our dependence on services.

As the recruitment in the Government Services decreases gradually, so would the problem of employment lessen and people would go in the direction of productivity. The decision of retrenchment by the Government, in order to reduce the Government expenditure by lessening the number of Government Services would kindle Purusharth i.e., diligence, industriousness and a zeal of the country to explore new occupations amongst the people. Patil ji is one of the learned persons not only in this House, but all-over the country. We all know that 'Dharma' (duty), 'arth' (pecuniary benefits), 'Kama' (sexual contentment) and 'Moksha' (attaining salvation) together constitute 'Purusharth' (A hard working person). Arth (Pecuniary benefits) is one component of 'Purusharth'. Arth is not wage for obtaining Purusharth, it is one of the components of Purusharth. And in order to obtain it, one needs to enlighten himself to the fact that why one can

[Shri Chinmayanand Swami]

not earn his livelihood himself. Can't we look after and support our family through natural resources. If we had given importance to 'Purusharth', we would not have been lacking in water ponds in the country. Today, big rivers are being converted into ponds, it is really surprising. Ponds are getting dried, and colonies are being developed in their place. Ponds are becoming colonies and rivers are becoming ponds. When all such things are being made, then I wonder how shall we obtain water through dams. We need to recharge the natural resources of the earth. It is the same country where planting of trees was considered to be a philanthropic act. Today, even after launching a drive of tree plantation, we have not been successful in our goal. What is the reason, whether a petty work of planting trees or exploiting the natural resources do not come in the parameters of 'Purusharth', we used to call this land 'Mata' (mother). It has been asserted in our ancient Vedas- "Putro aham mata Prithvi, putro aham prithviah", meaning thereby, we all are sons of this earth. Even today there are a few people, who get up in the morning and worship the earth further it is said — samudre varunah name Parvataste mandalah, Vishnupatya namah namaste. If we had considered the earth, our mother, we would have never exploited its natural resources, but we would have grown vegetation in order to make the natural resources prosperous.

Recently, one of my friends was talking about urea. I don't think that subsidy on urea is beneficial for the farmers, rather it is ten percent beneficial for the farmers and 90 percent for the people running urea industries. Why don't we encourage biological fertilisers, i.e., manure. If we had done so, then not only the fertility of land, or its productivity would have increased, but new non conventional energy sources would also have been developed. But we paid no heed towards this direction and remained dependent upon the conventional energy sources. An initiative has been taken, a Path has been paved and I do not want to praise all that with closed eyes, but with open eyes, i.e., in my full consciousness and I know that the facts in them have made a direction in which we shall have to take some during steps in order to overcome the economic crisis prevailing in our country as also faced by the entire world. I know that India is a very prosperous market, its desire and potential for development still persist. But, we may hand over this potential to some MNC, which may then exploit our needs and requirements, would definitely never happen. We shall have to make a parallel arrangement and it is only agriculture through which we can obstruct their path, and there is no other way. We can develop in the fields of trade or industry, when our agricultural sector will flourish and the farmers of this country will become independent.

Mr. Speaker Sir, the area I represent consists of 372 such villages, which leaving aside metalled roads do not have access to any kuchha path even people walk for miles to reach there. Now you can think well that even after 53 years of independence, there are no paths for access to these villages. I am thankful to hon. Prime Minister and hon. Finance Minister for having given some consideration in this direction. Now it has been understood that a road plays very important role in developing the infrastructure facilities. Pradhanantri Gram Sadak Yojana (Prime Minister Rural Road Scheme) has been made for village comprising a population of one thousand people as also a few village comprising a population of only 500 people, infact this would be a revolutionary step. This would not only provide employment to the unemployed, but the farmers would be able to take their product to mandis as well, which is a need of the times.

We are really unfortunate that the basic problem of drinking water still persists here. We have not been able to provide mere drinking water to our people. Therefore, we shall have to give priority to provide drinking water vis-a-vis irrigation facility and shall also have to maintain the water level beneath the earth.

Moreover, arrangements have been made to store rainwater and provision in the Budget for all these purposes has also been made. Arrangements have been made to make water potable and tap every source, be it rain water or water beneath the earth for irrigation and drinking purposes.

Likewise be it, higher education or secondary education, or agricultural labourers of any unorganised sector, all aspects have been considered in it. Due consideration for the first time has been given to higher education, which would facilitate those brilliant students who used to strive for scholarship for higher education. Today, if they wish, they can get upto Rs. 15 lakh as loan and can repay it when they undertake some job, or profession, or occupation. If they want to study in the country, they can get 7.5 lakh rupees and infact no security has been fixed for them for taking loan upto Rs. 4 lakh. Similarly in secondary education, it has been proposed to give Rs. 100 per month as assistance to the children belonging to middle class and poor families. This would definitely bring sea change in the field of education and brilliant students would come forward as they would get opportunities to study. Till date, the labourers in unorganised sectors were working in big factories, where unions fought for their rights, but relief has been given to those agricultural labourers also who work in field and sometimes do not even get bread due

to rains or thunder storm etc. and thus become a victim of starvation. It has also been decided that these labourers working for so many years would get a pension of Rs. 100 per month after the age of 60 years.

13.53 hrs.

(DR. RAGHUVANSH PRASAD SINGH *in the Chair*)

Similarly, proposal has been made with regard to empowering the women. A woman is an aura which is full of energy. And this energy has continuously been ignored. We could not understand this great soul, but now this Budget has provided for various schemes which would be for the benefit of the women. Women of this country would definitely get power and would come forward in development of this country. In this Budget we would utilise all the preparation, will-power, and resolutions made to combat the challenges of World Trade Organisation. We shall have to curb all challenges of the World Trade Organisation and would not let our country get affected by it. Special arrangements have been made for matters related to Patent rights. One Directorate has been set up for this purpose which would check that some one else may not usurp the patent rights of products exclusively produced in India. We are aware of the initiative taken by the Government of India in the field of Information technology. We can understand this through an illustration. Ten years back the share of India in this trade was merely 15 crore rupees, but today, this share has increased upto 6000 crore rupees. Now the share accounts for 6 arab rupees. This is not a small achievement. Hon. Finance Minister has achieved success in controlling the fiscal deficit, today we have a huge amount of foreign exchange and have become independent in foodgrains. This has not occurred all of a sudden, but is the result of a plan, resolution, an outlook and a deep understanding and if the House adopt a liberal attitude and we proceed with a sensible approach, then India in the future, can not only become independent, but can trend on the path of greater development because we all know that border areas of our country are in quite a tensed situation. You can see that not only the western frontier, but now even the frontiers are facing the same disturbances. I feel that this is being viewed separately, may be internationalisation of Taiwan is taking place or the Talamini conspiracy is making a headway in the entire Indian borders. Bangladesh border has also become disturbed. If the budgetary allocation for defence of the country is not increased, then it would not be possible to maintain the morale of our soldiers deployed there and would also not be able to provide them with necessary arms and resources.

Alongwith this, the hon. Prime Minister, with regard to scientific achievements, had said- "Jai Vigyan (Encouragement to scientific achievements) should also be added alongwith 'Jai Jawan' 'Jai Kisan, a slogan which had earlier been given by Shri Lal Bahadur Shastri. A long time has passed, but no work was undertaken in this field, but after our hon. Prime Minister came to power, a lot of difference can be seen and today, we are playing an important role in space science, we have become sixth power in the world. India has achieved success in space science and nuclear science. But I wish that keeping the provisions of the Budget in view attention of the scientists should be diverted towards increasing the agricultural products, cottage industries and small industries and conservation of irrigation resources and natural resources in the country. If we undertake work in this field then this would definitely enable India to successfully combat the challenges before it. If hon. Finance Minister successfully maintains the fiscal deficit, then I am sure that he would also be successful in reducing it in future. If he maintain this resolution, then he would definitely be successful in this.

With these words, I would conclude by saying my last point. All this money and resources have been given to us by the almighty God. If we make an honest approach towards the resources given to us by God, then we would never be lacking in anything, as no one has an exclusive right on money. It belongs to the God only — "Ishawasyamidam Sarwam yatkinchit Jagatyam Jagat, Tein Tyakten Bhunjitha Ma Gridhah Kasyaswid Dhanam". Money does not belong to anyone and also should not belong to anyone. An amount worth 110 crores dollars of India is increasing in the banks of foreign countries. It is really surprising. Money belongs to India, but is deposited in other foreign countries, what is this? This is exclusively India's property. Rajaprath born in the Raghuvansha, has once said- "yaawatmriyate Jatharam Tatsatvan Hidehinam" i.e., a person should have a right only on the amount which caters to his hunger and not more than that. It is very unfortunate for a country to where so much of honest approach has been made towards the pecuniary aspect in the past and which now has become corrupt from economic point of view. We should, therefore, make a resolution for economic morality, economic spiritualism and economic resolution. Manu had asserted — "Praatrotthaya Arth Kamayanu Chintayate" meaning thereby — where on the one hand we should deliberate upon religion in the morning. We should vis-a-vis deliberate upon our finances also. Infact deliberation on economic aspect has not been made in our country and that is why we are suffering. If we would have resorted to morality and honesty, a situation of theft and

[Shri Chinmayanand Swami]

corruption would not have been created in the country and we would not have doubled each other. If today, we create an environment of honesty and morality, then we shall definitely make our country independent in every aspect. With these words, I extend my thanks to you for having given me an opportunity to speak.

SHRI SUBODH ROY (Bhagalpur): Mr. Chairman, Sir, I am sorry to say that I cannot support the Finance Bill-2001-2002 from any quarter because this Bill is anti people, anti-farmer and anti-labourers. This Bill has been drafted on the dictate of the World Bank, International Monetary Fund and the multinational corporations. Though apparently, this Bill has a blanket of the beautiful and ever appealing concepts of globalisation, liberalisation and privatisation, yet it is like a golden pitcher filled with

14.00 hrs.

poison from inside. Farmers, labourers, craftsmen, the people belonging to scheduled caste and scheduled tribe section of society comprise that community of India which has always made sacrifices for the country. All these persons have realised that this budget has nothing to offer except inflation, hunger and starvation unemployment and an all pervading atmosphere of discontent and disappointment. Why this government is not in a position to clarify its position in regard to presenting such a budget? Why the farmers are committing suicides? Till when these poor farmers and weavers will continue to commit suicide. Crores of unemployed youth who listened to the speech delivered by hon. Atal Bihari Vajpayee from the ramparts of the red fort with passion and hope in their eyes are still without any means of earning their livelihood. The hon. Finance Minister has prepared a budget which has such draconian provision that the factory owners of the factories employing less than one thousand workers can throw out any worker out of job at his will. What a policy of 'Hire and fire' it is! The youth who had voted for BJP and NDA government in the previous election, have now started to blame themselves for doing so. The couplet "Hamdard Samjha tha jise, wahi apana dushman Nikla" is very apt in this regard. The very party and the government on which they had possessed their hopes and reposed in faith proved to be the biggest traitor. The virtual flood of series of scams like Tehlaka, share scam, reliance scam etc have confirmed that this government has even surpassed the Congress government regime of 45 years in the matter of corruption. This government has shown so much affinity for corruption and scams that it is accepting with ease everything including the evil of bribery rampant at such a large scale. The government with its eyes wide open is a mute spectator to the phenomenon.

Sir, now all the people have started to feel that the Budget of the Government of India is not meant for crores of poor, weavers and poor farmers but has been drafted keeping in view the interests of big capitalists, industrialists and corporators. Hence they have been given a rebate to the tune of 5500 crores but the interest rate on small savings has been reduced. What a big blow this has dealt to the poor. How much sympathy this budget has in store for the poor is evident from the fact that the systems which used to feed millions of poor persons is now being dismantled. Today, the State governments have been entrusted with the responsibility of procuring foodgrains from the farmers. The plight of the farmers became evident by the way all the parties took their stand supporting their cause. The condition of the farmers have gone from bad to worse in Bihar, Maharashtra, Andhra Pradesh, Karnataka, Kerala and several other States but this budget has nothing to offer for them so as to prevent their suicide spree. A lot of fraud takes place while the farmers receive loans from the banks. Big traders exploit them and their lifelong earnings come to a naught for they do not get any price for their crop.

Millions of our agriculture workers remain idle for many a months in the year. How can their condition improve in such a scenario? Their womenfolk are forced to live a life full of humiliation and contempt. How will their condition improve? This budget has no answer to all these burning questions. Hence I am of the view that the Budget is not in the interest of the common man.

Sir, the discussion on disinvestment had also taken place yesterday in the House and I have heard all the views expressed in this regard from time to time. A deep rooted conspiracy has been hatched by forcing to close down our swadeshi factories and industries which were a symbol of our self reliance and national pride. Today, the same industries have bowed out of the competition in front of big multinational companies which have expanded their network in the country after India signed the GATT agreement and became a member of WTO regime. The doors of the country have been opened wide for everything foreign in the name of new exim policy owing to which our industries in rural areas are being ruined. The place of yesterday's prosperity in villages has been taken by poverty, destitute, lawlessness, disorder and chaos. The rising stream of terrorism, crimes and failure of law and order has made it amply clear that if investment are not increased in rural sector and the steps are not taken to improve the condition of the agriculture labourers, weavers and farmers, the day will not be far off when the entire country will be in flames. Merely constructing high rise buildings in metropolitan cities like

Delhi and Mumbai is not going to help remove poverty and hunger from our country. The need of the hour was to make arrangement for providing food and shelter to the millions of hungry and homeless and to secure the future for their coming generation but the government have been gone one step ahead of Changhez Khan and Nardirshah in committing atrocities on and committing mayhem against the poor. Never before such a doom of inhuman atrocities and cruelty has taken place in independent India which has been taking place in the metropolitan, city like Delhi. The Finance Minister claims that the poverty has decreased but the wrong figures about the number of poors are being presented. The policy of the government borders on not implementing the poverty alleviation programmes in an effective manner, not to mobilise resources to fight the problems like poverty and hunger and not taking care of the interests of the workers employed in big industries. This government is obsessed with the concept of disinvestment and privatisation which are nothing but the means to worsen the condition of the millions of poor people of the country. This is the policy of doom adopted by this government. This is not the path country's development, prosperity and self reliance.

It has been said that the government did an outstanding job in combating the earthquake crisis in Gujarat. This was also discussed in the House. If you look at the entire proceedings, you will come to know the reality. Approximately 300-400 crores rupees were sent to the Prime Minister's Relief Fund by crores of people including the poor persons like rickshaw pullers, field workers, workers in kilns and our womenfolk. Though even the foreigners extended their help in this regard, yet we are begging for more where have we lost our respect and self esteem.

A catastrophic situation arose in Bihar due to floods and lakhs of persons were ruined due to it.

Mr. Chairman, Sir, though the hon. Union Minister visited Bhagalpur and other flood affected areas yet he did not announce to provide a relief of even a single pie. Same is the situation in West Bengal, Orissa and Madhya Pradesh. The current drought situation in Rajasthan and the response of the Union Government to tackle it reveals that the policy of the government is anti people and anti-poor. This government is not one to provide relief during emergency. This Government is a symbol of insensitivity, cruelty and apathy.

Mr. Chairman, Sir, I would like to say in the last that though I used to think that the era of cruelty and

insensitivity is over, but the regime of present government has proved that the rule of BJP is even more inhuman and full of atrocities against the common man. It reminds me of the couplet.

"Jise hum dost samjhe the, woh dushman nikla,
Jis par Rahber ka yakeen tha, woh Rahajan nikla.

With this, I conclude.

SHRI M.V.V.S. MURTHI (Visakhapatnam): Mr. Chairman, Sir, I rise to support the Finance Bill, 2001.

There are many good things in the Bill and the hon. Finance Minister was hailed by all sections of the people saying that it is a progressive Budget and a step towards eliminating poverty and other maladies.

I am not going to repeat all those things that have been stated in the Budget speech. However, there are certain measures that have been taken in the Budget, which proved to be very momentous, but for a very short duration. It is because later on, we have seen scam in the capital market and also the fall of the rupee that we have not seen before. There was a crash in the share market and we have also seen that some of the small investors have committed suicide. We were not able to protect the small investors and we were not able to protect the downfall of rupee. These are some of the things that we experienced immediately after the presentation of the Budget.

In our country, two-thirds of the population depends on agriculture and only one-third of the population is otherwise engaged. This is the duty of the Government to protect the majority of the people of this country who are poor. We have also seen that agricultural produce has come down to 199 million tonnes this year, compared to 209 million tonnes in the previous year.

Why has this happened? We have to do some soul search on this. Why is the productivity coming down? Why is there no market for the produce that our farmers are producing? Where is the deficiency? Is the deficiency not in our public distribution system? On the one hand, we say there is surplus and, on the other, there are starvation deaths. The godowns are full, but the poor people's stomachs are empty. This has to be sorted out. We have to take steps for this. Many people have applauded the Prime Minister's *Antyodaya Anna Yojana* launched in 1999. This is a very good programme. But it is not enough. It should reach the poor people. The godowns have to be made empty. We have to distribute

[Shri M.V.V.S. Murthi]

the foodgrains. If we do not distribute the majority of the stocks that are piling up in our godowns, later we have to throw them out in the sea. The FCI's stocks should be distributed on first-come-first-serve basis. But we are not distributing the foodgrains. There are no godowns and we are storing the foodgrains outside the godowns. Let that be distributed to those who are ready to take them because everybody is not prepared to take that rice and wheat. The *Antyodaya Anna Yojana* should be implemented vigorously with the help of the States. The public distribution system is run by the State Governments. But at the Centre, we have a Minister for public distribution system. We have a Civil Supplies Minister. He has to monitor the programmes. We have to work together. The Centre and the States should not blame each other. Unless we work together and unless the stocks are removed, there will be no improvement. Everyday we are raising this issue in the House. The Members from Northern States say that wheat is not being sufficient procured, and the Members from Southern States say that more rice has to be procured. These stocks have to go to the right people for consumption. We have to improve the consumption. When compared to neighbouring countries our per capita consumption is much less. Certainly, the poverty that we are estimating is far lower in figures than the physical presence. This has to be rectified. Some steps have to be taken for this.

Now, I come to fiscal deficit. One of the root causes for this country's maladies is the fiscal deficit. We are not able to control it. The Finance Minister says that it is five per cent, but the States also have five per cent fiscal deficit. So, both together, today the fiscal deficit is ten per cent. The hon. Finance Minister himself had stated that the most serious problem concerning this economy is the poor state of fiscal health, both at the Centre and in the States. This is a confessional statement. Corrective steps have to be taken. Otherwise, the problem will become more serious. With the rupee depleting, our foreign debt burden will be much more. It is a cause of concern. How can we get rid of foreign debt burden? We are not able to increase the agricultural production, but majority of the population is involved in agriculture. We are not able to buy their produce. These two problems together are leading our country to a dangerous situation.

Coming to WTO, time and again we are talking about these problems. Now, the Quantitative Restrictions have been removed. Anything can come to our country, right from chicken legs to rice and wheat. Unless we control the situation and unless we make proper inroads into the system, we may be landing in a difficult situation. Anxiety has been shown in the first meeting at Prague and in

the second meeting at Seattle. After the 13th Lok Sabha was constituted, our representatives also attended the meeting in Seattle. They were not allowed to come out of the meeting hall by the demonstrators stating that WTO is a weapon for the developed countries and that it is not in favour of developing countries. They expressed concern about that. Very recently, a meeting of countries belonging to American continent was held in Quebec, Canada. There was a large gathering of the poor people in Quebec. They said that all these developed countries want to ride on the developing countries. This is a caution and our people will be suffering much unless the Government takes certain corrective steps regarding the inflow of goods and commodities.

Merely increasing the customs duty alone will not be sufficient. In certain things, if need be, we have to resort to anti-dumping measures also.

Our colleague, Shri Shivraj Patil, has given another example of acrylic fibre. Duty on the raw material, that is the acrylic fibre is higher than the customs duty on the manufactured acrylic cloth. Is it not strange? The duties are much higher on the raw materials than on the finished products produced by our artisans....(Interruptions) I have been given only seven minutes. I need another five minutes. We are discussing an important subject. I hope you will allow me to continue...(Interruptions) So, this has to be checked up.

SHRI PRAKASH PARANJPE (Thane): Is anybody taking cognisance of the points the Member is raising? He has raised very essential points. I do not think anybody is serious about the suggestions given by the hon. Members in the House.

[Translation]

Mr. CHAIRMAN: I am noting that.

[English]

SHRI M.V.V.S. MURTHI: If the Government turn a deaf ear to my suggestions, it is for them to decide.

[Translation]

KUNWAR AKHILESH SINGH (Maharajganj, U.P.): Mr. Chairman, Sir, the Government is not serious about budget.

[English]

SHRI M.V.V.S. MURTHI: Sir, the youth in this country are disillusioned.

Everywhere we talk of down sizing. We should not down size. But we should size it rightly. It is because right sizing is more important so that more and more youth of this country could get employment. The Government, instead of reducing the retirement age, has increased it thereby creating more and more older people. The youth are becoming much more older and older without getting a job. Everywhere, there is frustration. Even after attaining the age of 35 years, many people are not married because there are no jobs for them. In one way, it is good as we can control the population. But we are not able to do that also. The population of this country has touched more than a billion mark. So, how youth will be taken into confidence. They are the future of this country. This country's wealth is its youth. We have to see that they are properly engaged in some productive activity. The Government says that it will reduce unemployment. But what about the measures for that. How are they going to be employed? Is it not the duty of the Government to see that these millions and millions of youth are employed productively? The Government should take some corrective steps in this regard also. As regard deficit financing, unless a thrift is maintained by the Government in bringing down the cost of so many things, we may not have the necessary funds.

Sir, I congratulate the hon. Finance Minister for reducing the dividend tax to 10 per cent. But he should remove it totally. It is a measure to create more capital. You are taxing at the company's level and you are again taxing at the individual level by way of income tax.

SHRI YASHWANT SINHA: It is not taxed at the level of individual. It is only one time tax at the corporate level.

SHRI M.V.V.S. MURTHI: I am referring to income tax.

SHRI YASHWANT SINHA: That is what I am clarifying. When that income travels to the individual, it is free of tax in his hands.

SHRI M.V.V.S. MURTHI: I would suggest that it should be totally removed so that more capital could be available for investment and the companies will be induced to give more and more dividend. That dividend will be available for re-investment.

As regards interest rates, the hon. Minister has rightly reduced the interest rates on savings. But at the same time, the Government should also think of reducing the interest rates on the borrowings also so that our products

could become competitive. Today, we say that we have to compete globally. But we are charging 14 per cent interest. He has reduced it by one and a half per cent. We welcome it. But unless it is further reduced, our products cannot compete in the international market. We are feeling difficulty in export. We are not even able to export agricultural products. It is because the cost of agricultural crop is also high. There should be a comprehensive insurance for the agricultural products. The NABARD and other institutions should be given a free hand to give credit liberally at a much lower rate to the farmers.

Today, the farmers are not having Kisan Cards. Everybody can have a Kisan Card. Those who are having land, should be provided with kisan Cards. Then only the majority of the population would be able to enjoy the measures of this Government. Otherwise, it will be very difficult for them.

Now, I come to BALCO. They have been caught doing insider trading. We must have transparency at our end also. You should select such a party which is having integrity. That party has been caught for insider trading to boost up shares. It made money. They wanted to invest that money. Ultimately, the Government will earn bad name.

I would request the hon. Finance Minister to take all these suggestions into consideration. We are with him always on any progressive step that is being taken by him. With these words, I support the Finance Bill, 2001.

[Translation]

KUNWAR AKHILESH SINGH: Mr. Chairman, Sir, I am grateful to you for allowing me to participate in the debate on the finance bill 2001-2001. India is predominantly an agrarian country. The soul of India lives in her villages. The budget of a Government is the economic document of that Government. The economic document of this Government, presented by the hon. Minister does not present any effective solution to the ill effects, the challenges posed by the globalisation and economic liberalisation. In his budget, hon. Minister seems to have forgotten the fact that 75 out of 100 people of this country live in villages. He does not even think of villages. The Hon. Minister of Finance has not introduced any novel idea, but he has only presented the old philosophy of this Government in his budget. Sir, it is a matter of serious concern that his Government is compromising the economic interests of this country through its policy of disinvestment and by selling the

[Kunwar Akhilesh Singh]

national assets worth millions and billions of rupees at peanuts. The Government talks of giving jobs to the youth but their budget clearly shows that they are trying to downsize job opportunities. The entire House will have to rise above party lines and find out a way to meet the challenges of World Trade Organisation in the this age of liberalisation and globalisation. With regard to that, I think that we would not be able to put our country on the right track unless we are able to strike a balance between our revenues and expenditure. We have to monitor our income and expenditure. We also have to take hard decisions to reduce the expenditure accruing on the administrators and higher officials posted in the districts as well as the capital, Delhi. Hard decisions are also needed with regard to excessive spendings on the Ministers of the Union as well as States. Frankly, I would also say that we, the Members of Parliament will also have to become role models by reducing our own expenditure. When the country was facing the foodgrains crisis and the threat perception was looming large on the borders, too, the then Prime Minister Late Lal Bahadur Shastri had given the slogan of Jai Jawan Jai Kisan. He had exhorted to the people to observe fast of one day in a week in order to face the foodgrains crisis. His slogan was adopted and followed in toto by the people, because there was no difference in what he said and what he did. As long as there is difference in the word and deed of the Government, we would not be able to honestly implement our policies and plans. Therefore, what we need today is to take initiative and become an example worth emulation while implementing rules and guidelines. First of all, you have to act as a role model. Do they know the expenditure incurred on the Central Secretariat per day? If that expenditure can be reduced by just 10 percent, a huge amount can be saved. With the money thus saved, we can develop a new half of such a big State as Uttar Pradesh. We won't be able to put the economy of our country on the right track, unless we invest in productive activities. It is a matter of concern that we are reducing investment on productive Sector and increasing it in unproductive sectors. You will have to think over it and take hard decisions. Economic liberalisation and globalisation are posing grave challenges to our farmers. We are continuously withdrawing the concessions given to the agriculture sector under pressure from the developed countries with a view to get more loans. It results in our farmers getting left behind in the world market. Other countries such as U.S.A., Japan, Canada or the European countries are providing so many concessions to their agriculture sector that their cost of production is going down and because of huge investment, the production is increasing. When the cost of production is falling, and production is increasing,

naturally the product will be cheaper. During the last budget session, the prices of fertilizers, diesel, Kerosene oil and manures were increased on the plea of making good the fiscal deficit. I don't know whether the deficit was controlled or not but I do know that this measure has increased the cost of production for the farmers and the increase in support price of wheat and paddy is not adequate to square it up.

I want to say clearly that no Government, whether it be of Sonia Gandhi ji, or of Mulayam Singh Yadav ji or of Atal ji, will be able to store all the produce of the farmers. So what is needed is that we should also give protection to our farmers in the same manner as developed countries are promoting the interests of their farmers in the world market competitions by reducing their cost of production through giving them concessions and subsidies. If the farmers are not given protection, they can't be saved from destruction. Today, the farmers of the country are forced to commit suicide. Farmer has to take loans but he is not able to clear his debt with the help of his produce as he is not able to raise the required money by selling off his produce. I humbly seek to remind the hon. Minister of Finance that the hon. Prime Minister had called upon the farmers to promote horticulture.

Hon. Chinmayanand Swami had also stressed the need to focus our attention on horticulture in place of wheat and paddy. Wheat and paddy are relatively non-perishable items and of the Government is not able to procure and store them will they be able to store fruits and vegetables, which are highly perishable, once the farmers switch over to horticulture. Fruits get spoiled in two three days while vegetables get spoiled in 24-36 hours. If proper arrangements for their storage are not made the condition of farmers can only be imagined. At present the farmers are able to sell of their produce at Rs. 4.50 or 5.25 against the support price fixed at Rs. 6 per kg and get back what he had invested or may be a little less. But once they switch over to horticulture they won't even be able to get back their investment, therefore, before going for any new option first you shall have to ensure that Government is able to protect farmers once they go in for increasing the production of fruits and vegetables.

Recently what happened to potato is known to all. Potato is relatively non-perishable item and when the Government was not able to protect this item, then we will have to think how will it protect other vegetables. Same is the condition of onions, we will have to adopt a clear cut policy with regard to agriculture. The farmers of the country producing oilseeds have to face fresh

challenges from foreign products as import of palm oil is continuing from Indonesia and Malaysia. We used to grow oil seeds as crop but at present the condition of oilseed cultivators is pitiable.

Therefore I request that subsidy to the agriculture sector will have to be increased by saving money from expenditure on administrators and on military. We also have to keep in mind the theory of demand and supply. Chinmayanand Swami ji was saying that fruits and vegetables are cheaper in villages than in Delhi. If the supply to these items is increased in Delhi, their rates would go down and not even the transportation cost would be recovered. Therefore, the farmers would be benefitted only when a clear cut system is put in place for the areas having surplus production and the areas having inadequate production.

Sir, I want to congratulate the hon. Minister of Finance. You have freed the stock market from the clutches of brokers but this step was taken very late. Action has still not been taken against the people like Shankar Sharma and the bear cartel. It ought to have been taken by now. The hon. Minister, will succeed in his aims only when he will implement his policies properly. Shri B.P. Verma is the living example of how customs officials indulge in corruption at the borders, at the airports etc. I want to say that customs officials indulge in corruption everywhere be it India-Nepal border or the airports, the traders are harassed and discouraged. They are compelled to do things improperly and then bribe is extracted from them. You will have to curb such activities. This will result in more honesty in the business world and it will be more convenient for them. It will be a great achievement. We have heard of Tehelka. Com in defence deals. It is not new, taking of commission has already been proved in Bofors gun deal. If only the money of commission in defence deals is saved, then I say frankly, we can reconstruct smaller States such as Kerala. Corruption is increasing in our society. It is a matter of concern. To remove this problem we have to take hard steps and hard decisions. I don't want to go into the controversy, but I just want to say that the country is passing through economic crisis and to get over it you will have to take hard decisions and you will also have to think about giving economic facilities to lower and downtrodden sections of our society.

Sir, various States are implementing schemes under RIDF with the assistance of NABARD. If you review such schemes, you will come to know about the extent of misuse of funds. Effective steps should be taken to stop that. You don't take measures on the plea that centre's

job is to provide funds and not to interfere in their work. If you review the implementation of such schemes anywhere, be it in Uttar Pradesh, Madhya Pradesh, Rajasthan, or any other State, the true picture will emerge. I want to tell you that PWD in Uttar Pradesh is spending Rs. 10 lakh for constructing one KM length of roads. Please set up a Parliamentary Committee to probe it. I challenge you that the same work can be done in private sector at an expenditure of Rs. 7 lakh. If I am proved wrong, I am ready to resign my seat. I tell you, that funds are being looted in the name of development. It has to be controlled and money thus saved will have to be invested in other works. You are giving funds directly to voluntary organisations, but just a few of them are doing good work. There are many such organisations which are misusing the money given by the Government of India. Justice with the country can only be done if severe action is taken against the corrupt and the people who are misusing the public money.

Sir, I would like to conclude after making one more point. They have not made adequate provisions in the budget to protect the farmers. Outstanding dues against the capitalist houses of the country run into billions and trillions of rupees. They are not taking steps to recover that amount. On the other hand, if there is a due of even Rs. One-two or five thousand against our farmers, the tehsil Amil lodges them in a dirty cell emitting foul smell which is not fit even for keeping an animal. The animals, if kept there, will break loose and break away. They will have to part with this biased mentality. They will have to keep in view the circumstances under which the farmer is not able to pay his debt. I want to say in clear terms, that the way the farmer is forced to commit suicide under pressure of debt and to cultivate land even after suffering losses, there is only one way out and that is their debt should be waived off. Besides, their cost of production should be lowered by giving subsidy to them. But I feel that they will not incorporate farmer friendly provisions in your budget under the pressure of World Trade Organisation and multinational companies. They have not incorporated them as yet and they do not plan to do so. Therefore I strongly oppose this Finance Bill.

[English]

SHRI PRAKASH PARANJPE (Thane): Mr. Chairman, Sir, I am standing in support of the Finance Bill, 2001. The Finance Minister is the guardian of the country's economic well being. The Finance Minister has looked at the Budget not just as an annual routine, it is a report card on accountability and lays down the agenda for future. This Budget has a vision as well as surgical

[Shri Prakash Paranjpe]

implementation, which is a rare combination. Though, we are supporting the Budget, we are putting forth certain suggestions, and I am quite hopeful that our Minister will try to adopt the same in his final speech.

I was just studying the Budget of Malaysia. The drastic changes in their taxation policy have changed their economic rate of their poverty to extremity. You will be surprised to know that they have adopted a number of measures for changes, but I am only narrating one out of that. The Malaysian Government declared 1999 as tax-free and also said that there will be no corporate tax and no income tax for one year. You will be surprised to know that because of this measure, their poverty line which was 17.1 per cent in 1990, has come down to only six per cent.

The income tax was introduced in 1961. Since then, 1,132 amendments have taken place. I am of the opinion as to why we should not try like Malaysia — abolish the income tax for two years, take a general survey and make the tax more simplified. Can we introduce tax on expenditure instead of tax on income? We introduced tax on income. If I change the range, I am trying to avoid my extra income to avoid tax. Tax on expenditure will definitely earn more revenue. Take a pause for two years on income tax, survey the income tax totally, you will be surprised to know that even the Department was not aware that they have made 1,132 amendments. That means, an average of 30 amendments every year, which the department is not aware; nor the CAs in many places are aware. How will the taxpayer know about it? So, my view is that reducing the tax rate will not reduce the revenue. Make the tax more simplified so that a common man will understand as to why he is paying, as to how he is paying and as to when he has to pay.

I hope that you will understand the importance, and I request your department to really learn, to study the Malaysian Budgets of 1999-2000 and 2000-2001 to know as to what measures and drastic changes they have recommended to improve their economy.

We have mentioned some important points. In your speech, you have already given cognisance to that. I am very much thankful to you that you have withdrawn the five per cent customs duty on shipping industry.

But you have left out one thing. The concerned Minister has requested you in this regard. All the transporting equipment gets depreciation to the tune of 40 to 50 per cent, but in shipping industry it is only 25 per cent. I would be very much thankful to you if you

could make the depreciation in the shipping industry also to the level of 40 or 45 per cent.

Sir, I would like to thank the hon. Finance Minister, as far as the tax on processing units is concerned. There is a number of processing units located in my constituency. I had personally gone and seen their functioning. Two years back, the Finance Minister did not wish to have a *danda raji*, and introduced a tax on chamber basis. Now, after two years, you are again going back to the old system. You have stated in your speech that wherever the chamber is worth Rs. Three crore, they can pay the tax on chamber basis, but he has forgotten one thing here or his department has not brought to his notice, the advantages of the system which he had introduced in 1998. When it was a tax on chamber basis, it was corruption-free, there was zero litigation and not even a single show-cause-notice was issued in two years. There was a reduction of tax for collecting, there was a tax incentive for higher production, the levy was fixed and there was a saving of power and oil resulting in foreign exchange savings. There were no other hassles and there were fresh investments to the extent of Rs. 2,000 crore in these two years.

Sir, the Finance Minister would be surprised to know that there was an increase in the income tax collection because of this taxation system and in Surat alone, the collection of income tax has increased to the tune of 31 per cent. I would request the Finance Minister to extend this facility of chamber base excise duty for a further period of two years. I am quite sure that the NDA Government would be ruling for the balance period of four years and, he, in person, would be our Finance Minister for the balance period of four years also. I hope that a person of his nature, who would be continuing as the Finance Minister for a further period of four years, would understand our problem and do justice. I would, once again, request him to extend this facility for a further period of two years. I would request him to get the benefits received by the Department of Revenue and then come to a final decision. I would be very much thankful to him, if he could extend this facility for two more years.

Sir, I now turn to tax deducted at source. It was deducted on interest received on savings, if it was above Rs. 10,000. It was reduced to Rs. 2,500 and in his speech he has said that he has now increased it to Rs. 5,000. But due to the Voluntary Retirement Scheme, a number of people are taking retirements and tax is deducted at source when they get the retirement benefit under VRS. This money is then kept in the bank, but he would be deducting tax again at the rate of 10 per cent on the

interest received on this amount. So, he is taxing those people twice, once when they get their retirement benefits and again when they deposit that money in the bank. So, it is the demand of my party and of all the people that the previous system, of tax deducted at source on interest on savings, if it is above Rs. 10,000, should be continued.

Sir, the NPA of banks is Rs. 58,000 crore now and I have written a letter to you about two months back. After every two years, the Finance Minister is offering VDS and encouraging the people to convert their black money into white money and giving them some concessions. I would like to submit that out of Rs. 58,000 crore of NPA, about 40 per cent is interest over interest and the principal amount is hardly Rs. 35,000 crore. I would like to know whether the Finance Minister will be able to bring a scheme whereby all the people who have got loans can pay for one year, simple interest before 30th September in any form, either in white money or in cash or in gold and the Department of Income Tax will not question them from where they brought this money to refund the loan. By introducing such a scheme, I am quite hopeful that the loan recovery would be quite faster and effective.

I would like to give a suggestion to the Finance Minister regarding imposition of a fresh tax, as he is giving ample concessions to agriculture and food processing industry. Why can he not impose a tax on vacant land? The people should be made either to grow or build on vacant land and keeping vacant land should be made a crime. The vacant land should be taxed as much as possible so that the people would be forced to grow or build on such vacant lands.

I have already given him some suggestions regarding Rule 173 (b) on excise and on appointment of a panel of auditors for SSI units.

15.00 hrs.

The SSI units have to keep their accounts for four or five years. The Excise officials will go any time and ask them to dig out their accounts, and they will say, "These are the mistakes you have made. Now, you have to pay the tax with penalty." After four years, if you are asking the SSI man to pay tax with penalty, the entire profit that he has earned will go only in penalty. So, can you have a panel of auditors just like a panel of lawyers so that the accounts will be audited within one year? If any mistakes are there, then these should be rectified within one year. I have also written a letter to you three

months back, but unfortunately, I have not heard anything from you.

This Section 173(b) says that the person who is manufacturing the goods, has to declare what he is going to manufacture. As per the classification, the Excise people have to inform him at what rate he has to pay the tax. But for months and years together, he is not informed at what rate he has to pay the tax. After one or two years, the Excise people will tell him that on such-and-such item he was to pay 18 per cent whereas he has paid only 12 per cent, so, he has to pay the difference of six per cent tax with hundred per cent penalty. Can you not make a rule for declaration under Section 173(b) so that within 15 days, the Excise people must inform the manufacturer at what rate he has to pay the tax? This is an administrative change. I hope a person of your nature will understand what I want to say.

For the last four years, any Government coming to power always talks of interests of minorities. In the House of 540 Members, we 24 MPs are in minority. The lowest number of voters in a constituency is 37,000. An MP representing that constituency gets Rs. 2 crore. The highest number of voters in Outer Delhi is 28,30,000. In my constituency, the number of voters is 27,70,000. I also get Rs. 2 crore.

For the last three years, I have been writing to everybody, including the Speaker, the Minister of Finance and other Ministers concerned. But what has happened? Only my letters have been brought from one Department to the other Department. May I request you to have some more money based on the number of voters? I have given a chart also: for voters up to 15 lakh, the amount could be Rs. 2 crore; between 15 to 20 lakh, the amount could be Rs. 3 crore, between 20 to 25 lakh it could be Rs. 4 crore and for a constituency having 25 lakh voters and above, the amount could be Rs. 5 crore.

Only 24 MPs are representing constituencies having voters above 15 lakh. So, we are in minority. Can I expect justice from you so that these 24 minority MPs will be given some extra money for development? You will be happy to note that I have spent 70 per cent of my funds in the rural area. Yesterday only, I got a message from my Collector. The entire school building in the rural area was to be constructed for Rs. 24 lakh. He has given the sanction. I will be thankful to you if you can give justice to we 24 MPs by increasing the amount under the 'MPLAD'.

[Shri Prakash Paranjpe]

Lastly, I want to say that in this Budget, you have given advantages and encouragement to the agriculture sector and industries allied with agriculture. The people are quite happy. I repeat again about 10 per cent tax to be deducted at source. Earlier, the limit was Rs. 10,000. It is my personal request and also that of my party to restore that limit up to Rs. 10,000 only.

[Translation]

KUMARI MAYAWATI (Akbarpur): Hon. Mr. Chairman, Sir, the budget presented by hon. Finance Minister reflects the Manuvadi mentality of the Government. While formulating the budget, the interests of all sections of the society have not been taken into consideration. The Budget has been formulated keeping in view the interests of some special sections of society and some special areas. Special interest has not been shown towards the economic development of crores of people belonging to Bahujan Samaj-Scheduled Castes, Scheduled Tribe, other backward classes, religious minorities, Sikhs, Parasis, Christians and Buddhist etc. which comprise 85 per cent of our population.

15.06 hrs.

(DR. LAXMINARAYAN PANDEYA *in the Chair*)

The schemes which have been presented in the Budget for economic upliftment of these sections are very old and are obsolete. Not a single new scheme has been evolved in this budget for their development. A large portion of our population has been ignored in respect of economic development. And these sections of our society are worst affected with poverty. Concrete steps have not been taken by the Government to remove the poverty and special steps have not been taken to remove the unemployment though Government have accepted in economic survey that unemployment has been increased in the country.

Mr. Chairman, Sir, Government had made a commitment in the National Agenda that one crore people will be provided employment every year but I think that Government have failed to fulfil that commitment. Government have failed to generate employment opportunities in other sectors except that of Information Technology. Unemployment is increasing in the country and, as a result, the crimes are also increasing on a large scale. Unable to get the jobs and down with poverty, people are compelled to adopt wrong path for their livelihood. As a result of which crimes increase on a large scale and Government spend crores of rupees to curb them.

Mr. Chairman, Sir, I think poverty can be removed and crimes can only be checked if Government provide more funds to generate employment.

Mr. Chairman, Sir, no interest has been shown in the budget for the development of rural areas. If our villages are not developed, it will affect 75-80 per cent people of our country. I know the actual condition of rural areas as I hail from rural background. Rural Development Schemes formulated by the Government do not reach there. Also the funds for these schemes are not allocated in proportion to the population, consequently rural people could not get the benefit of these schemes. Small funds allocated in the budget for rural development could not be used for this purpose. Therefore, my submission is that Government should pay more attention towards the development of rural areas and more funds should be allocated in Budget for this purpose. It will be in the interest of the country.

Mr. Chairman, Sir, no special arrangements have been made in the budget for women, child development and youth welfare. It has been stated in the Budget that Government expenses will be reduced. My party is also in its favour, but the way losses are incurring in every sector, even this claim will not be achieved. It has been mentioned in the budget that the number of Central Government employees will be reduced by 2 per cent annually. Besides budget also proposed to make reduction in pension and reducing rate of interest. LTC has been banned for two years, but I think it will not make any difference. LTC has been banned for Government employees for two years without considering its impact on tourism. While taking any decision one must consider both aspects of profit and loss connected with it.

Mr. Chairman, Sir, I appreciate some good decisions taken by the hon. Minister in this budget. Prices of cigarette, bidi and pan masala which are harmful for human health has been hiked. It is a good step. However, prices of tea and coffee has also been hiked which is not a commendable step. Increased prices of coffee may not affect the poor people because they do not prefer coffee instead they like tea. Therefore, prices of tea should not be increased as it directly affect the poor people. My submission is that Government should reconsider it.

Besides, farmers have not been given due consideration in the Budget. The provision made for agriculture sector are just opposite to the agriculture policy announced by the Ministry of Agriculture last year. No special package has been provided to the farmers. Government should pay attention towards farmers also. It

seems to me that Government did not pay attention towards the issues of national interests while formulating the budget. Government have paid more attention to disinvest the public sector. Public sector is being privatized on a large scale. My party is not against it. We have no objection if they decided to privatise any sector in the interest of the nation. Keeping in view its economic aspect and the losses while privatising any unit, the interest of those sections of the society should be taken into consideration who are not getting benefit from it because people belonging to scheduled castes, scheduled tribes and other backward classes are getting reservation in Government services but not in private sector. It was mentioned by me during the last session and an hon. Member has also mentioned it yesterday that such people should be provided reservation in private sector but the Government is not paying adequate attention towards it. I hope that hon. Finance Minister will think over this matter seriously and talk to Prime Minister in this regard. Privatisation in the interest of nation will be welcomed. My submission is that no arrangements have been made to provide reservation to crores of dalit, exploited and backward people in the private sector. I request the hon. Finance Minister to talk to hon. Prime Minister to provide them reservation in public sector.

MR. CHAIRMAN: Please conclude now.

KUMARI MAYAWATI: Special relief has been provided to foreign companies in this budget, therefore, small scale entrepreneurs are very distressed. The Government has not shown any interest to provide incentives to small scale entrepreneurs. My submission to hon. Finance Minister is that he should consider each and every aspect of this Budget. The Government have not taken any special interest for the upliftment and development of the down-trodden communities which need it most. Such sections of the society should also be considered and any possible amendment or addition be made in this Bill.

[English]

SHRIMATI MARGARET ALVA (Canara): Mr. Chairman, Sir, over five decades, successive Congress Governments had before them certain long-term objectives which were sought to be achieved by policies which were grounded in the reality of India as it was at the time of Independence, but with a vision towards which we moved decisively over the years. The mixed economy was part of it. Poverty alleviation and the challenge of dealing with poverty as a national problem was a priority. And more than anything else, the realisation that 80 per cent of our people lived in the villages, that rural India was really

the India that had to be targeted, were all kept in mind when policies and programmes were drawn up. It is not a small achievement, if I may say so, in a country where more than two-thirds of the population was living in grinding poverty at the time of Independence, that over these years, we were able to get two-thirds of that population, in spite of huge population increases, to reach a level where they became part of the middle-class, and reduced the number to less than one-third, as far as poverty figures were concerned.

I am not going into many technicalities because I am not an economist like we have in the House, but I say that the economy had grown from stagnation to dynamism. The last year of the Rajiv Gandhi Government saw a GDP growth rate of 10.5 per cent. Even in the 1990s, I must say that we maintained, over that period, a growth rate of seven per cent for three consecutive years, the last years that the Congress Government was there.

The Prime Minister has spoken, the Finance Minister has spoken about their target of nine per cent growth rate to be reached, or maybe higher if the Minister wishes so, but my point is that you have not been able to cross six per cent over the last four years that you have been the Finance Minister. We are told at every point that 'whatever is going wrong is because you brought in the WTO; we are following your policy. What you started, we are continuing.' I am sorry, this is where I wish to differ to say that everything is because of WTO is also not correct. You have to have the capacity to be able to protect national interests, when you have the leverage and the leeway to be able to fix your own targets and to work accordingly. You had time till 2003, but you decided two years ahead to go ahead and close the options you had in 2001. We know that you had the opportunity to renegotiate bilaterally or otherwise the WTO Agreements which were going to affect our national interests, but in 2001, you closed your options.

Sir, also with WTO, other countries are protecting their national interests, their own national industry and particularly, subsidising agriculture. But the World Bank pundits around keep telling us, I have seen the reports, 'that subsidy on food is now outdated, we need gradually to move into the open market economy'. Survival of the fittest seems to have become the slogan today in a country where large numbers of people will not survive market competition and not be able to meet the challenge.

Sir, I do not know how much time I have, so I will try to be as brief as possible. I want to say that the

[Shrimati Margaret Alva]

NDA Government came in with a promise of a "Government with a difference". There is a lot of difference, I must say. As the saying goes in the streets.

[Translation]

preach one thing, practise differently.

[English]

All your policies and programmes are opening the doors to the multinationals, to the big business houses, to investment from everywhere, while on the other hand, the slogans have all the time been *Swadeshi*, *Swadeshi*, and *Swadeshi*.

I do not wish to quote. But the rally of your own trade union, the BMS in Delhi has perhaps been a much stronger expression of anger of the people than the Congress has ever expressed in Parliament or outside. I do not wish to quote this. It is because this has appeared in *The Hindu* which is not any kind of a paper to be ignored. So, the facts must be correct. All that the president of the BMS has said is what we have been crying hoarse about all the time.

Sir, I would like to refer to the basic issues. I would like to start with down-sizing the Government. I was the Minister for Personnel for five years. We made a commitment in the National Development Council about 30 per cent reduction of higher level posts in Delhi. I am glad that the Minister of Personnel is here and, I think, she also is committed to this. But we know how it works. I would like to say that on the one hand you are talking about down-sizing the Government at Delhi, but on the other hand you are multiplying the number of Ministries and Ministers. Ministries have been divided and bifurcated in order that you may give posts and positions to all the partners of the NDA Government who have to be accommodated. The Ministers are openly saying, in Press conferences, that they have no work. There was one Minister who admitted

[Translation]

I have no work to do, I go to office and work for the Constituency and then come to the residence.

[English]

They themselves have said that they have got no work but they are just Ministers.

This is the condition of your Government that talks about down-sizing the Government. I am glad that you have talked about merging of the Ministries, reducing staff and so on. Please do it by doing away with the Ministries, that are not really necessary, and with them perhaps some Ministers as well. That would, I think set the example before you send out the people in the public sector with VRS because you are intending to down-size the establishments and because you want to send your

bureaucrats home. I have no problem in that. But again, look at your double-speak. You have increased the retirement age.

[Translation]

Have extended to 60 years.

[English]

Government said that they would create about one crore jobs in a year. That is not happening.

[Translation]

Under the VRS the people are getting retired and are going to their home.

[English]

There has been neither generation of nor increase in employment. But on the other hand, I must say there have been multiplicity of regulatory bodies and post-retirement slots for retiring people. The retired bureaucrats either go as ambassadors, or they go to the WTO or to the World Bank. Their places are fixed even before they retire. I wish, you could show the same enthusiasm in closing down the Ministries and Departments that you are showing in winding up the Public Sector and the profit making undertakings. It is because the burden of multiplication in the bureaucracy is a dead weight on your shoulders, we would fully support you in your effort to down-size the bureaucracy. I for one have struggled for five years to implement the commitment we made. But I am sorry that it did not happen. I think there are many Departments and many Ministries that really are not necessary when most of the subjects of these Ministries have got transferred to the States and the States are handling them totally.

[Translation]

The Ministry of Fisheries is in Delhi. I do not know whether the Minister has even visited any area near a river or not?

[English]

But there are still Ministries like the Fisheries and the Tribal Development. I do not really understand as to what they do...*(Interruptions)*

[Translation]

The same thing I had asked to the Minister when he was speaking about the coastal area whether he knew anything about the coastal area?

[English]

Sir, only yesterday we had a debate on the issue of disinvestment. I would not like to go into the whole debate again. But the reply of the Minister to the debate was shocking. Being a disciplined person and as so many

other people were in front of me, I did not disturb the proceedings. The Minister was simply asked

[Translation]

What is the policy, what is your policy regarding the disinvestment, what was your reply in this regard?

[English]

The Minister said that the policy of the Government was made known in answers to questions in Parliament. Did he mean that one judge a policy of the Government from the answers a Minister gives to the Starred and Unstarred questions? Is that a reply from the Government in Parliament?

We asked for a white paper: it did not come. We asked for a Standing Committee on Disinvestment: it did not come. We do not want to criticise the Government. Let the Government tell us what the policy is. Let the policy be circulated to us and let us see it. When we asked whether the Government thinks there was any distinction among different kinds of PSUs like profit-making ones, loss-making ones, those that were taken over by the Centre, and others, the Minister said that there was no difference among them and that they are all treated equally. He said that all of them were judged on the same yardstick whether it is BALCO, Modern Foods, whether profit-making or loss-making. We asked as to what was the difference between disinvestment and privatisation. He said that there was no difference between disinvestment and privatisation. He said that unless we gave the major share to the bidder, he won't bid and so we have to tell them to come and take it all. Only then they will come and give money. Is this the way the Government of India should talk about its policy on disinvestment?

MR. CHAIRMAN: Please conclude now.

SHRIMATI MARGARET ALVA: Sir, I need five minutes. Give me five minutes of my party's time please. I will not say anything irrelevant. I will finish as fast as possible. Very few women speak on the Budget anyway.

I am just saying that the public sector has played a role. You cannot just sell it off because you do not like it or because you think you have to raise money. I feel that the time has come when the Government must look at the public sector disinvestment programme with a certain amount of transparency. Let all of us be taken into confidence. Let the Government work out a consensus and work on it. Let this not be made into a matter of eternal fight between the Government and the rest. I would like that the public sector be given autonomy, professional management capacity which they were used to. Let not just *babus* be entrusted with them. Let Joint Secretaries be not sent as Chairmen of Air India.

[Translation]

Some one is transferred from one place to the other.

[English]

How can they run these professionally if they are not meant to be running these industries? We may have made the mistake and you are making the same mistake. Please professionalise the public sector and see that the units which are making profits are allowed to survive.

Coming to small scale sector, I quoting what I have quoted to the Prime Minister in a letter I wrote to him. A delegation of the small-scale industry comprising women and men called on an officer in the Ministry because they were asked to meet him. Do you know what the reply of that officer was to that delegation? He said to them, "You are anyhow dying. Why are you making a noise about it? Die gracefully." This was what a bureaucrat said to the delegation of small-scale industries. I have given the name of the officer to one of the Ministers. Is there any way out? Thousands and thousands of people are employed in this sector. Thousands and thousands of small people have invested their money in the small scale industry. You cannot tell them that because of the opening up of the economy, they should close down and go home.

I am going to give you two or three points of your Budget which have upset us. You have imposed four per cent excise on candles. Candle-makers are small people. On footwear costing less than Rs. 125 you have imposed four per cent excise.

[Translation]

Who are they who use footwear costing less than Rs. 125.

SHRI YASHWANT SINHA: Today it has been removed.

SHRIMATI MARGARET ALVA: Was removed?

[English]

I am sorry, I was not present. I am glad that you have removed it.

Fourteen items have been removed from the list of items reserved for the small-scale industry. On the other hand, excise duty on soft drinks has been brought down from 40 per cent to 32 per cent. On cars it has been brought down by eight per cent. This is done to keep the sections which are opinion-makers, happy.

[Shrimati Margaret Alva]

[Translation]

They are the people who take soft drink, and who must be made pleased as they are urban people.

[English]

People involved in small-scale industry are suffering. I think the Minister has a duty to protect them by giving them the support they need.

I want to make a mention of the definition of rural industries.

[Translation]

What is the definition of the urban area.

[English]

An area with less than 20,000 people is defined as a rural area for this purpose. Women's units making, for instance, detergents in small groups do it in the rural areas. They pay no excise. But, because the population has increased in those areas and crossed 20,000 mark, they are now told that they no longer are rural based, that they have come within the municipal limits, and so that they must pay excise duty.

How can they survive in their work without paying this? Today, because the population has increased, they say, "you must pay the excise". So, the women had to close their units. It is not their fault if the population of the area has gone up and the municipality has been declared under some notification. So, I am appealing to the hon. Minister to kindly look into this aspect in order to protect the small scale women units.

Sir, as far as the workers are concerned, in regard to the Industrial Disputes Act, I must say that the hon. Minister, in his Budget Speech, is taking the decision on matters which are before the National Labour Commission. How can he do that? These issues of the Industrial Disputes Act and the Contract Labour Act are all before the National Labour Commission. But the hon. Finance Minister in his Budget Speech, has given a decision that

[Translation]

it will be amended, will be changed, thousands of workers will be rendered jobless in the industrial establishments it will not affect others.

[English]

The National Labour Commission is looking at all these issues. To add to their miseries of being sent home, he has also now reduced the interest rates on their life savings, in the provident fund.

MR. CHAIRMAN: The hon. Member's time is over.

SHRIMATI MARGARET ALVA: Mr. Chairman, Sir, you are ringing the bell and making me nervous. But my last point is about the public distribution system and food security. We struggled for years not to beg for food so that this country could be fed with the Green Revolution. But he has increased the prices of food grains for the poor in the PDS with the result, people are not able to buy them. Stocks are rotting, eaten by rats and rodents. They cannot export it, as their production cost is too high. The stocks are lying. They do not have godowns. Now, when the new crop comes what will they do? They will transfer it to the States.

[Translation]

The Govt. will disband FCI. You do the same in the States. There is no Godown in the States also. All of a sudden we can not instruct the State to prepare Godown by magic. Similar is the problem there.

[English]

They are transferring the responsibilities to them. They do not have the infrastructure or the capacity to procure. Farmers are committing suicide. No stocks are being procured.

It seems that there is a method in the madness

[Translation]

that FCI has to be closed and PDS is to be discontinued. If the confusion is created then everything will be closed.

[English]

I am speaking about the tears of the poor who will go hungry because of this mismanagement. I am not saying, "give it to the rich". Let the PDS go to the BPL families. Give to the under poverty line families. Sir, they should not wash their hands and shirk their responsibility of giving food to them.

About the food which is rotting. I would suggest that they should introduce a scheme of "food for work". They should distribute food in the drought-hit areas.

[Translation]

MR. CHAIRMAN: You are delivering good speech but the problem is that there is voting at 5 pm and before that hon'ble Minister of Finance is to give reply.

...(Interruptions)

SHRIMATI MARGARET ALVA: The matter is related to the women.

[English]

Sir, they have chosen 650 blocks for women's empowerment. I am not aware of the programme. Two years ago, they merged all the programmes and made it the *Swarna Jayanti Programme*. But nobody knows, what is *swarna* about it, nobody knows, what is *jayanti* about it. The programme does not exist.

[Translation]

The guidelines have not been issued, are not being implemented, no one understands as to what is the programme. There is one new empowerment has been taken up. I am the chairperson of the Committee on Women Empowerment but I have not been consulted. There are 650 blocks of women empowerment.

[English]

Sir, can he, promise that women Members of Parliament will, at least, have one or two blocks in their constituencies selected as the pioneer blocks where we, the women Members will do something and show to them what needs to be done. Tell them to use our services as we will do something out of this.

Mr. Chairman, Sir, you have said that I should conclude, and I shall conclude now though I have a lot of thing to say. But lastly, there is one thing which I would tell to the hon. Finance Minister. Their Economic Survey says that "in the last six years, poverty has come down in the country by an astounding 10 per cent — from 37 per cent to 27 per cent".

You have said the same in your Budget speech:

"Poverty has fallen from 36 per cent in 1993-94 to 26 per cent or less now."

This is some magic! But the Minister of Finance has not read the key given in *The Economic Survey* document, which is very important. I am quoting from pages 193-194 of your own document:

"The NDA Government has changed the methodology of estimating poverty ratio. In consequence, because of the changes in the methodology of data collection,

these estimates may not be comparable to the earlier estimates of poverty."

When your own survey says that the methodology has changed and you cannot compare, you have said that it has come down. I would therefore request the hon. Minister of Finance to clarify this point. Poverty has not come down as you have claimed justifying why your investment has gone down. I think, it is not proper to mislead the country in your Budget speech when your own *Economic Survey* gives the key explanation that the methodologies are different.

I thank you for your patience Sir and I hope that the hon. Minister would look at the problems of the weaker sections and protect them.

15.42 hrs.

[Translation]

(SHRIMATI MARGARET ALVA *in the Chair*)

SHRI PRAKASH MANI TRIPATHI (Deoria): Madam, the discussion on the Money Bill is being held in the House and it is very important discussion but it should not be evaluated in isolation. Each year's budget is a milestone. I would like to tell that there is a ray of hope in the fifth or fourth budget that has been presented by the hon. Finance Minister. When the Minister of Finance was to present the Budget in the House on 28 February, there were so many apprehensions in the minds of the people regarding the outcome of the budget. The hon. Minister had two options before him. One was to present a bold and progressive budget incorporating all opportunities and the second was to present a defensive budget in which the Government would shield itself by way of increasing the taxes. I remember when the Minister of Finance, after finishing the part "a" of the budget and at the beginning of part "b" had remarked — 'Let me drink water then I will wipe my seat as after this many people will sweat'. But the budget that was presented thereafter was a pleasant surprise to almost all section of society. I would like to tell that whether it is farmer, or businessmen or industrialist or the housewives everyone praised the budget. I would also like to quote the 'Economic Times' in this regard which is, of course, not a paper of Bhartiya Janta Party. It wrote —

[English]

"Shotgun Sinha-II Fires Round-II Reforms".

[Shri Prakash Mani Tripathi]

[English]

I am not saying this as a commendation to the Minister of Finance. I am talking of ten years and round II reform. I am talking in that context where each year's budget is considered as the milestone. I would like to congratulate the Finance Minister that he has provided relief to all in the budget whether it is market, or the personal tax payees or the agriculture sector. It is being said that the rural sector and the agriculture sector have not been taken care of in the Budget. I am of the opinion that out of the total gross domestic products Rs. 1,16,314 crore come from the revenue which is 4.7 percent of the gross domestic products. This deficit will probably increase in the States.

As per the target of the budget projections, there should be increase in the revenue and more and more people should get employment. Just now Margaret Alvaji told that job opportunities are shrinking but I will talk about it later on. You had told that there should be simplification of the system and the honest tax payers should be honoured. There were few points that you had said. I would like to say that these things are happening. Only the tax payers are not being honoured in the country as it should have been. Even now, income tax officers treat tax payers as the criminal. The number of tax payers has increased from one crore to 23 crore. For this I would like to congratulate you once again, however, I feel that the existing number of tax payers may increase to five crore in one-two years if the campaign to give proper respect to the tax payers is launch and tax payers should be considered a respected person of our society as the Indians are hunger of respect. You should contrive some way and means to honour them. Only the increase in the revenue cannot be its sole objectives, rather there are other objectives of it but especially the increase in the revenue is also an important objective in itself which can be achieved through several ways. I feel that India is an agricultural country where rural economy is very important so unless there is speedy development of rural and agricultural sector, the country can not develop. It is our misfortune that many of our Finance Ministers are the products of Harvard. I am not against it, however, their approach is that our country will progress only when the trade increases. I absolutely disagree with it because if there is shortfall in our agricultural production our trade will be severely affected by it and we may not progress at all. I do not understand why people are criticising the budget as in my opinion if there is anything conspicuous in the budget, it is this that much importance has been given to the agriculture. I think that

Rs. 64 thousand crore have been allocated to the farm sector. The Minister of Finance had told about the credit card and had assured that within three years, every farmer will be given a credit card and along with it the farmers will also be insured. The farmers feel uneasy when it comes to insurance so it will be good if they are covered under the insurance along with the credit card.

Madam, one can criticise the Prime Minister's rural road scheme under which Rs. 2500 crore have been allocated for the rural road construction, but I feel that in no budget in the past, such a big amount has been released by the Centre as yet for the development of rural areas. Just now, Mani Shanker ji asked as to where is that amount and where has it been spent? What is the present position? It is not the expenditure that is important in everything. It is not feasible to allocate Rs. 2500 crore at a time to any one and to make claim that we have done our duty. It takes some time in the allocation of funds and its actual utilisation in the field. My submission is that even if it is taking some more time but the scheme should be implemented in a matured way because Rs. 2500 crore is a big amount which should be utilised properly for the rural development. So you should not worry for that.

As far the issue of electrification of 80 thousand villages are concerned, how can we oppose this scheme. I do not hold the view that the earlier Government did not do anything. But if any village remains unelectrified even after 2001 then it is really a matter of shame for we leaders. In our own country some parts are progressing very fast while some other areas are not progressing with that pace. China and some other countries are also facing the same problem but right now, we will have to take care of such situation and will have to take some measures to remove this inequality.

The position of food grains and our economy has improved to some extent but further improvement is required in this regard. The Government is severely criticised for this. The price rise of the onion topples the Government of Delhi and if the price of potatoes fall people start crying that the farmers are committing suicide.

There is no proper recovery in the field of banking and keeping in view the ground reality in this regard, there is need to strengthen the system.

The issue of Swadeshi and Videshi are often discussed here but it is not proper for them to criticise 'Videshi' approach who, infact, had opened the door for the foreign companies.

The employment generation does not mean only the Government services. Even if the trade of the fruit

increases in the villages then it is also a part of the employment generation. I have firm belief that there is better prospect of employment generation in the field of agriculture and small scale industries. It is not possible to provide that much of employment in the Government sector.

I had a lot to say about the disinvestment and the privatisation but there is lack of time, so I would like to submit that the present budget is good that has been welcomed by all and it will be better if the budget is passed unanimously.

SHRI HARIBHAU SHANKAR MAHALE (Malegaon): Madam, the discussion is being held in the House on the budget and I rise to express my view on the budget. I blame the hon. Minister because he has violated propriety. Prior to the budget presentation, he had time and again announced that the taxes on the companies and the individuals would not be reduced so the black money increased and I blame the hon. Minister for this. I would like to cite one example in this regard where 40 year back the Minister of Finance of England had violated the norm.

Once, prior to presenting the budget in the House, the Finance Minister, Mr. Hume Dalton told the reporter of the Evening Star, who was smoking cigarette that today he might smoke as many cigarettes as he could because from next day that would be costlier. Having heard this, the reporter at once went to his office and reported in the paper that the tax on the tobacco was going to be increased and the cigarette would be costlier. The Minister had to resign on account of this as he had leaked the budget. Following this tradition, our Finance Minister should also resign.

The Minister of Finance had promised to provide Rs. 10 thousand crore for the revival of sick units but only Rs. 250 crore were allocated. In the event of disinvestment of the public sector undertaking big business houses purchase the shares that further increase the loss of the company. Presently, almost all the profit making industries have been disinvested and loss making industries stand closed. It is not proper.

The Government of India had given counter guarantee to Enron. The financial condition of the Maharashtra Government is in bad shape. The consumers would have to pay for electricity at the rate of Rs. 7.75 per unit. You should nullify your agreement with Enron.

Recently, it was published in the newspaper that the big business houses have praised the budget but today

the farmers, workers and the tribal people are starving. The Minister of Finance did not think about them. Just now, one hon. Member was praising the budget, however, I do not find anything worth praising in the budget. The poor people continued to become poorer and rich people become richer. So I condemn the budget in strongest term. I demand that the hon. Minister should resign.

16.00 hrs.

SHRI DEVENDRA PRASAD YADAV (Jhanjharpur): Madam, I would like to express my views in brief and would like that the hon. Minister should remove my doubts regarding the budget while making reply to the questions. It is commendable that the hon. Finance Minister has made efforts to provide several benefits to the farmers like the insurance of the farmers and removing the dearth of capital for the farmers and has also made a provision of Rs. 78 crore in the budget for the loan for cold storage. But the attention has not been paid to the basic needs of the farmers as it should have been done. More and more priority should be given to the economic growth in the budget. It is the main concern about the budget. There is no mention of any long term scheme for protecting the farmer from drought and the flood. No special attention has been paid towards this that the farmers may get the remunerative price to their products whether it is sugarcane or wheat or paddy or oil seeds or pulses or any other commercial crops.

Madam, very little efforts have been made to discourage the imports of the agriculture products coming in the country while no apparent measures have been taken in the budget to protect the farmers from the provisions of the WTO. The first phase of 1991-2000 is over and there is no mention as to what are the future prospects in the coming second phase 2001-2010. Before this only it is mentioned that the process of liberalisation will be taken up seriously in the second phase. What has to be done? The first phase elapsed without any substantial achievement, what was done? There was a decline in the agricultural productivity. I am not telling this, rather it has been indicated in the economic survey. Since there is lack of time so I will not go in detail, however, it is a fact that the agricultural productivity has declined. Similarly, there is decline in the prices of the agricultural products. It is a fact that the farmers are not getting the remunerative prices for their products whether it is wheat, rice or sugarcane. The price of manufactured goods have increased. It is fact that we are coalition partner of the NDA Government and extending our support to them and are equally responsible for the deeds but if such things happen then history will never forgive us.

[Shri Devendra Prasad Yadav]

Madam, the price of the tractor is increasing. The prices of the agricultural equipment used by the farmers are increasing. The prices of all the manufactured goods are increasing, whether it is fertiliser or pesticides which are used by the farmers, its prices are increasing. The cost price of the agricultural products are increasing while the price of the farmers produces like wheat, sugarcane, paddy, oil seeds, pulses and commercial crops are constantly declining. The farmers are being exploited on all accounts. The tax on irrigation is increasing. The area where the irrigation facilities is not available, the farmers have to irrigate it on its own. The agricultural production of the farmers have declined which is evident. I would like to present the actual position as it will take time to give facts and figures in this regard. It is due to the poor conditions of the agriculture that agricultural labourers are migrating to the urban areas in search of job opportunities. The agriculture labourers are migrating in large number from the villages. Whether the Government have any plan to check this trend?

Madam, I would like to ask the hon. Minister of Finance whether there is any coordination between the agriculture policy and the industrial policy and what is reason of reduction in the CD ratio? I would like to explain it with the help of an example of a State. By the way I have data of CD ratio of all the States however, I would not like to take more time of the House in explaining those figures. The House must aware of the fact whether the Government is increasing the investment or decreasing the investment.

I would like to tell that the investment in Bihar is being decreased and there is only 12 per cent investment in the agriculture sector for the entire country. It is amazing. While the investment is only 12 per cent, 20 crore people are engaged in agricultural activities. It has not been stated in the budget by the hon. Minister of Finance rather it has been clarified in the Agriculture policy. 76 per cent people of the country are directly or indirectly engaged in the agriculture sector. Now the definition of the BPL has become common and it seems that attention has not been paid to this definition in the National Agriculture Policy.

Madam, just now, I was telling about the bank. The CD ratio of bank in Bihar has come down to 24 per cent only. It is a different thing that as per the guidelines of the RBI, more and more investment should be made in the remote and backward areas but that ratio has been left to 24 per cent only. Earlier, it was decided that it should be in the ratio of 60 and 40 and as per that out of the total deposit in the State, 60 per cent will be given to the State concerned but only 24 per cent was

given to them. I would like to ask the hon. Finance Minister whether it will not adversely affect the people of Bihar. I feel that whether it is Bihar or any other State, its economy will be shattered.

Hon. Finance Minister has rightly stated that it will be the second phase of Budget. The shadow of National Agriculture Policy is clearly visible in second phase of the Budget. I am saying this because agriculture policy has also emphasized on these points. First is that agriculture should also be given the status of industry, which will affect our conventional system of agriculture. Secondly, while giving the status of industry to agriculture, it will need a huge investment of capital for which multi-national companies will be invited and local and private investment will be reduced.

Madam, Chairperson, hon. Finance Minister hails from my State. He is a wise person. He uses his wisdom and discretion while taking decisions. Therefore, I would like to request him that investment by multinational will lead to intrusion of capitalists in agriculture sector. After independence agriculture was the only sector where capitalists could not enter and till now we were able to talk about our self-reliance and sovereignty but now it would not be possible. Now only the affects of WTO will be discussed. Whatever I am saying is based on facts. That's why I am mentioning these facts.

Madam, the third point is about technological development in the agriculture sector. The word technological development has been coined very wisely. It is a very good technique to capture the agriculture sector. Media people give emphasis on technological development in the country. However, the country has witnessed its consequences in the form of 'Tehelka'. This is the ill effect of technology development. We are not against the technology development but it should be in a right manner. The present era of information technology should be developed in such a way that there is full transparency in Government System. Why the Government feel so disturbed when such a transparency emerged before the public in Tehelka episode? A new era will emerged and a way out will have to be found to maintain the prestige, dignity and sovereignty of the country.

Madam, will multi-national companies not enter our country in the name of technological development in agriculture sector. I would have liked to speak about it in detail but there is shortage of time. I just want to say that, hon. Food Minister is present in the House. A foreign company named 'Cargil' is trying to capture the entire stock of foodgrains of our country.

I am talking about a foreign multinational company. There is shortage of time otherwise I would have discussed the manner in which foreign companies are affecting our industries...*(Interruptions)*. Leave it now. I would not speak on it here in the House, rather I would raise it in Standing Committee. I know my limits. In the above mentioned context, I would like to state that the current budget should be analysed in this perspective. The current budget emphasized only on two points. One is how to provide capital to the farmers. That means, to promote the contract system and corporate farming. There is no need to analyse it. Though a discussion has been held in detail on it and a logic will be given in this regard, but I do not want to go into that. I talk simple things as I am not an intellectual. I talk about villages. Secondly, special emphasis has been given in the budget to promote the export of agriculture commodities. How should it be compensated? It is being stated that by lifting the quantitative restriction, exports will be promoted. Export will be promoted in such a manner that our farmer will be able to compete in international market. But developed countries of the world provide so much subsidy, directly or indirectly, to the agriculture sector that our farmers can never compete in international exports. On the other side, imports are also affecting them. I would like to cite an example in this regard. At present, quantitative restriction has been lifted from 1429, sensitive commodities which include agriculture commodities textile etc. This policy was adopted in 1991 during the regime of Shri Narsimha Rao. GATT agreement was also signed at that time.

I would like to suggest the hon. Finance Minister that anti-dumping duty should be imposed in our country to protect the farmers and their produce. Arrangements should be made for close monitoring to save our country from becoming the dumping ground. Therefore, anti-dumping duty should be imposed so that our country may not be used as a dumping ground for foreign foodgrains. Countervailing duty should be imposed and effective and regular monitoring should be done so that such goods may not enter our country, which would result in losses to our farmers. At present support price for wheat has been fixed at Rs. 610 per qu. though in the international market, it has been fixed at Rs. 400—450 per qu. It will not have much effect. Therefore, some special provisions or some safety provisions should be brought for the protection of farmers. I want to say this because just now he has mentioned that import duty on Soyabean is 45 per cent. As per the ceiling fixed by WTO, import duty has to be fixed at 45 per cent. In case of other commodities, import duty has been fixed, 80-90 and even at 170 also, but in case of Soyabean,

bound restriction of WTO had to be observed. Even though there is an emergent provision, can it not be raised at world forum because Soyabean is protein rich diet. The way women and children in our country are victim of malnutrition, we should promote its farming and import duty on Soyabean should be raised by more than 45 per cent.

MR. CHAIRMAN: Due to this competition, all units of Soyabean have been closed.

SHRI DEVENDRA PRASAD YADAV: I would like to speak on two points. I will not take much time of the House, rather I will take only two minutes. I will sit down just now, if you order now, I would like to state that hon. Minister has very kindly announced in this budget to provide 55 per cent relaxation in import duty for the sick vanspati units. This announcement was made on 28th February, 2001 and on 1st March, 2001, the Revenue Department issued the notification regarding this relaxation. After 15 days, guidelines were formulated by Directorate of Vanaspati on 16th March. However, these guidelines are very ambiguous. SICA was formed to define the sick industry but outside the purview of SICA, some stringent guidelines were made like the iron fitted gate guidelines in a manner that no sick unit will get the chance to revive or receive any other concession. Therefore, hon. Minister should consider this also.

Regarding BPL, I would like to state that this subject pertains to the Planning Commission. Hon. Finance Minister does not make estimates for BPL. This job is assigned to the Planning Commission. Planning Commission is more capable but how we will understand the estimates prepared by the Planning Commission. A national sample survey was held in 1993-94 through Lakadwala expert Committee which reported that the estimated percentage of BPL in the country was 35.97 per cent. Approximately 32 crore people are living below poverty line in this country. After 1994 till 1996-97, the Department used these estimates. Within 2 to 2½ years the percentage of people living below poverty line magically reduced from 36 to 26 per cent. How much poverty alleviation took place? Have the poor people been able to get the 2400 calories food? Are the poor people getting adequate employment opportunities and has their purchasing power been enhanced? How these statistical figures were changed by adopting new standards? I fail to understand how the Planning Commission reduced the figures from 36 per cent to 26 per cent when poverty could not be alleviated, employment opportunities were not generated and the purchasing power of the poor people...*(Interruptions)*

MR. CHAIRMAN: I have also said that criteria has been changed.

SHRI DEVENDRA PRASAD YADAV: I think it should be considered again, otherwise a commission should be set up on the issue of fraud committed against poor people by the Planning Commission.

DR. RAGHUVANSH PRASAD SINGH (Vaishali): Mr. Chairman, Sir, Devendraji was talking about BPL. What is the use of speaking when there is no one in the House eager to listen and to think over what you are saying?

SHRI DEVENDRA PRASAD YADAV: In the same way, you have no value and listeners in Bihar...*(Interruptions)*

DR. RAGHUVANSH PRASAD SINGH: We are against the Finance Bill presented in the House when initially the budget was introduced, it seemed that "Jhamar Jhoomar Mein Reejhe Re Duniya" i.e. the Government has drafted a very good budget. However, the truth about the budget has been revealed now. No section of society in the country except the capitalists and the multinational companies is happy with the budget. I would like to know from the Finance Minister as to why there is no mention of unemployment in the Budget. It was mentioned in the agenda of the NDA Government that unemployment will be removed but there is no mention about the measures to do away with unemployment in the Budget. The hon. Members do not read the contents and first start thumping the tables expressing their thanks. There is neither any vision nor any mention for removing the unemployment in this Budget. Are the service class happy over this Budget? The interest rate on their PF savings has been reduced. Almost every one is unhappy over the presentation of such a budget. Even the interest rate on savings in banks has been reduced. The common man used to manage this saving after a lot of efforts...*(Interruptions)*

MR. CHAIRMAN: Let him finish, hon. Minister has to reply.

DR. RAGHUVANSH PRASAD SINGH: This Government is against the interests of the farmers and the unemployed...*(Interruptions)* When the NDA Government assumed power, the hon. Minister used to say during his speech that we will double the production of foodgrains in ten years. However, the production has decreased by 110 lakh tonnes this year and it was reduced by 70 lakhs tonnes in the previous year. Is the trend towards the decrease in production or double increase. What is the reason behind it? Jaswant Yadavji

asks me to speak in favour of farmers. India today favours BJP, not our parties.

MR. CHAIRMAN: You do not disturb the House this way. This is not right. Raghuvansh Prasadji, you address the Chair.

DR. RAGHUVANSH PRASAD SINGH: It was on cover page. 'India Today' "Kheti Kare so Mare" What can be more saddening than the fact that the farmers are committing suicides during the regime of this Government for the Government in anti-farmer. This issue is discussed in the House but the Government is not ready to take any action in this matter. This Government serves the interests of the capitalists like Reliance only. Now talking about farmers...*(Interruptions)*

MR. CHAIRMAN: Don't dwell upon this issue.

DR. RAGHUVANSH PRASAD SINGH: Now I will talk about Bihar. You were asking about Bihar.

MR. CHAIRMAN: You do not need to address him, address the Chair.

DR. RAGHUVANSH PRASAD SINGH: During his replies on Budget speech previous year, when asked about reason for withholding of Rs. 500 crore allocated to Bihar under the item of Panchayati Raj, the hon. Finance Minister said that the Government will consider releasing the said amount of the State Government approach in this matter. Now the Panchyati elections have taken place ...*(Interruptions)*. Do the Union Government don't want to release that amount for Bihar? The State Government have also approached you in this regard...*(Interruptions)*

MR. CHAIRMAN: The hon. Minister is sitting here to give replies, why are you replying?

DR. RAGHUVANSH PRASAD SINGH: The Minister of Rural Development was saying that the funds were not released as Panchayat elections were not held in Bihar and no Zila Parishad body was constituted there. Only the funds for one year instead of five year were released. However, the funds for the four years were withheld by the Government owing to the mala fide intention the Union Government harbour against Bihar if analysed it will become evident that Government is not only anti-poor and anti-farmer but also anti-Bihar. The Government has been withholding Rs.500 crore allocated to Bihar and is not ready to release it....*(Interruptions)*

SHRI RAGHUNATH JHA (Gopalganj): It is the people of Bihar who are the part of the Government. How can they be the enemy of Bihar?

MR. CHAIRMAN: You address the Chair.

DR. RAGHUVANSH PRASAD SINGH: Those from Bihar who are the Ministers in this Government are socially ostracised from Bihar. They are serving their interests, not of Bihar. Neither are they providing justice to Bihar, otherwise even after the election we have 40 MPs out of 54. I am talking about the united Bihar including Jharkhand. The matter must be investigated for each department from every angle. The Minister of Agriculture from Bihar. An allocation of 5000 crore rupees for agriculture was made during the Ninth Year Plan. Bihar being equal to 1/10 of the country should have been allocated an amount of 500 crore rupees but an allocation of only 54 crore rupees was made out of which only 25 crore rupees have been received. The way, how can one prevent Bihar from becoming poor and more backward, if the Government of India do not give the due of Bihar and keep on doing injustice to it...*(Interruptions)*

AN HON. MEMBER: How much was made from the fodder scam?

MR. CHAIRMAN: You please sit down.

DR. RAGHUVANSH PRASAD SINGH: Bungling involving huge funds of money was done in the share scam, the hon. Prime Minister kept mum over PMO scam. Scam over scams like PMO scam, share scam, telephone scam, food grains scams are taking place and only Union Government is responsible for them.

MR. CHAIRMAN: You conclude.

DR. RAGHUVANSH PRASAD SINGH: It has been imposed through Tehelka episode that as to which of the Minister is corrupt to what extent let the debate over Tehelka take place, then I will expose that it is the Government of scams.

MR. CHAIRMAN: You conclude quickly and do not talk to them.

DR. RAGHUVANSH PRASAD SINGH: I want to raise the question of the plight and suffering being faced by the people of Bihar in the House which is the Supreme body for debate and want to reveal it here that 10 crore people of Bihar are not getting justice.

SHRI RAGHUNATH JHA: He is talking about Bihar. The hon. Minister of Finance also belongs to Bihar though now he belongs to Jharkhand. I would like to submit to him that he should soon announce to release the outstanding dues of Bihar.

DR. RAGHUVANSH PRASAD SINGH: The 500 crore rupees belong to both the States i.e. Bihar and Jharkhand.

MR. CHAIRMAN: You speak on budget.

DR. RAGHUVANSH PRASAD SINGH: Mr. Chairman Sir, if we look at the seventh, eighth and Ninth Five Year Plans, the cumulative sum of the denied share of allocations to Bihar comes to rupees ten thousand crore i.e. Bihar should have been given ten thousand crore rupees more as allocation covering this entire period of these three five Years Plan.

DR. JASWANT SINGH YADAV (Alwar): Though he talks about farmer, he has remained confined to the issue of Bihar alone.

DR. RAGHUVANSH PRASAD SINGH: Bihar has suffered a loss of ten thousand crore rupees. The Government of India have denied its share to Bihar. Government of India owes ten thousand crore rupees to Bihar...*(Interruptions)*

MR. CHAIRMAN: You do not talk about Bihar, you are a very senior Member, you talk about Budget.

DR. RAGHUVANSH PRASAD SINGH: Bihar also owes a debt of ten thousand crore rupees to Government of India. As Bihar has been denied its share equivalent to ten thousand crores under the centrally sponsored schemes of seventh, eighth and Ninth Five Year Plans, I demand from the Government to write off this amount. You do not have to spend anything to do so. The MPs of the treasury benches should support it...*(Interruptions)*. Is there anyone to associate himself with me...*(Interruptions)*. Keeping in view the criteria of economic indicators for providing special status to the States, this Government should ponder over the possibility of including Bihar in this category of States on the ground of its limited resources of revenue earnings. Two third of our total resources have gone to Jharkhand. Hence I demand to provide special status to Bihar on the lines of Jharkhand by examining the applicability of economic indicators or Bihar will remain a crisis ridden State and its people will keep on facing the problems...*(Interruptions)*

SHRI PRAKASH PARANJPE: If Bihar gets the funds, will you support the Budget?

MR. CHAIRMAN: You resume your seat, why are your disturbing him.

SHRI RAGHUNATH JHA: I want the information from the hon. Finance Minister.

MR. CHAIRMAN: You talk to the Finance Minister. Raghuvansh Prasad Singhji, now you conclude.

DR. RAGHUVANSH PRASAD SINGH: Now, Yadavji was asking me to speak about the farmers.

MR. CHAIRMAN: You have said a lot about the farmers.

DR. RAGHUVANSH PRASAD SINGH: Surplus production of wheat took place in five States the procurement of wheat takes place in all the States except Bihar. How can it take place this time when it has never been taken place in the past. Not even one sixth of the 43 lakh tonnes of wheat produced in Bihar was procured. One crore and 23 lakh tonnes of paddy was also produced in Bihar.

Farmers were compelled to sell half of their produce. The traders did hoard the rice by transporting it to other States. However, only a negligible amount of 8 thousand crores tonnes rice was procured in Bihar out of total production of one crore twenty three lakh tonnes. This Government is indulging in such kind of partisan behaviour against Bihar and is doing great injustice to the farmers of Bihar. The farmers from Kerala to Bihar producing coconut, oil crops, foodgrains, fruits and vegetables have been facing the onslaught of the WTO regime. This Government has failed to take measures for protecting the farmers and the small scale industries from becoming the victims of WTO provisions and still claim that they are poor...*(Interruptions)*

[Translation]

MR. CHAIRMAN: Your time is over. Now you please conclude your speech.

DR. RAGHUVANSH PRASAD SINGH: Is there anyone who can give reply to any of my questions. The people who are living below poverty line are getting wheat at the rate of Rs. 4.50 per kilogram under PDS...*(Interruptions)*. The Government is selling the wheat to the traders at a rate of Rs. 4.15 in the name of exporting it while the people living below poverty line are getting this wheat at the rate of Rs. 4.50...*(Interruptions)*. A confused ruler, a chaotic state...*(Interruptions)*. And the Government says that it will export wheat...*(Interruptions)*.

Is there anyone who can give reply to my question...*(Interruptions)*. We have not seen so much lawlessness. The Government is running Antodaya Scheme. In our country 6 crore families are living below poverty line...*(Interruptions)*. The Government have instructed to identify the poorest 1 crore out of these 6 crore families. How will they do it? The poor are being looted. Injustice is being done to the poor people therefore we are against this kind of Finance Bill and this Bill should not be passed. Since this budget is anti-farmer, anti-poor, and no section of society is happy with it...*(Interruptions)*

MR. CHAIRMAN: Time is running out, now you please conclude.

...*(Interruptions)*

SHRI RAGHUNATH JHA: Sir, hon. Minister of Finance is present here. An estimated amount of Rs. One lakh crore lies deposited in Swiss Bank, the Banks of Nepal, UAE, USA and other countries in the shape of black money. The long list of such affluent people who have accumulated a huge amount of black money by having nexus with international criminals, drug paddlers and arms dealers include the names of many industrialists, mafia groups and officials who took advantage of the lacunae present in our system by indulging in tax evasion, corruption, misappropriation and embezzlement. I would like to ask the hon. Finance Minister whether he has taken any step to check this menace and whether the Government has any knowledge in this regard.

I would be grateful if the Government give reply in this regard.

SHRI RAMANAND SINGH (Satna): Madam Chairperson, I rise to support the Finance Bill presented by hon. Minister of Finance. When the Finance Minister presented this year's budget, the country was faced with adverse situation. Gujarat was hit by earthquake, while Orissa had already suffered an unprecedented tragedy and the other parts of the country were reeling under a drought situation and besides these the country is also under the debt burden of Rs. 13 lakh crores.

We started obtaining loans from seventh decade. We are giving 69 per cent of our total revenue as interest to the World Bank. Despite all such odds, the Budget presented by the Finance Minister has been welcomed by almost all sections of the society. I am happy that the Congress Party, which is the opposition party, has also not said anything against this budget. Though the opposition, whose job is to criticise the Government, has

done so but on the whole they have welcomed the Budget presented by the Finance Minister. The Budgetary provision for rural development has been enhanced from Rs. 4500 crore to Rs. 5000 crore. Similarly, NABARD has reduced the interest rate from 11.5 per cent to 10.5 per cent for farmers. It has also been proposed to provide credit cards to all the farmers during the next three years. Arrangements have also been made to provide loans for cold storages at the rate of 5 per cent interest in rural areas. The hon. Finance Minister has announced to set up agro-clinic centres for agriculture graduates. Rs. 700 crore have been provided for Dhar Water Management for Eastern India. 32 crore rupees have been allocated for the development of horticulture in North East. An announcement of Rs. 2500 crore has been made to link the villages of India with roads. Besides he has said that the Government proposes to connect the villages, having more than 1000 population, with roads by the end of 2003 and those having population of 500 or below by the end of 2007. I would like to request the hon. Finance Minister to ensure the participation of MPs in provisions made by him for rural roads and rural development. The reason is that the States are governed by the parties other than those who were ruling in the centre and they have their own problems. Secondly, the State Governments spend the money of one head under another head. The hon. Member Chennithalaji had also expressed his views over the resolution presented in the House in this regard. It is very unfortunate that only 56 per cent of the total funds allocated for rural development are being spent. My friend was saying that the outstanding amount should be given to Bihar...*(Interruptions)*. I am supporting your point. In Bihar, Panchayati Raj elections were held very late. It is a different thing that violence is taking place there, violence takes place in other States also. Elections should be held properly and the powers should be given to Panchayats however centralisation of power is wrong. I hope that the subsequent Government will pay attention towards the rural development for which initiative is already taken. Likewise, there is a need of rural electrification. Not to speak of States even Delhi is facing electricity crisis. The Government have made provision of Rs. 750 crores for rural electrification. We accept that the provision made for rural electrification is far less and there is need to enhance it. The Government have given an assurance to provide electricity in 80,000 villages during next 6 years. We hope that the Government of India will be successful in achieving its target with the cooperation of State Governments and State Electricity Boards. You have given an assurance to provide electricity in SC and ST regions and reconstitution of State Electricity Boards. We hope that the Government will take effective steps in this direction.

You have said that the participation of States should be ensured in the management, procurement and distribution of foodgrains but it is my experience that this system may fail in many States. In many regions the foodgrain supply is not able to reach as black marketing takes place in cities. Therefore, I would like to say that the Foodgrain Distribution Committees should be constituted in which participation of SC, ST and poor people should be ensured. Not only the sarpanch of Gram Panchayats but also the sarpanch of Gram Sabhas should be taken into confidence and should be given powers. In spite of all these problems, out of total budget of Rs. 3,75,323, the hon. Finance Minister has provided 1 lakh 100 crore for plan expenditure and the remaining amount for non-plan expenditure. The Government have increased 16 per cent amount in the budget for the schemes of Union Territories which is only 13,862 crores...*(Interruptions)*

Hon. Minister, Sir, it is a matter of concern that the country is heavily indebted...*(Interruptions)*. I am not blaming any particular State Government for this but it is a fact that the large amount of debt has been taken in the name of building infrastructure but so far nothing has been accomplished in this regard. I only want that these funds should be spent for building infrastructure and that the country should be self-sufficient.

Hon'ble Minister, I am definitely affiliated to your party but I am very much worried about this fact that unemployed persons have not been taken care of in the budget, though you have declared in your election manifesto to provide employment to one crore unemployed persons. But no provision has been made for them in the budget...*(Interruptions)* You had promised to curtail government expenditure but this expenditure has increased this year as compared to the last year. Gandhiji's statue has been installed in front of the House and I would like that the Government should encourage measures of austerity. The curtains used in Lok Sabha should be of Khadi handloom cloth. The expenditures with regard to Members of Parliament and Government employees is consistently increasing and this is required to be controlled. The subsidy should be diverted for some constructive works and it should be spent on productive works and for construction of ponds and canals. The subsidy should be utilized for making provision of drinking water and on developmental works. I am not for providing subsidy to the farmers having tractors but for marginal farmers. The farmers are the backbone of this country's economy and what you are doing for them in this budget. I would like that the Hon'ble Minister of Finance to formulate a policy for poor and marginal farmers and

[Shri Ramanand Singh]

unemployed persons of this country and make provisions for them in the budget of forthcoming years.

With these words, I welcome the budget presented by Hon'ble Minister of Finance and hope that he will assure of fulfilling these demands in his reply to this debate on the budget.

...(Interruptions)

[English]

MR. CHAIRMAN: If you disturb, I cannot call you please.

SHRI PAWAN KUMAR BANSAL (Chandigarh): Madam Chairperson, when the hon. Finance Minister presented this year's Budget, he earned encomiums from the industry chieftains. Lavish praise was showered on him. The Budget was hailed as a wonder Budget. But the very next day, that euphoria began to dissipate as more and more people began to come to terms with the fine print of his Finance Bill. By this day, the intervening events have rather exposed the hon. Finance Minister's proclaimed determination "to put an end to a system where pressure groups or lobbies could influence decision making."

By now it is regrettably clear that the Government has rather abdicated its role in economic development. The financial proposals of the Government may have cheered the big industrialists, but they have sapped the vitality of the small and the medium industry, besides crushing the common man.

Madam, lakhs of people have been completely ruined and many have even been driven to commit suicide as a result of the stock market crash. This scam has been of unprecedented magnitude. Yet, the government continues to bask in the glory of complacency. It continues to praise itself, to sing itself and if we remind the Government of its declaration to set up a Joint Parliamentary Committee to probe into the scam, an impression is given as if we are guilty of blasphemy.

There is widespread disillusionment and dissatisfaction all around. One does not have to labour hard to see the deep-rooted pro-rich and anti-poor bias in the Government's fiscal policy. To secure nine of ten marks from the captains of industry, Shri Yashwant Sinha has forsaken the common man. There is a cut in the exercise duty on cars while the poor cannot afford even a bicycle. There is a cut on the duty on glazed tiles which adorn the bathrooms of the rich while the poor are forced to defecate in the open. I also cannot understand the reason

for reduction in customs duty on gold. Is this the priority concern of the Government? I would like to know from the hon. Minister.

The country today is faced with a host of problems. But there is no indication at all whether the Government is capable of coming to grips with the same. The growth rate is declining, the fiscal deficit continues to bedevil our fiscal management, non-generation of employment is discouraging, the stock market has crashed, scams are unfolding and there is no apparent desire to fight corruption. There is misuse of MODVAT. There are whopping non-performing assets of the banks. All this, perhaps, does not worry the Government.

In his financial proposals, the hon. Minister is silent about evasion of taxes and black money. According to a study, black money in the country is about 40 per cent of the GDP which comes to about Rs. 8,000 crore per annum. Nothing has been attempted to strengthen the provisions of the Income-tax Act for tackling the black money.

The exemption limit on interest earned for TDS has been brought to Rs. 2,500. This will put pensioners, clerks and others with limited means of income under the TDS, though they may not be covered by the income-tax net. This will certainly hurt the genuine non-assessees.

The hon. Minister has taxed every conceivable service, including small-time photography and videography, without appreciating the hassles which petty self-employed persons will have to face at the hands of corrupt excise officials. I do not question the need to broaden the tax base. Efforts have got to be made to encourage people to pay taxes voluntarily. But, at the same time, taxation should not be punitive or unbearable.

Today, the sum total of taxes which the common man — I repeat the common man-pays as the percentage of his total earnings is much more than what the rich man pays. Therefore, there is merit in the demand to raise the income-tax exemption limit to Rs one lakh. A person earning this amount finds it extremely difficult to support his family to provide them food, clothing, shelter, education and medical care.

When he already pays taxes in many other forms, he should at least be exempted from income tax. Madam, I have sent a notice for an amendment to this effect to the Schedule of the Finance Bill. I would urge the hon. Minister to accept this and accordingly incorporate the consequent changes, wherever necessary. The loss on

this account can be made good through an efficient administration.

I did want to refer to quite a few matters, but I am conscious of the time constraint. So, to conclude, I would only say that look from any angle you wish at the financial proposals of the Minister, the approach of the Government is nothing but disappointing. Therefore, it is difficult to support the Bill.

MR. CHAIRMAN: The Minister has to reply.

...(Interruptions)

SHRI PRAVIN RASHTRAPAL (Patan): Madam, the discussion was to start at 12.30 p.m. It started only at 1.15 p.m. You cannot curtail the time of the Members to speak on the Budget.

MR. CHAIRMAN: I have not curtailed anybody's time. We have exceeded the time. Time from 4.30 p.m. to 5.00 p.m. is extra time.

...(Interruptions)

SHRI PRAVIN RASHTRAPAL: From our side, five names were given, but five Members have not spoken. I want to speak...(Interruptions)

MR. CHAIRMAN: I am sorry. I can only stick to the time given to each Party and not the numbers. Three people have spoken.

[Translation]

SHRI RAMDAS ATHAWALE (Pandharpur): Hon'ble Chairman, Sir, the budget for this year presented in the House is the budget which will turn a poor poorer and a rich richer. This budget should have provided for some mechanism to scale down the black money. It is the need of the hour. You have been in power for three years. As per data presented by you, only 26 per cent people out of 100 crore population of this nation fall under BPL. Given the 100 crore population, this data is incorrect. As per my data at least 50 crore people are living below poverty line in this country. They require upliftment, but Yashwant Sinhaji, neither your government nor this finance bill is empowered enough to uplift these people. Today, rich people are making money by wrong means. These people should be brought to book but you cannot do it alone. It requires us to replace you and only then they can be exposed. Yashwant Sinha Saheb, I have come here to awaken the entire nation against your

budget and I am going to oust your Government now itself. I have come here to ensure the peaceful conduct of business of the House and now I am going to see your Government going down. Yashwant Sinha Saheb, alone you can do nothing. I am aware that you have sympathy for the poor of this country but Advaniji and your other allies are not supporting you. This is the cause of your discomfort and since you are sitting in treasury benches, therefore, we are also uncomfortable. This is how the business is going on. Yashwant Sinha ji, if the poor of this country are not provided with shelter then you can't reach your destination. Pramod Mahajanji, if the poor and dalits of this country do not get food then we shall show you the door in the ensuing elections. I would like to say that this budget should make suitable provision of funds for scheduled castes and scheduled tribes under special component plan, keeping in view their population. I have already mentioned this point. Hon'ble Prime Minister has given assurance in this regard but this Finance Bill does not have any such provision. Therefore, I would like that there is a need to make provision for scheduled castes, scheduled tribes and people living below poverty line in both the budgets i.e. central and State as well. I would like to know from the hon'ble Minister of Finance what he is doing for this?

MR. CHAIRMAN: Sinha Saheb is preparing reply.

SHRI RAMDAS ATHAWALE: I know what he is going to reply but whether I would get the reply to my question or not?

MR. CHAIRMAN: You will get reply to all your questions.

SHRI RAMDAS ATHAWALE: Mr. Chairman, Sir, I oppose the Finance Bill presented in the House because it is against the interest of the poor. If your Government remains in power, then I request you to present a better budget in ensuing year and if not then I would tell you as to how to present a better Bill.

[English]

SHRI P.C. THOMAS (Muvattupuzha): Madam Chairman, due to paucity of time, I shall only make a few points.

One is, the customs duty on cocoa has not been increased and as a result a lot of people, small and marginal growers of cocoa, are put in great difficulty. Big companies like Nestle and Cadbury are making huge profits. They are getting Rs. 400 per kilogram of chocolate.

[Shri P.C. Thomas]

whereas the farmer is getting only Rs. 30 or Rs. 38. They are importing large quantities. Therefore, the import duty must be higher for cocoa.

Another point is with regard to rubberised coir. As you know, coir is produced from the husk of the coconut. It is actually thrown out, but now it is being used in a very big way. A lot of employment has been created because of this. Therefore, I would like to submit that the four per cent excise duty imposed on coir and rubber, which are purely agro-based industries, should be withdrawn. Here also, a lot of employment is being created, and it is an eco-friendly industry.

Thirdly, the industry that produces rubber threads in India is also facing a lot of problems. One aspect which you have to revise is with regard to the excise duty which has been imposed.

The next point is with regard to caprolactam which is a product of FACT, which is one of the largest public undertakings in which some life has to be infused. The import duty on caprolactam, which has been reduced, may have to be increased to safeguard the interests of the domestic industry, which is doing very well and which has to be helped in other ways also.

Another point is with regard to excise duty on tea and coffee. The growers of tea and coffee are in great difficulty. Therefore, the excise duty which has been imposed on tea must be withdrawn.

I am only making the points because of paucity of time.

With regard to footwear, I would submit that the footwear worn by normal people, workers and poor people, costs between Rs. 40 and Rs. 125. I would submit that this labour-oriented industry must be saved.

17.00 hrs.

Madam, I would now like to refer to the sick *vanaspati* units. We already have brought this point to the notice of the hon. Finance Minister...*(Interruptions)* Shri Balu, I would just require one minute. This is a very important point

MR. CHAIRMAN: Shri Baalu, he wants the hon. Finance Minister to listen to him.

...*(Interruptions)*

SHRI P.C. THOMAS: Sir, the *vanaspati* units have been given a special consideration. It is a good thing if the Government is trying to boost the sick units. The crude palm oil import is the basis of the crisis in the coconut and other edible oil industry. Now, 75 per cent import duty has been imposed on this. Our submission, on behalf of the farmers, would be that the import duty should be hiked. A reduction in the import duty has been proposed for the sick *vanaspati* units. This, I am sure, would be mis-utilised. It would be good if the sick units could be helped in some other ways. But reducing the import duty for them may not be right step. I think, it would result in large scale import.

Madam, there are many pensioners who have been affected as a result of the reduction in the interest rate to 9.5 per cent in the Provident Fund.

Madam, there is a new provision in the Finance Bill — I think, in clause V — in regard to the charitable institutions...*(Interruptions)*

MR. CHAIRMAN: Order please.

SHRI P.C. THOMAS: I would like to submit that it has been proposed that if the turnover of a charitable institution or a NGO is more than Rs. 10 lakh, then it has to publish it in the newspapers. My point is that if you are asking them to publish it in the newspapers, then that would be a burden on many of the NGOs and charitable institutions that are doing a good job. There should be transparency but to say that they should advertise in the newspapers would be too harsh on them. If at all you have to persist with it, then you must help them to get it published in the newspapers. The limit of Rs. 10 lakh is a meagre amount and Government should re-think on this aspect. There are many charitable organisations in the country that are rendering a yeomen's service to the society.

Madam, my next point is on rubber. India is producing rubber in larger quantities...*(Interruptions)*

MR. CHAIRMAN: Hon. Members, I think, you are not being fair to the Member who is speaking. Please have some patience to listen to him.

SHRI P.C. THOMAS: Madam, one lakh seventy thousand tonnes of rubber are in excess. Now the only way to help the natural rubber growers — of whom 90 per cent are very small and marginal farmers and who are facing the threat of a lowered price from Rs. 70 per kilogram to Rs. 22 — is to make a hike in the duty on

the import of rubber. I think, the hon. Finance Minister would have to do something about it. But that has not been done in this Budget. The import duty on rubber is 25 per cent. I know the hon. Finance Minister would say that it cannot be hiked because of the restrictions of the WTO at this stage. But I would like to submit that the excise duty on many of the rubber manufactured goods using rubber latex — which are from our agricultural produce — should be revised. That would give a boost to the big industries as well as to the small manufacturers.

I would submit that this matter has to be taken up at the WTO, if necessary. I say this because this is an agricultural produce but this has been mentioned, unfortunately, as a commercial produce. How can rubber which is planted by a small farmer, which becomes ripe after seven years only, be treated as a commercial produce? Latex is extracted from the rubber tree after the labourer puts in hard work. It is a poor labourer's output. So, this issue should be taken up wherever necessary. It should be ensured that it is treated as an agricultural produce on record also. The import duty should be hiked on this. We have a grave threat of large-scale imports, bearing zero duty or half duty, from SAARC countries and Sri Lanka. This issue also has to be taken up. There are provisions for taking up such matters with the concerned country when the domestic production is affected. As far as coconut and rubber are concerned, I would request the hon. Minister to do something. I hope that he would do something immediately in this Finance Bill, in the Budget, and also in the steps that he is going to take, to save the farmers.

My last point is with regard to under-invoicing. Under-invoicing is something which is taking place in regard to all imports. In many cases imports are going on without the real price being stated. In case of imports of the produces that are not produced in India at all, the Finance Ministry officials have allowed under-invoicing. For example, poppy is not produced in India at all. In some cases of poppy imports, even after showing the price correctly and after providing evidence, the officials say that the price is not correct. They say that the import is under-invoiced and, therefore, the imported material cannot be taken delivery of. This is with regard to a produce which is not produced in India. However, with regard to those produces which are being produced in India, many of the officials of the Revenue Department are not much eager to see that illegal imports do not take place. I would request the hon. Minister to give specific instructions to the concerned officials in this regard.

[Translation]

SHRI RATILAL KALIDAS VARMA (Dhandhuka): Hon'ble Minister has sent a wave of happiness among all the sections of Indian people by preparing a growth and progress oriented budget. In my opinion this budget is capable and impartial. This budget is also opening new horizons of hopes. The budget presented in the House contains many facilities related to agriculture and farming sector which safeguards the interests of the farmers. Therefore, I congratulate hon'ble Minister of Finance for this. Hon'ble Minister has tried to carry forward the reforms going on in the economic sector and market. Till now all Finance Ministers have been exercising their discretionary powers and granting rebates in custom duty in order to benefit the others. But this time Hon'ble Minister of Finance has prepared a budget giving goodbye to his discretionary powers and thus saving crores of rupees to the exchequer for which he must be appreciated. I hope that he will continue to save in the same way in future also. In addition to this, he has made provision for harsh punishment to those who don't pay taxes. This will result as a deterrent to the tax evaders and thus reduce their number. By reducing excise duty to 8 per cent on cotton yarn, cooking gas, kerosene oil and diesel engines upto 10 horse powers and reducing cost of pickles, juice and sauces etc. and giving tax rebate on flowers and vegetables, the Minister has given relief to the poor people. In addition to this, hon'ble Minister of Finance has tried to keep peace at homes as he took care of women in the budget which is also commendable.

The custom duty on gold has been reduced from Rs. 400 to 250 per ten grams. This will not only encourage the import of gold jewellery but also enable the Indian women to wear gold ornaments a bit more comfortably which are dearer to them even in comparison of their husbands.

This budget boosts the morale of armed forces of our country since their allocation has been increased. By making provision of allocation of Rs. 31773.16 crore the morale of the three arms of our armed forces namely Army, Airforce and Navy defending the frontiers of this country, has been boosted.

I would again congratulate the hon. Minister for levying 15 per cent surcharge on tobacco and pan masala since this will deter the people from using these intoxicants or will compel them to abandon smoking. Similarly the steps taken by the Minister to make our public healthy and powerful are evident enough to see our women and children a happy lot.

[Shri Ratilal Kalidas Varma]

17.12 hrs.

(Mr. DEPUTY SPEAKER *in the Chair*)

I would like to speak on Gujarat. Though a surcharge of two percent on income tax was imposed to mobilize the revenue for earthquake hit Gujarat, yet there is a need for more funds for Gujarat. There is need to construct lakhs of houses there. Though assistance from many countries have been received, people of Gujarat are hoping to get more assistance from Government of India. Gujarat is the leading State of the country in cooperative sector. People from the entire country used to visit Gujarat to closely observe the functioning of its cooperative sector. But a few days back a crisis was witnessed in Mahavpura Cooperative Bank. If this bank closed down, then it will prove a jolt for all the banks of cooperative sector in Gujarat. Hence it is necessary to keep it functional for which either financial assistance or bank guarantee has to be provided to it by the Government of India or the Reserve Bank of India.

Several minor irrigation projects are going on in Gujarat. Everywhere in Gujarat, scarcity of water is being felt. There is dearth of drinking water in many States of India, but Gujarat has done exemplary job in this regard by successful completing many minor irrigation projects. There is a village called Khopra in my constituency, Gaddha. The people throughout the country visit this village to see its irrigation projects. The network of these kinds of irrigation project, ponds, check-dams on rivers and nullahs should be prepared in the entire Gujarat Government. I hope that the Government of India will provide maximum financial assistance for doing so.

Today in the morning, the issue of the mortality among women during the delivery was raised. Gujarat Government have made a lot of efforts and succeeded in bringing a fall in the figures of mortality rates. Gujarat has proved number one in regard to welfare activities. I submit to the hon. Minister to encourage the health development activities in Gujarat by allocating more funds to it.

The ball bearing units having an annual turnover of 25 lakhs rupees have been exempted from paying excise duty. I request to raise this limit up to one crore rupees. The hon. Prime Minister has announced for providing relief to the SSI Units having an annual turnover of our crore rupees, up from the earlier level of 50 lakh rupees. I also request the Union Government to abolish the EXIM duty on the products of these units.

Custom duty should also be increased on Soda ash.

[English]

SHRI PRAVIN RASHTRAPAL (Patan): Mr. Deputy-Speaker, Sir, I thank you very much for allowing me to speak on the Union Budget. At the outset, through you, I want to ask pointed questions to the Union Finance Minister. Why is he misinforming and misdirecting the Indian Parliament for the last two years? My question is, why the actual and revised figures for 1999-00 and 2000-01 are not provided in this year's receipt Budget.

If not today, the answer may be given after seven days. I do not mind that but let Parliament be given the reasons.

If you refer to the figures in the Budget, right from 1997-98 to 2000-2001, for four particular items, that is, total import duties, total refunds of import duties, total duty drawbacks and net total import duties, the figures of 1997-98 and 1998-99 is the same. Even the revised figures for 1998-99 and 1999-2000 are the same and also the Budget figures for 1999-2000 and 2000-2001 are the same. How can there be the same figures in the column of refund, in the column of duty drawbacks, in the column of total import duties and also in the column of net total import duties? The hon. Minister of Finance may kindly reply to this specific question.

The Indian Finance Minister has glorified his own Budget in the last para of his speech:

"This is a Budget for carrying forward the second generation of economic reforms. This is a Budget for growth. This is a Budget for equity with efficiency. This is a Budget for a new deal to the people of India in the new millennium".

He has himself glorified the Budget but we know the results within two months from the presentation of his Budget. It is very easy to use the word 'people'. Even this House is called the 'House of People'. According to me 'people' are those who wait in the queues for buses, those who wait at the railway stations and even after purchasing tickets do not get their seats in the trains of the Indian Railways. They are the real people, the people residing in Gujarat, Rajasthan and Madhya Pradesh suffering out of droughts for the last two years, the people in the Indian villages who have no drinking water throughout the year. ...*(Interruptions)* We have ruled but not all over the country. You have also ruled some of the States. Please listen to me.

I have categorised the Indian people into different categories. They are the people residing in rural areas, the women, the children, the landless workers, the unemployed youth, the disabled particularly the blind, ex-Army *jawans*, war widows, other widows, aged people living all alone, those who earn their livelihood by carrying out the world's oldest profession of prostitution, the Scheduled Castes, the Scheduled Tribes and minorities and backward classes. These are the weaker sections of our society. I want to know from the hon. Minister of Finance what provision he has made in the Budget for these specific 14 categories of people, who are known as weaker sections of the society.

The Budget was no doubt welcomed by the industrialists, the NRIs and by those who conduct meetings in five-star hotels. I want to invite the attention of the Indian Finance Minister to para 52 of his Budget speech where he has taken the privilege to amend the Industrial Disputes Act, which is an Act passed by this Parliament. The limit of 100 workers has been raised to 1,000. He has given the power to the factory owners that they can lay off the factories without permission from the Government. He has taken this privilege. He has crossed the jurisdiction of the Ministry of Labour and in his Budget speech he has made a direct amendment.

When the banks were nationalised by Parliament, the Banking Service Recruitment Board was created because of the nationalisation of banks. In good olden days prior to nationalisation, every bank was a bank of a particular community. It was a bank of a particular State; it was a bank of a particular region.

If you go to the Bank of Baroda or to the Bank of Saurashtra, you will find that people from a particular caste or class or people from a particular region are getting jobs. If you go to Dena Bank, you will find that people from a particular community or a particular class or a region are getting employment. It was only after nationalisation that people belonging to various classes or castes or regions, through the Banking Service Recruitment Board, were getting an opportunity to enter the nationalised banks. What right has the Finance Minister got to give powers to the banks and the Indian Banks Association to make recruitment and to scrap the Banking Service Recruitment Board? We want a specific reply from the Indian Finance Minister.

Now, I want to only refer to the provisions made for important sector. Let us take the example of Department of Social Justice and Empowerment. The provision during the last year was Rs. 1,350 crore and this year also, the provision made is for Rs. 1,350 crore. It is not a single

rupee more nor a single rupee less. The bureaucrats have prepared the Budget. What was the provision made last year? It was the same figure. Let me inform the Indian Finance Minister that Shri Suraj Bhan who is a Governor appointed by the BJP has given a figure officially that in this country, there is a total of 46 crore acre of cultivable land lying vacant as wasteland. The Indian Finance Minister has provided only Rs. 1 crore for land reforms in this country. I want to know from the hon. Finance Minister, whether one can have land reforms in this country by having Rs. 1 crore only? The provision for this year is Rs. 1 crore; the provision for the last year also was Rs. 1 crore; the provision for the year before last was also Rs. 1 crore. I want an answer from the Indian Finance Minister. Why does the figure for land reform remained at Rs. 1 crore and why does the figure for the Department of Social Justice and Empowerment remained at Rs. 1350 crore?

My friend from Gujarat was asking for more money. Let me inform my friends in the BJP about the money given by the Government of India to the worst drought-hit and earthquake-affected people of Gujarat. Till date, the Government of India has given only Rs. 500 crore as *ad hoc* payment. It is not from the Prime Minister's Relief Fund and it is not from any other Head. It is given as *ad hoc* payment ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Please conclude.

...*(Interruptions)*

SHRI PRAVIN RASHTRAPAL: This is a very important point. An amount of Rs. 342 crore is given by the Rural Development Ministry. So, in all, an amount of Rs. 842 crore has been given to Gujarat. On the other hand, the BJP Government of Gujarat has given a written report to the Central Government that the total loss of public and private property in Gujarat on account of earthquake is worth Rs. 22,000 crore. But the Government of India of the same party has given only a pittance of Rs. 500 crore to the Government of Gujarat.

The Government of Gujarat has admitted that the figure of people who are dead is 20,000. The actual figure may be more. The Government of Gujarat has promised that the kith and kin of those who were killed will be paid a compensation of Rs. 1 lakh. I have got the figure. Out of these 20,000 who died three months ago, the Government of Gujarat has paid the compensation of Rs. 1 lakh to only 8,000 people. I want to know from the Government of Gujarat through the Government of India, why it is not paid to all those who died. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: Please conclude. The next speaker is Dr. B.B. Ramaiah.

SHRI PRAVIN RASHTRAPAL: I am concluding. ...*(Interruptions)* I want to make only one important item regarding Budget. ...*(Interruptions)* I will take only one minute.

The hon. Minister has imposed two per cent surcharge on account of Gujarat earthquake. I want to know from the hon. Minister, whether the amount of Rs. 13,00 crore, which will be collected because of this, will be transferred to the Government of Gujarat or it will be transferred only to the Natural Calamity Fund.

According to my information, the first instalment has already arrived. But that money has been transferred to Natural Calamity Fund. I, as a Member of Parliament from Gujarat, demand that the entire money which is collected in the name of Gujarat earthquake should be transferred directly to the Government of Gujarat and not to the Natural Calamity Fund.

DR. B.B. RAMAIAH (Eluru): Sir, first of all, I would like to thank the hon. Finance Minister for reducing surcharges on direct taxation and also for the relief that he has given in indirect taxation and dividend taxation. It is really a right direction in which he has moved. Not only that, he has also taken a right direction in the matter of interest rates of banks which has become an absolute necessity for this country to survive and to compete with the international market. Today, we are having competition. I feel that the growth rate should not be less than nine to ten per cent. I am sure that he would try to achieve that.

I have only a few items on which I would like to express my opinion. One is about agriculture. About 65 per cent of the people depend on agriculture in our country. They are producing the crops with great difficulty and hardship. In spite of that, they are able to produce substantial amount of agricultural products. Today, they are able to produce in surplus, whether it is rice or wheat or sugar. But what we need today is a proper price which is absolutely essential for them to survive and to improve their productivity and growth. I think the FCI should be able to procure aggressively and try to at least pay the minimum price fixed by the Government.

The main constraint that the FCI faces today is its godown capacity. For the last 10 years, we have not been able to expand our godown capacity. Production is going up. So, that is the main constraint. We should take some initiative and encourage more godowns to be built up.

For the agricultural production to survive we need cold storage. Today, in Karnataka tomatoes are sold at just half a rupee. The State Government is not able to do anything. I would say that the food processing industry should be encouraged so that we are able to make tomato ketch-ups, soup, juice and things like that. This is not the case with tomatoes only but with various other products. We have to see that the agriculture should be encouraged in different directions in order to see that the growth sustains in this country.

Today, the surplus production requires export support. We cannot export in the international market with our present price structure. We need to have some subsidy for export, as is the case in other countries. NABARD is giving substantial support for agricultural growth and I am very happy about it. Crop insurance has to be stabilised. Unless crop insurance is improved substantially, there will not be much agricultural development. Earlier we were giving a lot of support to drip irrigation but somehow this has not been working well now. This will not only save the water supply but also help in agricultural production. So, I am sure the hon. Minister takes this into consideration.

So far as the supply of essential commodities to common man is concerned, I would like to say that when production goes up, the prices come down. In order to make sure proper supply of essential commodities to common man, we need cold storage. I would also like to say a word about the infrastructure. This has become absolutely necessary for the agricultural growth and development. The power projects, roads, ports and the like things about which we have been thinking for the last ten years and still thinking, have not been able to come to the desired level. Unless we build up these things, we will not be able to achieve the desired growth. Today, both agriculture and industry are suffering because of the power problem and other transportation difficulties.

As far as the textile industry is concerned, it has suffered a lot after the recent Budget. This is one of the largest export earning sector which is earning more than Rs. 40,000 crore. I think, we have to do something for the textile industry. Tourism is a very encouraging industry in the world today. I am sure we should be able to give a little more thrust to this. I would also like to see the small scale sector grow, which is also earning export for the country. The excise duty has become a big problem. We should see that the small scale sector not only survives but also is made export-oriented. The major petrochemical industry is severely affected by the latest

liberalisation policy adopted by the Government. We have to protect it by whatever method we can; be it by increasing the excise duty or the anti-dumping duty or by giving excise duty concession.

The States are also finding it difficult to sustain their economy. The other day we discussed that minimum 33 per cent of the share be passed on to the States. I think it is very important. I hope the Finance Minister will take these things into consideration in the Finance Bill. The stock market is also affecting our control. SEBI should be strengthened substantially and given more power, otherwise, the stock market will affect the industrial growth and development.

MR. DEPUTY-SPEAKER: Now, the Finance Minister.

SHRIMATI SHYAMA SINGH (Aurangabad, Bihar): Sir, I may be allowed to speak ...*(Interruptions)*

SHRI MADHAVRAO SCINDIA (Guna): You should yield to the lady Member.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): I can even yield to you, Shri Scindia, if you ask.

SHRIMATI SHYAMA SINGH: I just wanted to ask the Finance Minister, through you, that in the Budget—we were reading out the other day—there was a provision for employment of one crore of people every year in this country, but instead of generating that one crore of employment in this country we have retrenched people through the voluntary retirement scheme. By thrashing out the public sector, most of the people employed in this country have been retrenched or unemployed. At the moment, India is facing two major problems of population and unemployment. I would like to know by which means and by what method the Minister is thinking of generating employment for one crore people every year.

Since the Minister comes from the State of Bihar, the other thing is important, till the other day he was also a part of us. Today, the maximum unemployment is perhaps in that State. We had a project which was conceptualised in 1989, known as the power project of Bihar. It was the only ray of hope for generating employment opportunities for the poor and the downtrodden. That project also has been shelved aside probably because we are not a part of the NDA Government.

Would the Minister take note of it and see to it that he does not have a partisan approach to a thing like the common man's future and, therefore, ensure that Bihar gets some employment and some industry? There should be some opening for the people of Bihar.

SHRI YASHWANT SINHA: Mr. Deputy Speaker, Sir, I am grateful to all the 19 Members, including the brief intervention by Shri Raghunath Jha, for their enormous and very substantial contributions to this debate on the Finance Bill. But before I come to the issues which have been raised, I would like to express my gratitude and

thanks to the hon. Speaker, to the hon. Leader of the House and to the hon. Leader of the Opposition for having made it possible for us to hold this discussion in this spirit. I think we will continue to transact the business in this House in the same manner in future.

Sir, this discussion was on the Finance Bill and as we all know, the Finance Bill contains the taxation proposals of the Budget. But perhaps because of the fact that we could not discuss the Budget in this House in the last part of the Session, hon. Members of this House have picked up issues which have a general bearing on the Budget that I have presented. There were a few Members, and I am particularly referring to Shri Paranjape, who discussed the taxation proposals in particular, which is what, as I said, the Finance Bill is all about.

I would like to take the fact that other Members did not spend much time on the discussion on the taxation proposals as an indication of the general acceptance of the taxation proposals of my Budget, cutting across party-lines in this House. But I would like to take a moment of your time in pointing out the basic philosophy which is behind the taxation proposals that we have enunciated in this year's Budget. As I had mentioned in my Budget speech, the moderate rate of taxes, simplification of taxation, doing away with exemptions and making the whole tax administration as friendly to the tax-payer as possible, were the guiding principles of my tax proposals. I have, in my introductory remarks while moving the Bill for consideration earlier this afternoon, suggested some changes. Those changes also, I believe, have been widely welcomed.

If you look at the process that we adopt in our democracy about the preparation of the Budget, then you will realise why it becomes essential and necessary for the Finance Minister to move amendments to his taxation proposals when the Finance Bill is taken up for consideration. I am referring to the mystery, the confidentiality, the secretiveness which surrounds the preparation of Budget in our system. I am raising this point deliberately. In other democracies, to the best of my knowledge, Budget making is a very open exercise. The Budget is openly discussed, the taxation proposals are discussed amongst Members of Parliament and amongst various interest groups. The proposals are put before the people also and their response is invited. Then only the Budget is finalised, as we are doing through our process today in a much more transparent and open manner.

This is my fourth Budget and I recall, except perhaps this year when the voices were muted, every time the Finance Minister comes with his Budget, invariably a point is raised by various Members that the Budget has been leaked. I think all sections of the House have to put their heads together. I am deliberately raising this issue to demystify the Budget to make it more transparent and more open, so that we will not be concerned, on the one hand, on the part of the Government to keep everything close to our chest and, on the other, do not take anybody

[Shri Yashwant Sinha]

into confidence and think that those of us who make the Budget have all the wisdom in the world. I am prepared to share the Budget making exercise with the various political parties, with other groups and in the process make the Budget making exercise more transparent and more open.

What is the dilemma that a Finance Minister faces every time he makes a Budget? It is not peculiar to me. On the one hand, the Finance Minister is expected to make available resources, moneys and allocations in a much larger measure than he does through the Expenditure Budget. On the other hand, there are demands that the tax rates should be brought down, that a specific exemption should be given, etc. So, it is always very difficult for any Finance Minister to make ends meet in this kind of a situation where the pressures are, on the one hand, for reducing taxes and, on the other hand, to raise the expenditure.

I am not aware of any magic trick which a Finance Minister can adopt to make this possible and that is why, we improvise. And if we improvise, then that issue is raised in various ways before this House. I think the time has come when we should apply our mind as a nation to the goings-on in the financial sector and Budget-making not only of the Central Government but also of the State Governments. It is because we have reached such a situation. Indeed, as has been pointed out by various hon. Members, if you look at the fiscal deficit of the country as a whole it almost ten per cent of our GDP. If it is ten per cent of our GDP, then it is really a matter of serious concern. And that is why, in this Budget speech, you will recall that I had tried to present this picture in very simple terms of how much do we receive, how much are we required to spend and what is the borrowing that all this entails.

I have raised the issue of inter-generational equity. I said, in the present generation, we have really no right to impose this burden on future generations by borrowing with both hands without discrimination and leaving the burden for the future generations. Sir, I would like that this matter should be debated. It is not an issue of whether we have reduced an outlay under a particular head or we have reduced the taxes. The whole issue of management of economy of this country is something which calls for much greater and urgent building of national consensus than has been possible so far. Therefore, I am appealing to all Members of the House to please cogitate about this issue and think about it seriously. Let us come up as a body with solutions which would make it possible for us to keep the finances and the deficit within manageable limits.

The Government, on its part, has come up with Fiscal Responsibility and Budget Management Bill. I had introduced it in the winter Session of Parliament. Under the Bill, we are going to assume certain responsibility.

The Bill is under the consideration of the Standing Committee. The Chairman of the Standing Committee on Finance initiated the discussion today. I hope it will be possible for the Standing Committee to favour us with their Report in this regard very soon so that the Government could bring this Bill before both the Houses of Parliament. It could be adopted as a piece of legislation and we could get the better of this longstanding problem.

Before I come to other issues, I think there is one issue which has been bothering Mr. Pravin Rashtupal since yesterday. I saw him getting agitated about it and when he got an opportunity to intervene in the debate, he raised that issue once again. I may point it out because when we, as Members of Parliament, entirely depend on what we have read in a newspaper or any magazine, we tend to get misguided at times and that is exactly what has happened in this case. In the Budget which was presented last year, a typographical error had crept in the Receipt Budget. When I saw that this magazine had blown it beyond proportion saying that this is some kind of a cook-book and that we are so careless that we are repeating the same figures, I was myself concerned. Therefore, I decided to check it myself and found that there was a typographical or printing mistake in the Receipt Budget. The moment we realised this, we came to Parliament and presented a corrigendum in both the Houses of Parliament. The corrigendum is here in my hands and the letter that we had written to the magazine is also in my hands. The magazine did publish the letter that we sent. But what was the reply of that magazine? They said that the revenue officials with whom they checked had not heard of this corrigendum.

If they had only bothered to telephone anyone in the Ministry, we would have clarified that was a printing mistake which had been corrected within a few days of the Budget presentation. It happened just in one document of the Budget. It did not happen over a period of time. There was no question of four years. That mistake was corrected last year itself. I would like to assure Shri Rashtupal that this year the Budget is according to the format of the Budget. In every document of the Budget, wherever we have to give the actual figures, the Budget Estimates, the Revised Estimates and the Budget Estimate of this year, we have given them. These are the four columns in which we have given all the figures as in the past. There has been no attempt on our part to hold back the actual figures. So, that was a point which I wanted to clarify because I thought he was a little bit concerned about this.

Shrimati Margaret Alva was talking about growth rates. She said that high rates of growth had been achieved during the regime in which she was a Minister. And, she is very much concerned that somehow that momentum has got lost. Let me share some figures with the House. In the decade of 1990-1999, what was the growth rate in various major economies of the world? In

France, it was 1.7 per cent; in Germany, it was 1.5 per cent; in Indonesia, it was 4.7 per cent; in Japan, it was 1.4 per cent; in Pakistan, it was 4 per cent; in the Russian Federation, it was minus 6.1 per cent; in Thailand, it was 4.7 per cent; in the U.K., it was 2.2 per cent and in the USA, it was 3.4 per cent. There were only three countries in this decade which had crossed the figure of 6 per cent. China, which led the race, was at 10.7 per cent, followed by Malaysia which was at 6.8 per cent, followed by India which was at 6.1 per cent. That is why, among these major economies, India has always been regarded as one of the fastest growing economies of the world in the decade of the 90s. I mean there were three Governments during this period. So, I am not saying that we have done greatly and somebody else has done poorly. I am saying that as a nation, we can be justifiably proud of the fact that we have been amongst one of the fastest growing economies. ...*(Interruptions)*

SHRIMATI MARGARET ALVA: The growth rate was 7 per cent when we were in power in 1996. ...*(Interruptions)*

SHRI YASHWANT SINHA: If you just have one minute's patience, I would tell about it. I was coming to that. I knew the position. ...*(Interruptions)*

SHRI MADHAVRAO SCINDIA: Perhaps, it is not proper to compare the figures of developing economy to those which are highly developed economies. I mean, it is totally irrelevant. You have to compare your figures as of today to the earlier figures achieved in our national context. ...*(Interruptions)*

SHRI YASHWANT SINHA: Yes. I know about it. I did not lay a trap for you, Shri Scindia. It was not my intention to quote these figures and lay a trap for you. But you have raised exactly the point which I have in my mind. I was coming to it myself.

What was the growth rate that we experienced in this decade? I have the annual figures here. Let us forget about 1991-92 because that was a crisis year. The growth rate was down to 1.3 per cent. It went up to 5.1 per cent in 1992-93; it went up to 5.9 per cent in 1993-94; it went up to 7.3 per cent in 1994-95; and continued to remain at 7.3 per cent in 1995-96. In the two years of Congress rule, it crossed 7 per cent. For two years, it was below 6 per cent. I am not counting the year 1991-92 because it was a crisis year. ...*(Interruptions)*

SHRI MADHAVRAO SCINDIA: If you allow me for a minute, I would like to say that as far as the economic

statistics are concerned, there is a time-lag involved. If you move a particular policy in year one, it takes effect really in year three. Therefore, please see what the effects of Congress rule are right up to 1997-98. ...*(Interruptions)*

SHRI YASHWANT SINHA: Not beyond. ...*(Interruptions)*

SHRI MADHAVRAO SCINDIA: Then, comes your disastrous nosedive. ...*(Interruptions)*

SHRI YASHWANT SINHA: I do not want to enter into an argument with you on this.

I would be very happy if somebody could guide me and tell me as to when exactly the impact of the Congress Government's economic policies ended. You are claiming that the impact continued when Shri Chidambaram became the Finance Minister during the U.F. Government, and the growth rate shot up to 7.8 per cent in 1996-97. If one has to believe you, then, it was the result of your policies. ...*(Interruptions)*

SHRI MADHAVRAO SCINDIA: There was a time-lag. ...*(Interruptions)*

SHRI YASHWANT SINHA: I agree. So, the impact of the beneficial economic policies of the Congress rule continued beyond 1995-96 when they demitted office in the first year of the U.F. rule. Is it right? In the second year of the U.F. rule, which is 1997-98, the growth rate dipped to 4.8 per cent. ...*(Interruptions)*

SHRI MADHAVRAO SCINDIA: Let us not make light of it. ...*(Interruptions)* Please take it seriously. ...*(Interruptions)* Every economist worth his salt knows that there was a time-lag of at least one year when economic policy makes its impact felt. It is a very serious subject.

SHRI YASHWANT SINHA: The first Government led by the Prime Minister, Shri Atal Bihari Vajpayee, assumed office in late March, 1998. When we came into office, I remember looking at those figures. The growth rate that we had obtained as a country in the preceding year was 4.8 per cent. This is what we got when we assumed office. Shrimati Margaret Alva was saying that while they had achieved a continuous growth rate of over seven per cent, we have not been able to achieve six per cent growth rate. I just want to ...*(Interruptions)*

SHRIMATI MARGARET ALVA: I said seven per cent.

SHRI YASHWANT SINHA: She said that they had achieved for three years seven per cent growth rate and we have not even been able to achieve six per cent. In 1998-99, the growth rate of the economy was six per cent; in 1999-2000, it was 6.4 per cent; and in 2000-2001, for reasons which I have just now explained, it is estimated to be six per cent. In the three years of the rule of the two Governments of Shri Atal Bihari Vajpayee, there has been no year where the growth rate is less than six per cent. It has been either six per cent or more. That too, in the face of a severest national and international challenges. This is more important. I have repeatedly said in the House that there has not been one year - 1998-99, 1999-2000, and 2000-2001 - which can be described as a normal year. Not one year has been a normal year. If despite all these challenges we are achieving this growth rate, then, I think, it is not something we can be ashamed of. I am saying it is inadequate. I am the first person to admit that this growth rate is not sufficient for the kind of problems that this country is facing. Therefore, we have to achieve the target which the Prime Minister has laid and has set for all of us, that is, nine per cent growth rate on an average in the first decade of the 21st century. That is the target. ...*(Interruptions)*

If you shut your eyes in a dark room, Shri Bansal, you will see nothing. If you are determined to close your eyes in a dark room, I cannot help you. This is as far as growth figures are concerned. ...*(Interruptions)*

Many Members in the Opposition have raised the issue of the poverty figures. Now, anyone who is even briefly familiar with the manner in which the Government of India collects statistics is aware of the fact that the National Sample Survey Organisation is not a creature of the Government of India and the poverty figures are collected by the National Sample Survey Organisation. Shri Devendra Prasad Yadav also raised this issue. It is not a question of whether the Planning Commission deals with it or I deal with it. But the fact remains that the National Sample Survey Organisation has conducted, as it always does, the survey on the basis of large samples for the *quinquennium*, the five yearly survey of poverty in this country and the National Sample Survey Organisation was headed by a very distinguished economist, who, unfortunately, is not amidst us any more, because he passed away, Dr. Prabin Bisaria. He was the head of the National Sample Survey Organisation and it was under his leadership that the poverty figures have been collected for the five years, after 1993-94 and in that they adopted a different method.

Sir, I am mentioning it because, again, Shrimati Margaret Alva was referring to this also—she had some piece of paper in her hand and she said that we have said this in the Economic Survey—but the fact of the matter is that in the earlier years, the survey was carried out on the basis of a 30-day recall period. It will mean that the enumerator, the investigator, will go out to somebody and ask: “what did you eat in the last 30 days?” If you were to ask me what I ate in the last 30 days, I will not be able to recall. Therefore, the world over, the recall period has been now limited to 7 days. But, in this country, we were carrying on with the method of 30-day recall period. What the latest survey of the National Sample Survey Organisation did was, they said: “all right; we will have a 30-day recall and we will also have a 7-day recall”. So, they carried out the survey both on the basis of a 30-day recall, which is comparable with the past and a 7-day recall, which was an innovation and on the basis of both, they came to the conclusion about the number of people living below the poverty line. The difference between the two sets of figures was very marginal and, therefore, they said that the poverty level now, that of people living below the poverty line in this country, has come down to anything between 26 and 27 per cent. Now, there is a saying: “lies, damn lies and statistics”. We can say what we lie, but we have not changed the system. This is the manner in which the Government of India has been collecting its statistics ever since and this is the manner in which statistics are being collected, the figures are being collected even today and, therefore, unless somebody comes up with something else, which is worthwhile, we have to go by the findings of this survey.

SHRIMATI MARGARET ALVA: Do not misquote me. What I said was that the Economic Survey itself—I quoted it—at page 193-194 gives a footnote, which says, because of the changes in the methodology of data collection, these estimates may not be strictly comparable to the earlier estimates of poverty. I am not saying it. I am quoting the footnote in the Economic Survey, which says the methodology has changed and, therefore, these estimates and these figures cannot be compared with earlier figures.

SHRI YASHWANT SINHA: What document is that?

SHRIMATI MARGARET ALVA: I am talking about your Economic Survey, which has a footnote.

SHRI YASHWANT SINHA: What document do you have in your hand?

SHRIMATI MARGARET ALVA: I am quoting from the Economic Survey. It has been quoted from the Economic Survey. I am giving the page numbers also. It is there on page nos. 193-194. You check it. ...*(Interruptions)*

[*Translation*]

I am quoting this foot-note from your survey.

18.00 hrs.

[*English*]

SHRI YASHWANT SINHA: I have the *Economic Survey* in front of me. That is why I have caught hold of it. ...*(Interruptions)* There are three footnotes in this document. I do not find in this what she has read from her document. ...*(Interruptions)* This is the *Economic Survey*. ...*(Interruptions)*

SHRI KIRIT SOMAIYA (Mumbai North East): Is it from the *Economic Survey* or from an article? ...*(Interruptions)*

SHRI YASHWANT SINHA: It is not my intention to embarrass the hon. Member. ...*(Interruptions)*

SHRI KIRIT SOMAIYA: It is a property of the House. Please send it to the Deputy-Speaker. ...*(Interruptions)* It is misleading the House. ...*(Interruptions)* Who has written that article? ...*(Interruptions)*

DR. VIJAY KUMAR MALHOTRA (South Delhi): Sir, she has to produce that document. ...*(Interruptions)*

MR. DEPUTY-SPEAKER: She has already quoted.

...*(Interruptions)*

MR. DEPUTY-SPEAKER: The Minister is replying.

SHRI YASHWANT SINHA: It is not my intention to join issue on such a small matter. ...*(Interruptions)* I was only trying to clarify the manner in which the Government collected its statistics and, in this particular case, by an independent agency. We should not rubbish that very casually. ...*(Interruptions)*

I explained it also. ...*(Interruptions)* That is why I took time to explain to the House the difference in approach.

Naturally, in this House, on every occasion and on this occasion also, much concern has been expressed

about the suffering of the *Kisans*. Cutting across party lines, the Members from this side also have spoken.

(*Translation*)

SHRI DEVENDRA PRASAD YADAV: Mr. Deputy Speaker, Sir, I would like to know from the hon. Minister of Finance the reasons and motive of the Government for adopting a new formula of calculating the average of 30 days instead of the earlier one involving the calculation of average by National Sample Survey taking into account the average of the entire year for determining the economic status of the people and putting them in BPL and APL categories?

[*English*]

SHRI YASHWANT SINHA: Sir, on the question of agriculture and the concern that has been expressed here, a charge which has been levelled against this Government is that we are not concerned with agriculture. I am not going into the issue that has been raised by our friend, Shri Subodh Roy.

(*Translation*)

Mr. Deputy Speaker, Sir, the speech delivered by Subodh Royji can be compared to an over used record whose sound loses its pitch owing to its repeated use. Hence I think that I need not give reply to the issues he has raised. He has said all those things because some misconceptions have taken firm grip on his mind and pschye and he has not able to get rid of these ideas. However, I would like to say this much only. ...*(Interruptions)*

SHRI SUBODH ROY (Bhagalpur): Mr. Deputy Speaker, Sir, hon. Minister has no answer to my question, hence he does not want to apply.

SHRI YASHWANT SINHA: Mr. Deputy Speaker, Sir, I do not want to waste the time of the House by replying to the issues raised by him. It is not that I have no answer. Instead I do not want to reply.

SHRI SUBODH ROY: Hon. Finance Minister Sir, it does not matter. You do not want to give reply to my questions, but at least reply to what Thengadiji wants to ask.

SHRI YASHWANT SINHA: I will give reply to his questions to him.

[Shri Yashwant Sinha]

18.05 hrs.

(MR. SPEAKER in the Chair)

[English]

What I have said about agriculture in this Budget has to be seen in the context of what I have said for agriculture in my three previous Budgets.

It has to be seen in the context of the National Agricultural Policy, which this Government for the first time brought before the Parliament. No other Government had prepared the National Agricultural Policy. The credit for preparing the first ever National Agricultural Policy goes to this Government. ...*(Interruptions)*

(Translation)

KUNWAR AKHILESH SINGH: What were its consequences? Today, the farmer is dying ...*(Interruptions)*. Today the farmers are compelled to commit suicide. You are conspiring to ruin the farmer. ...*(Interruptions)*

SHRI YASHWANT SINHA: If the previous Governments were so much concerned of and sympathetic to the cause of the farmer then at least you could have put up this thing before them. ...*(Interruptions)*

MR. SPEAKER: It is not right, you resume you seat.

...*(Interruptions)*

SHRI YASHWANT SINHA: Mr. Speaker, Sir, all kinds of policies except Agriculture policy were formulated in this country. However, it was the Vajpayee lead NDA Government, which formulated a National Agriculture Policy for the first time. The House might be aware that when I presented my first budget. ...*(Interruptions)*

MR. SPEAKER: You have participated in debate, then why are you raising the questions.

SHRI YASHWANT SINHA: When I presented my maiden Budget 1998, that time I had thought of Kisan Credit Cards. Today humbly I would like to tell the House that upto 28th February, one crore and 24 lakh Kisan Credit Cards have been issued whose total worth is Rs. 23, 690 crore. ...*(Interruptions)*

SHRI SUBODH ROY: How many farmers have been murdered. ...*(Interruptions)*

KUNWAR AKHILESH SINGH: Please tell how many farmers are left without credit cards. ...*(Interruptions)*

[English]

MR. SPEAKER: Nothing should go on record, except Finance Minister's reply.

*(Interruptions)**

[Translation]

MR. SPEAKER: Mr. Akhilesh, it is not proper. You may ask later on, not now.

(Interruptions)

SHRI YASHWANT SINHA: Mr. Speaker, Sir, I am a responsible Minister of the Government. ...*(Interruptions)*

MR. SPEAKER: Finance Bill is an important subject.

(Interruptions)

MR. SPEAKER: Finance Bill is an important subject.

(Interruptions)

SHRI YASHWANT SINHA: What I say, I would say on the basis of facts. If these facts pinch you, I don't have the remedy for that. You should take care of it. ...*(Interruptions)*

MR. SPEAKER: It is not Question Hour session.

(Interruptions)

SHRI YASHWANT SINHA: Mr. Speaker, Sir, there was a talk of prices. Regarding the price of wheat and rice, I would like to clarify what had been the condition during last 20 years. During five years period from 1981-1985 on an average the price of wheat increased by Rs. 35 per quintal. ...*(Interruptions)*

KUNWAR AKHILESH SINGH: Please tell its production cost also. ...*(Interruptions)* If you do not provide exact figures, we would definitely ask. ...*(Interruptions)*

MR. SPEAKER: Mr. Akhilesh, it is not okay, please sit down.

KUNWAR AKHILESH SINGH: Mr. Speaker, Sir, it is a question of farmers. If the House is mislead, you think we would just sit quietly. ...*(Interruptions)*

* Not recorded.

MR. SPEAKER: If you do not agree with it, you may go out.

(Interruptions)

MR. SPEAKER: Please sit down, what are you doing.

(Interruptions)

MR. SPEAKER: Everyday you are doing like this. Please sit down.

(Interruptions)

KUNWAR AKHILESH SINGH: Mr. Speaker, Sir, I am asking about production cost. ...*(Interruptions)*

MR. SPEAKER: It has become your fashion, everyday you act like this.

(Interruptions)

SHRI YASHWANT SINHA: Mr. Speaker, Sir, I was reading out figures. During 1981-1985 on an average price of wheat increased by Rs. 35 per quintal. During five years period between 1986-90 on an average it increased by Rs. 31 a quintal. During 1991-95 when Congress was in power wheat price increased by Rs. 167. Congress deserves congratulations, they did a commendable job. There was a steep hike of Rs. 167 during 1991-95. During that period, your party was in power for two years. ...*(Interruptions)*

KUNWAR AKHILESH SINGH: We reduced fertilizer price during our regime. ...*(Interruptions)*

MR. SPEAKER: Akhilesh ji, understand, it is not that difficult to handle you in the House. It is not okay.

(Interruptions)

MR. SPEAKER: What are you doing.

(Interruptions)

[English]

SHRI YASHWANT SINHA: Rs. 32 went up to Rs. 167, and in next five years, that is from 1996 to current year, 2001, the increase in these five years was Rs. 230 per quintal the highest ever. ...*(Interruptions)*

[Translation]

KUNWAR AKHILESH SINGH: Mr. Speaker, Sir, please allow me to speak only for a minute. ...*(Interruptions)*

MR. SPEAKER: Not now, speak later on. First take permission from the Chair.

(Interruptions)

SHRI YASHWANT SINHA: What happened in case of rice?

[English]

During 1981-85 it was Rs. 32, during 1986-90, it was Rs. 48, during 1991-95 it was Rs. 155, during 1996-2001 it was Rs. 170. This is the figure for rice. This is the kind of support price that we have extended. ...*(Interruptions)*

[Translation]

KUNWAR AKHILESH SINGH: Please tell how much production cost has increased. ...*(Interruptions)*

SHRI YASHWANT SINHA: You are telling as if there used to be no increase in production cost earlier.

MR. SPEAKER: What are you doing. If you need any clarification you may ask later on.

(Interruptions)

[English]

MR. SPEAKER: What is this confrontation?

(Interruptions)

[Translation]

KUNWAR AKHILESH SINGH: You are preparing Budget under the pressure of WTO. ...*(Interruptions)*

MR. SPEAKER: You must have some patience.

SHRI YASHWANT SINHA: Mr. Speaker, Sir, the fact of the matter is that, as I have said in my Budget speech, we have moved from being a shortage economy to being a surplus economy in agriculture and we are still trying to deal with the situation with the tools of the past. That is the difficulty of the policy. And that is why, the policies

[Shri Yashwant Sinha]

are now being changed. I have, therefore, forthrightly talked about the management of post harvest technology. In Budget after Budget, I have talked about the management of post harvest technology, why is it that we have laid such emphasis on storage, and why is it that we are laying such emphasis on processing. It is because we want the farmers to get adequate price, economic price for their produce, and that can happen only when they can keep their produce. I have reduced the rate of interest on the bank charges. I have given enough encouragement to the private sector to set up storage facilities and transportation facilities in the rural areas including the cold chain.

I have said in this Budget that there will be no excise duty, there will be zero excise duty on the processing of fruits and vegetables. This is the encouragement that has been given to the processing of perishable agricultural produce. And this coupled with what we are doing for watershed development and what we are doing through the accelerated irrigation benefit programme, all this is going to meet the requirements of farmers, which is basically water for irrigation of their fields, money for buying inputs, agricultural inputs, and marketing of their produce, and processing of their produce. I would only like to say that if the previous Governments had indeed this vision, and if they had bothered in the same manner in which we are concerned about these problems, then 53-year down the line, we would not have been today discussing this issue in this House, and India would have been, from the point of view of agricultural economy, a developed country like we should have been. ...*(Interruptions)*

MR. SPEAKER: He is not yielding. Nothing should go on record.

*(Interruptions)**

[Translation]

KUNWAR AKHILESH SINGH: In protest of this policy of the Government, I and other Members from my party walk out.

18.15 hrs.

Kunwar Akhilesh Singh and some other hon'ble Members then left the House.

Dr. Raguvansh Prasad Singh and some other hon'ble Members then left the House.

Shri Subodh Roy then left the House.

Shri Hari Shankar Mahale then left the House.

[English]

SHRI YASHWANT SINHA: I have one word about the management of the food economy. ...*(Interruptions)*

MR. SPEAKER: Shri Pawan Kumar Bansal, you are a senior Member.

SHRI YASHWANT SINHA: This Budget contains some thought about the management of the food economy. As I have said in my Budget speech, we will discuss this with the State Governments and try to arrive at a consensus which will be acceptable to them and acceptable to us. But let me mention this in this House because the question of food for work was raised. There are five drought-affected States. They are Orissa, Chhattisgarh, Madhya Pradesh, Gujarat and Rajasthan which are badly affected by drought. Some of them are running second and third years. What is the decision that we have taken in the Government of India? To begin with, we shall give to each State Government one lakh tonnes of foodgrains, wheat or rice, free of cost. It is free of cost that we are making these foodgrains available to the State Governments. ...*(Interruptions)* For that we have said, it is open-ended. Let the State Governments utilise this food on Food-for-Work Programme. Our godowns are open for them. They can pick up whatever quantity they want.

We have a plan which is under discussion for extending it to all these State Governments who want to begin the Food-for-Work Programme in their States. Additionally, to meet the criticism that while foodgrain is rotting in our godowns and people are going hungry, I will tell you what is the plan which my colleague, the Food Minister, has come out with. It is *Antayodaya Anna Yojana*. Is it something that we should make fun of? It is for the poorest of the poor. There are one crore families in this country for whom we are saying we will make foodgrain available—wheat at Rs. 2 and rice at Rs. 3. That is the new system which has been started, which has already been inaugurated by the hon. Prime Minister. It is depending on the manner in which the States are proceeding. Half the country is already taking advantage of this new scheme.

In my 1999 Budget, I talked of the *Annapurna Anna Yojana*, where I said that we would make available 10 kilos of foodgrains free of cost to every old-age pensioner

* Not recorded.

in the rural areas. That scheme also is now going on. So, we are using this grain to make it available to the needy people and to the needy States. It is our desire not to keep this foodgrain in our godowns but use it as much as possible. Part of it is also being exported.

Dr. Raghuvansh Prasad Singh has gone away but he raised the issue. ...*(Interruptions)* You are making it. He said, 'you are exporting it at Rs. 4.15 and you are selling it to the poor people, people below the poverty line, at a larger price.' We are making the foodgrain available to the State Governments at Rs. 4.15. Anything which is being added to the price is being added to it by the State Governments taking into account their own requirements.

SHRIMATI MARGARET ALVA: Where is *Annapurna Anna Yojana*? None of us have seen it in our State.

[*Translation*]

Please ask him whether it has come to his State. For the last one year, it has not come to our State.

...*(Interruptions)*

[*English*]

SHRI S. JAIPAL REDDY: Can you point out a single State where the scheme is in operation?

MR. SPEAKER: Shri Jaipal Reddy, he is not yielding. He has not completed his speech.

...*(Interruptions)*

SHRI S. JAIPAL REDDY: Will you point out a single State where the scheme is in operation? I come from Andhra Pradesh. It is not in operation. ...*(Interruptions)*

MR. SPEAKER: He is not yielding. He has not completed his speech.

(Interruptions)

MR. SPEAKER: Shri Bhuria, please do not interrupt.

(Interruptions)

MR. SPEAKER: This will not go on record please.

*(Interruptions)**

SHRI YASHWANT SINHA: The scheme has been formulated. The schemes have been communicated to the State Governments. As far as the drought-affected States are concerned, we were reviewing the position. If I am not mistaken and if my memory serves me right, three lakh tonnes of foodgrains have already been lifted by the State Governments and the Food-for-Work Programme is going on in various States. ...*(Interruptions)*

[*Translation*]

SHRI KANTILAL BHURIA: All MPs from Madhya Pradesh had gone. ...*(Interruptions)*

[*English*]

SHRI YASHWANT SINHA: Sir, in response to other issues, I would like to say that. ...*(Interruptions)*

MR. SPEAKER: Shri Kantilal Bhuria, you are participating in the debate and also making noise. What is this? Please resume your seat.

SHRI S. JAIPAL REDDY: Mr. Speaker, Sir, please allow me.

MR. SPEAKER: The hon. Minister is not yielding. He has not completed his speech.

SHRI S. JAIPAL REDDY: Sir, he is yielding. Mr. Minister, the scheme has been formulated, the scheme has been communicated, but it has not been implemented. I challenge it here. ...*(Interruptions)* Let the hon. Minister of Finance say on this. ...*(Interruptions)* Let him point out a single State where it has been implemented. ...*(Interruptions)*

MR. SPEAKER: Shri Jaipal Reddy, please take your seat.

SHRI S. JAIPAL REDDY: Shri Yashwant Sinha, communication and formulation are not the same as implementation. ...*(Interruptions)*

MR. SPEAKER: Shri Jaipal Reddy, please take your seat.

SHRI YASHWANT SINHA: Sir, what he has agreed to is on one thing.

* Not recorded

[Translation]

SHRI KANTILAL BHURIA: Hon'ble Finance Minister is misleading the House.

MR. SPEAKER: What are you doing. Please sit down.

SHRI KANTILAL BHURIA: The Government of Madhya Pradesh had sought Rs. 715 crore for drought relief. All the MPs had made a request. ...*(Interruptions)*

MR. SPEAKER: Please take your seat.

[English]

SHRI YASHWANT SINHA: Sir, I think what this needs is that the people like hon. Member Shri Kantilal Bhuria need to be taken on a study tour of the States where this scheme is implemented. ...*(Interruptions)*

MR. SPEAKER: Madam, let there not be any running commentary. You have participated in the debate also.

SHRI YASHWANT SINHA: Then he will be convinced. ...*(Interruptions)*

[Translation]

Axioms need no proof.

SHRI K. YERRANNAIDU (Srikakulam): Shri Jaipal Reddy, both the schemes are implemented in Andhra Pradesh. ...*(Interruptions)*

MR. SPEAKER: Let there be no cross talk.

SHRI S. JAIPAL REDDY: No, it has not been implemented. ...*(Interruptions)*

SHRI YASHWANT SINHA: Sir, I do not want to take much time of the House. There are a number of suggestions which have been made. I remember, Shri Shivraj Patilji has talked about acrylic fibre. He has sent me the papers. I will look into this. Kumari Mayawati raised the issue of tea and coffee and she said that tea is generally used by poor people. I have done nothing in this Budget to raise the prices of tea. No duties, no taxes have been raised either on tea or on coffee.

SHRI P.C. THOMAS: The excise duty on tea may be withdrawn.

SHRI YASHWANT SINHA: Excise duty withdrawal is another issue. But I have done nothing to raise the prices.

It was a very popular thing for hon. Member Shri Pawan Kumar Bansal to say that we have reduced or brought down duties on cars but we have done nothing about bicycles. Cars or automobiles in this country were being charged duties at 40 per cent excise duty which was the highest. In the course of rationalisation, I have brought it down to 32 per cent. On bicycles, there is no excise duty. So, what do I do? ...*(Interruptions)*

SHRI PAWAN KUMAR BANSAL: What I said was about your concern for the poor vis-à-vis that of the rich. I gave that example. I did not refer to any excise duty on bicycle. Please do not mislead us. ...*(Interruptions)* Please do not mislead the House. I know what I said. I am very clear as to what I said. I said that the rich people are the favourite people for you. ...*(Interruptions)*

SHRIMATI SHYAMA SINGH: Sir, my question on employment generation has not been answered. ...*(Interruptions)*

MR. SPEAKER: Madam, he is not yielding. Please take your seat.

SHRI PAWAN KUMAR BANSAL: I have just given the example. The poor people are defecating in the open. That is what I said. ...*(Interruptions)*

SHRI YASHWANT SINHA: This charge is very easy to make because this is one charge that you can level against any one in the Government without having an iota of evidence. ...*(Interruptions)*

SHRI PAWAN KUMAR BANSAL: As I said, the poor people are defecating in the open. What do you say about it? ...*(Interruptions)*

[Translation]

MR. SPEAKER: Bansal ji, what are you doing, he has not yet concluded his reply.

[English]

SHRI YASHWANT SINHA: The poor people have been taken more care of in the past three years than what they have been taken care of in the last fifty years. Let me make it clear. ...*(Interruptions)*

SHRI PAWAN KUMAR BANSAL: You have twisted my words on your own. ...*(Interruptions)*

SHRI YASHWANT SINHA: Sir, I have one last word.

SHRI RAMDAS ATHAWALE: Sir, please allow me for a minute.

MR. SPEAKER: Shri Athawale, the hon. Minister has not yielded. Please take your seat. ...*(Interruptions)*

SHRI YASHWANT SINHA: Sir, this Budget was prepared in the shadow of the aftermath of the Gujarat tragedy.

Therefore, I have said what the Government had done and was proposing to do, in my Budget Speech, but I would just like to take a few minutes because Shri Pravin Rashtrapal has raised this issue.

SHRI PRAVIN RASHTRAPAL: I want a reply also.

SHRI YASHWANT SINHA: That is what I am coming to.

Sir, one or two days after the Gujarat tragedy, I had made a statement that we shall be approaching international multilateral agencies for assistance and I am glad to be able to tell the House that as I had said then, responding to the request of the Government of India, the World Bank has sanctioned one billion dollars, which is Rs. 4,700 crore, as aid to Gujarat, and the Asian Development Bank has already agreed to give us 500 million dollars worth of assistance for Gujarat. Separately, the two housing agencies, the National Housing Bank and the HUDCO, have been allowed to raise Rs. 2,000 crore through tax-free bonds. We have made money available to the Gujarat Government. When the Prime Minister went there, he announced assistance of Rs. 500 crore immediately on the spot and another Rs. 330 crore have been released. We have assured the Government of Gujarat that money will not be a problem, that the Government of India is fully behind the Gujarat Government in making funds available for rehabilitation.

Now, I am coming to the point which Shri Rashtrapal has raised about the two per cent surcharge. Let me explain briefly what is the policy which has been laid down by the Eleventh Finance Commission in this regard. The Eleventh Finance Commission has said that there will be a corpus of RS. 500 crore only, which will be called the National Calamity Contingency Fund. My colleague, the Agriculture Minister, who is the Chairman of the Committee on this at the Central level, is sitting here.

You will recall that I had provided for Rs. 500 crore for the corpus in the Winter Session of Parliament. I came to Parliament and secured your approval for

imposing a tax of one per cent by way of surcharge on corporate tax, through which we were hoping to replenish this amount. This money has already been spent and, therefore, we came again to you and we took your permission to raise money for Gujarat Earthquake relief through a two per cent surcharge on income tax, and my estimate was that we would be able to raise Rs. 1,300 crore. This is a surcharge that we have continued in the current year also. The total amount, which will be to the extent of Rs. 2,600 crore, will also be made available only to Gujarat. Let me make it very clear. There is no question of diverting this money. But the only difference that I have with Shri Rashtrapal is that it will go to the National Calamity Contingency Fund because that is the Fund at the Central level, and through that Fund, it will go to Gujarat. Let us not quarrel about these small things. The money is going to Gujarat. We are not even taking our administrative charge from it. So, do not bother about it.

SHRI PRAVIN RASHTRAPAL: The question is that a Committee of five Chief Ministers will decide.

SHRI YASHWANT SINHA: No, it is not so. It has all changed. It is not a Committee of five Chief Ministers; it is a Committee headed by Agriculture Minister which consists of Finance Minister and Deputy-Chairman of Planning Commission. The three of us can meet any day and give the money to whoever needs it, and that is exactly how we are doing it very speedily and very conscientiously.

SHRI PRAVIN RASHTRAPAL: This two per cent surcharge should go to Gujarat.

SHRI YASHWANT SINHA: I am assuring you, I am saying it on the floor of the House. What greater assurance do you need?

SHRI PRAVIN RASHTRAPAL: Thank you.

SHRI YASHWANT SINHA: Sir, a number of other suggestions have been made, of which I have taken note. There are other larger issues and specially, hon. Shri Shivraj V. Patil has raised the question of ethics in economics. He has raised the question of World Trade Organisation and the question of discussing here the Five Year Plans and the mid-term review of the Plans. A number of other issues have been raised by friends cutting across party lines. Kumari Mayawati has particularly raised the issue of the rural sector and the weaken section. Let me say on behalf of the Government that...

SHRIMATI SHYAMA SINGH: What about my question of employment generation. It has not been answered. This is a major question. Will the hon. Minister just reply to that?

SHRI YASHWANT SINHA: Shrimati Shyama Singh, you are just getting little impatient. I was reserving that for the end because you were the last speaker.

These are issues which have been debated in this House from time to time. I do not want to take your time. ...*(Interruptions)*

SHRI PRAKASH PARANJPE: The chamber-based tax on textile processing industries should be extended for two more years.

SHRI YASHWANT SINHA: I have said that all the suggestions which have been made have been taken note of by me. Now, coming to the last part which Shrimati Shyama Singh referred to, that is, the question of employment generation. ...*(Interruptions)*

SHRI K. YERRANNAIDU: Before that, regarding garment industry, so many representations have been made.

SHRI YASHWANT SINHA: When I moved the Bill for consideration, I have already announced this.

On the general issue of employment generation, we have repeatedly said that employment generation is at the very core, at the centre of our economic policy. This Government does not want jobless growth and, therefore, we have done a great deal. You are saying where is that one crore. Because anyone who takes VRS is before us, they are larger than life, but the jobs which are being created are not before our eyes because that is not making news. If we are spending Rs. 2,500 crore every year on rural roads if we are going to build 7,000 kilometres of national highways under the Prime Minister's Programme of National Highways for which contracting has been done and the rest of it is going to be completed by 30th June, and the work is in progress, if the housing is picking up, if software exports are taking place, if IT-enabled services are happening in this country, if all this is happening and the economy is growing by six per cent, this is not being done by ghosts, this is being done by people, and those people are getting employment. The figures take a little time in coming because if I were to give you any figure, then you will say, "What is the basis for that?" I do not want to give you a figure which is not based on some survey. I am awaiting those figures. I can say with some confidence that all the economic

activity which is taking place, the kind of encouragement that we have given to the small-scale sector, the kind of encouragement that we have given to the informal sector through the self-help groups—for instance, look at the number of self-help groups that they have formed in Andhra Pradesh, in Gujarat, in Tamil Nadu. ...*(Interruptions)*

SHRI K. YERRANNAIDU: In Andhra Pradesh, their number is 3,50,000.

SHRI YASHWANT SINHA: Just imagine the number of families who have augmented their income. There is a burst of activity in the rural areas as a result of this. Therefore, Sir, my plea is that employment is being generated substantially. The figures will take a little time; I do not want to say anything in an irresponsible fashion. But the Government is fully aware of the fact that the end result of all economic policies has to be employment and, through employment, the common man, the poor man of India, should be benefited. That will continue to be the thrust of our policy under the leadership of Shri Atal Bihari Vajpayee. Let me assure the House once again that we have delivered in the past, and we shall continue to deliver.

MR. SPEAKER: Shri Shivraj Patil.

SHRIMATI MARGARET ALVA: I will just have to clarify one thing, Sir.

MR. SPEAKER: I have called the name of Shri Shivraj Patil.

SHRI SHIVRAJ V. PATIL (Latur): Sir, we have not criticised everything that is contained in the Budget, but there has been a uniform criticism levelled against the Budget.

The uniform criticism is that many concessions have been given for the industries and for developing the capital market but there are no visible concessions in the Budget that would go to show that some relief has been given to the common man. There are no visible concessions that would go to show that the farmers could get relief and that employment could be generated. The hon. Finance Minister has explained the employment would be generated by implementing...*(Interruptions)* the Prime Minister's *Yojana* for constructing roads for villagers. He has also said that there would be time required for generating that employment and this would trickle down in due course of time. But there is no scheme in the Budget that could directly help to remove unemployment. The charge and complaint that has been made, not only

by the Members of Parliament of this party but by other parties, is that there is nothing visible in the Budget to show that it would help the common man, or help to generate employment, or help the agriculturists...*(Interruptions)*

Sir, we have pointed out that income tax on lottery has been reduced, customs duty on cars has been reduced and at the same time, the interest rate in the Provident Fund also has been reduced. The NABARD, the small scale industries and the Housing Bank would now be charged with income tax. These organisations would have to pay income tax. These taxation provisions go to show that care has been taken to help those who are well to do but enough care has not been taken to help those who really need the help. This aspect has not been explained by the hon. Finance Minister. We expected that he would, in clear terms, explain these issues rather than just referring to the performance in other years. He should have explained these things by referring to the provisions in the Budget itself.

MR. SPEAKER: The question is:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2001-2002, be taken into consideration."

The motion was adopted.

MR. SPEAKER: The House would now take up clause by clause consideration.

Clauses 2 and 3

Income Tax and Amendment of Section 2

MR. SPEAKER: The question is:

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

Clause 4

Amendment of Section 9

Amendment made:

"Page 4, line 17, after "commercial or scientific equipment", *insert*

"but not including the amounts referred to in section 44BB". (22)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4, as amended, was added to the Bill.

Clause 5

Amendment of Section 10

Amendments made:

Page 5, line 5, for "clause shall be", substitute "clauses shall be". (23)

Page 5, after line 9, *insert*—

"(23BBE) any income of the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999". (24) 41 of 1999

Page 5, for lines 10 to 14, *substitute*—

'(e) in clause (23C),-

(a) in the third proviso,-

(i) in clause (a), after the words "the objects for which it is established", the words, figures and letters "and in case where more than twenty-five per cent of its income is accumulated on or after the 1st day of April, 2001, the period of the accumulation of the amount exceeding twenty-five per cent of its income shall in no case exceed five years; shall be inserted with effect from the 1st day of April, 2002;". (25)

Page 5, for lines 23 to 29, *substitute*—

'(b) after the eighth proviso, the following proviso shall be inserted with effect from the 1st day of April, 2002, namely:-

"Provided also that where the total receipts of the fund or institution referred to in sub-clause (iv) or of any trust or institution referred to in sub-clause (v) or of any University or other educational institution referred to in sub-clause (vi) or of any hospital or other institution referred to in sub-clause (via) exceed one crore rupees in any preceding year, the fund or trust or institution or University or other educational institution or hospital or other institution, as the case may be, shall-". (26)

Page 5, line 50 *after* "business referred to in sub-section (4) of section 80- IA", *insert* "or a housing project referred to in sub-section (10) of section 80-IB". (27)

Page 6, line 5, *for* "providing credit rating", *substitute* "enhancing credit". (28)

Page 6, *for* lines 9 and 10, *substitute*-

"Provided that this clause shall not apply to any income arising from transfer of units of the Unit Trust of India or of a mutual fund, as the case may be.". (29)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 5, as amended, stand part of the Bill."

The motion was adopted.

Clause 5, as amended, was added to the Bill.

Clause 6

Amendment of Section 10A

Amendment made:

Page 6, *for* lines 22 to 24, *substitute*-

'(i) below Explanation 1, the following proviso shall be inserted, namely:-

"Provided that nothing contained in this *Explanation* shall apply to any change in the shareholding of the company as a result of-

(a) its becoming a company in which the public are substantially interested; or

(b) disinvestment of its equity shares by any venture capital company or venture capital fund.". (30)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 7

Amendment of Section 10B

SHRI YASHWANT SINHA: Sir, before I move Amendment No. 31, I would like to say something. On MPLADS we have had a meeting under your chairmanship. Let me explain to the hon. Members of the House that there is a Committee headed by the hon. Speaker which takes decisions in these matters. This request also must be addressed to that Committee. I cannot substitute for that Committee. So, let the Speaker take care of it....(*Interruptions*)

MR. SPEAKER: Hon. Members, you are not properly discharging your duties in the House as Members of Parliament but you are asking for more power!

Amendment made:

Page 6, *for* lines 41 and 42, *substitute*-

(i) below *Explanation* 1, the following proviso shall be inserted, namely:-

"Provided that nothing contained in this *Explanation* shall apply to any change in the shareholding of the company as a result of-

(a) its becoming a company in which the public are substantially interested; or

(b) disinvestment of its equity shares by any venture capital company or venture capital fund.". (31)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

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

Clauses 8 and 9 were added to the Bill.

Clause 10

Amendment of Section 12A

Amendment made:

Page 7, line 13, *for* "ten lakh rupees", *substitute* "one crore rupees". (32)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 10, as amended, stand part of the Bill."

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Clause 11 was added to the Bill.

Clause 12

Amendment of section 16

Amendment made:

Page 7, for lines 23 to 28 substitute-

'12. In section 16 of the Income-tax Act, Amendment for clauses (i) and (ii), the following clauses of section shall be submitted with effect from the 1st 16. day of April, 2002, namely:-

"(i) in the case of an assessee whose income from salary, before allowing a deduction under this clause,-

(A) does not exceed one lakh fifty thousand rupees, a deduction of a sum equal to thirty-three and one-third per cent of the salary or thirty thousand rupees, whichever is less;

(B) exceeds one lakh fifty thousand rupees but does not exceed three lakh rupees, a deduction of a sum of twenty-five thousand rupees;

(C) exceeds three lakh rupees but does not exceed five lakh rupees, a deduction of a sum of twenty thousand rupees;

(ii) a deduction in respect of any allowance in the nature of an entertainment allowance specifically granted by an employer to the assessee who is in receipt of a salary from the Government, a sum equal to one-fifth of his salary (exclusive of any allowance, benefit or other perquisite) or five thousand rupees, whichever is less;". (33)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 12, as amended, stand part of the Bill."

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Clause 13

Amendment of Section 17

Amendments made:

Page 7, for lines 34 to 38, substitute-

'(B) in the proviso, for the words "the Employees' Stock Option Plan or Scheme of the said company", the words "any Employees' Stock Option Plan or Scheme of the company offered to such employees in accordance with the guidelines issued in this behalf by the Central Government" shall be substituted.'. (34)

Page 7, line 39, for "(vii)", substitute "(v)" (35)

Page 7, line 41, for "(viii)", substitute "(vi)" (36)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clauses 14 to 20 were added to the Bill.

Clause 21

Amendment of Section 32

Amendment made:

Page 9, for lines 16 and 17, substitute-

'(a) in sub-section (1), in clause (ii)-

(A) in the first proviso, in clause (a) after the figures, letters and words "28th day of February, 1975", the words, figures and letters "but

before the 1st day of April, 2001" shall be inserted;

(B) after *Explanation 4*, the following *Explanation* shall be inserted, namely:- '(37)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 21, as amended, stand part of the Bill."

The motion was adopted.

Clause 21, as amended, was added to the Bill.

Clauses 22 and 23 were added to the Bill.

Clause 24

Insertion of new section 35 DDA

Amendments made:

Page 9, lines 47 and 48, omit "with effect from the 1st day of April, 2002." (38)

Page 10, omit lines 1 and 2. (39)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 24, as amended, stand part of the Bill."

The motion was adopted.

Clause 24, as amended was added to the Bill.

SHRI MADHAVRAO SCINDIA: Mr. Speaker, Sir, please allow Shrimati Margaret Alva to make her point.

MR. SPEAKER: But I cannot allow her to make her submission now.

SHRI MADHAVRAO SCINDIA: You may allow her in the end, Sir.

MR. SPEAKER: All right.

Motion Re: Suspension of rule 80 (I)

SHRI YASHWANT SINHA: Sir, I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 40 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 40 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

The motion was adopted.

New Clause 24A and B

Amendment made:

Page 10, after line 4, insert—

Amendment 24A. In section 36, in sub-section (1), of section in clause (vii), after the proviso, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989, namely:-

*"Explanation—*For the purposes of this clause, any bad debt or part thereof written off as irrecoverable in the accounts of the assessee shall not include any provision for bad and doubtful debts made in the accounts of the assessee."

Amendment 24B. In section 43 of the Income-tax Act, with effect from the 1st day of April, 2002,—

(a) in clause (f), after *Explanation 11*, the following *Explanation* shall be inserted, namely:—

*"Explanation 12.—*Where any capital asset is acquired by the assessee under a scheme for corporatisation of a recognised stock exchange in India, approved by the Securities and Exchange Board of India

15 of 1992 established under section 3 of the Securities and Exchange Board of India Act, 1992, the actual cost of the asset shall be deemed to be the amount which would have been regarded as actual cost had there been no such corporatisation.”;

(b) in clause (6), after Explanation 4, the following *Explanation* shall be inserted, namely:-

15 of 1992 “*Explanation 5.*—Where in a previous year, any asset forming part of a block of assets is transferred by a recognised stock exchange in India to a company under a scheme for corporatisation approved by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, the written down value of the block of assets in the case of such company shall be the written down value of the transferred assets immediately before such transfer.”. (40)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

“That new clause 24A and B be added to the Bill.”

The motion was adopted.

New Clause 24A and B was added to the Bill.

Clause 25 was added to the Bill.

Clause 26

Amendment of Section 44AB

Amendment made:

Page 10, for lines 25 to 28, *substitute*-

‘(ii) “specified dated”, in relation to the accounts of the assessee of the previous year relevant to an assessment year, means the 31st day of October of the assessment year.’. (41)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

“That clause 26, as amended, stand part of the Bill.”

The motion was adopted.

Clause 26, as amended, was added to the Bill.

Clause 27

Amendment of Section 47

Amendments made:

Page 10, for lines 30 to 33, *substitute*—

‘(a) in clause (iii), in the proviso, for the words, “the Employees’ Stock option Plan or Scheme”, the words “any Employees’ Stock option Plan or Scheme of the Company offered to such employees in accordance with the guidelines issued by the Central Government in this behalf” shall be substituted.’. (42)

Page 10, after line 35, *insert*-

‘(c) in clause (xiii), with effect from the 1st day of April, 2002,—

(i) for the portion beginning with the words “where a firm is succeeded” and ending with the words “intangible asset to the company”, the following shall be substituted namely:—

“any transfer of a capital asset or intangible asset by a firm to a company as a result of succession of the firm by a company in the business carried on by the firm, or any transfer of a capital asset to a company in the course of corporatisation of a recognised stock exchange in India as a result of which an association of persons or body of individuals is succeeded by such company.”;

(ii) in the proviso,—

(A) in clause (a), after the words “liabilities of the firms” the words “or of the association of persons or body of individuals” shall be inserted;

(B) after clause (d), the following clause shall be inserted namely:-

“(e) the corporatisation of a recognised stock exchange in India is carried out in accordance with a scheme for corporatisation which is approved by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.”. (43)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 27, as amended, stand part of the Bill."

The motion was adopted.

Clause 27, as amended, was added to the Bill.

Clauses 28 to 31 were added to the Bill.

Clause 32

Amendment of Section 55

Amendment made:

Page 11, for lines 35 to 37, *substitute*—

Amendment '32. In section 55 of the Income-tax Act, of section 55. in sub-section (2), with effect from 1st day of April, 2002,—

(a) in clause (a), after the words "goodwill of a business", the words "or a trade mark or brand name associated with a business" shall be inserted;

(b) after clause (aa), the following clause shall be inserted, namely:-

"(ab) in relation to a capital asset, being equity share or shares allotted to a shareholder of a recognised stock exchange in India under a scheme for corporatisation approved by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, shall be the cost of acquisition of his original membership of the exchange." (44)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 32, as amended, stand part of the Bill"

The motion was adopted.

Clause 32, as amended, was added to the Bill.

Clauses 33 to 38 were added to the Bill.

Motion Re: Suspension of rule 80 (i)

SHRI YASHWANT SINHA: Sir, I beg to move:

"That this House do suspend clause (i) of the rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No 45 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of the rule of 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 45 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

The motion was adopted.

New Clause 38A

Amendment made:

Page 12, *after* line 20, *insert*—

Amendment '38A. In section 80HHC of the Income-tax Act, in Sub-section (1B) for clauses (ii), 80HHC. (iii) and (iv) the following clauses shall be substituted with effect from the 1st day of April, 2002, namely:-

"(ii) seventh per cent, thereof for an assessment year beginning on the 1st day of April, 2002;

(iii) fifty per cent, thereof for an assessment year beginning on the 1st day of April, 2002;

(iv) thirty per cent, thereof for an assessment year beginning on the 1st day of April, 2004." (45)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That new clause 38A be added to the Bill."

The motion was adopted.

New Clause 38A was added to the Bill.

Clause 39

Amendment of section 80HHE

Amendment made:

Page 12, for lines 21 to 26, substitute—

"39. In section 80HHE of the Income-tax Act,- **Amendment of section 80HHE.**

(a) after sub-section (1), the following Explanation shall be inserted, namely:-

"*Explanation.*-For the removal of doubts, it is hereby declared that the profits and gains derived from on site development of computer software (including services for development of software) outside India shall be deemed to be the profits and gains derived from the export of computer software outside India.;"

(b) in sub-section (1B), for clauses (ii), (iii) and (iv), the following clauses shall be substituted with effect from the 1st day of April, 2002, namely:-

"(ii) seventy per cent, thereof for an assessment year beginning on the 1st day of April, 2002;

(iii) fifty per cent, thereof for an assessment year beginning on the 1st day of April, 2003;

(iv) thirty per cent, thereof for an assessment year beginning on the 1st day of April, 2004." (46)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 39, as amended, stand part of the Bill."

The motion was adopted.

Clause 39, as amended, was added to the Bill.

Motion Re: Suspension of Rule 80 (i)

SHRI YASHWANT SINHA: Sir, I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 47 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 47 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

The motion was adopted.

New Clause 39A

Amendment made:

Page 12, after line 26, insert—

'39A. In section 80HHE of the Income-tax Act, in sub-section (1A), for clauses (ii), (iii), and (iv), the following clauses shall be submitted with effect from the 1st day of April, 2002 namely:- **Amendment of section 80HHE.**

"(ii) seventy per cent, thereof for an assessment year beginning on the 1st day of April, 2002;

(iii) fifty per cent, thereof for an assessment year beginning on the 1st day of April, 2003;

(iv) thirty per cent, thereof for an assessment year beginning on the 1st day of April, 2004." (47)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That new clause 39A be added to the Bill."

The motion was adopted.

New Clause 39A was added to the Bill.

Clauses 40 and 41 were added to the Bill.

Clause 42*Amendment of Section 80L**Amendment made:*

Page 14, omit line 10. (48)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 42, as amended, stand part of the Bill."

*The motion was adopted.**Clause 42, as amended, was added to the Bill.**Clause 43 was added to Bill.***Motion Re : Suspension of Rule 80(i)**

SHRI YASHWANT SINHA: I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 49 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 49 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

*The motion was adopted.***New Clause 43A***Amendment made:*

Page 14, after line 21, insert-

Amendment '43A. In section 90 of the Income-tax Act, the following *Explanation* shall be inserted and shall be deemed to have been

inserted with effect from the 1st day of April, 1962, namely:-

"*Explanation.*-For the removal of doubts, it is hereby declared that the charge of tax in respect of a foreign company at a rate higher than the rate at which a domestic company is chargeable, shall not be regarded as less favourable charge or levy of tax in respect of such foreign company, where such foreign company has not made the prescribed arrangement for declaration and payment within India, of the dividends (including dividends on preference shares) payable out of its income in India." (49)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That new clause 43A be added to the Bill."

*The motion was adopted.**New Clause 43A was added to Bill.***Clause 44***Substitution of new Section for Section 92**Amendments made:*

Page 16, after line 26, insert-

"Provided further that where the total income of an associated enterprise is computed under this sub-section on determination of the arm's length price paid to another associated enterprise from which tax has been deducted under the provisions of Chapter XVIIIB, the income of the other associated enterprise shall not be recomputed by reason of such determination of arm's length price in the case of the first mentioned enterprise." (50)

Page 16, line 46, after "means a person", insert "(including a permanent establishment of such person)". (51)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 44, as amended, stand part of the Bill."

The motion was adopted.

Clause 44, as amended, was added to the Bill.

Clause 45 to 53 was added to the Bill.

Clause 54

Amendment of Section 139

Amendment made:

Page 20, for line 15, substitute—

"(a) where the assessee is—

- (i) a company; or
- (ii) a person (other than a company) whose accounts are required to be audited under this Act or under any other law for the time being in force; or
- (iii) a working partner of a firm whose accounts are required to be audited under this Act or under any other law for the time being in force,

the 31st day of October of the assessment year." (52)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 54, as amended, stand part of the Bill."

The motion was adopted.

Clause 54, as amended, was added to the Bill.

Clauses 55 to 59 were added to the Bill.

Clause 60

Amendment of Section 15A

Amendment made:

Page 22, line 4, for the words "Notwithstanding anything contained in", substitute "Without prejudice to the provisions of". (53)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 60, as amended, stand part of the Bill."

The motion was adopted.

Clause 60, as amended, was added to the Bill.

Clauses 61 to 63 were added to the Bill.

Clause 64

Amendment of Section 194A

Amendment made:

Page 22, for lines 28 to 33, substitute—

'64. In section 194A of the Income-
tax Act in sub-section (3), in clause (l),
in the proviso, the portion beginning with
the words "the provisions of this clause"
and ending with the words "has been
substitute and" shall be omitted with effect
from the 1st day of June, 2001.' (54)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 64, as amended, stand part of the Bill."

The motion was adopted.

Clause 64, as amended, was added to the Bill.

Clauses 65 to 67 were added to the Bill.

Motion Re : Suspension of Rule 80 (l)

SHRI YASHWANT SINHA: I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 55 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in

Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 55 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

The motion was adopted.

New Clause 67A

Amendment made:

Page 23, after line 13, insert—

Amend- '67A. In section 197 of the Income-tax Act, ment of in sub-section (I), after the figures and letter section "194D", the figures and letter, "194H" shall be 197. inserted with effect from the 1st day of June, 2001.'. (55)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That new clause 67A be added to the Bill."

The motion was adopted.

New Clause 67A was added to the Bill.

Clauses 68 to 126 were added to the Bill.

Motion Re : Suspension of Rule 80(I)

SHRI YASHWANT SINHA: I beg to move:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 56 to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

MR. SPEAKER: The question is:

"That this House do suspend clause (i) of rule 80 of the Rules of Procedure and Conduct of Business in Lok Sabha in so far as it requires that an amendment shall be within the scope of the Bill and relevant to the subject matter of the clause to which it relates, in its application to Government amendment No. 56

to the Finance Bill, 2001 and that this amendment may be allowed to be moved."

The motion was adopted.

New Clause 126A

Amendment made:

Page 32, after line 42, insert,—

Validation of certain exemption given to polytan in powder or granule form.	'126A. (1) The amendment of the notification of Government of India in the Ministry of Finance (Department of Revenue) No. G.S.R. 168(E), dated the 1st March, 2000 made by the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. G.S.R. 98(E) dated the 15th day of February, 2001, which was issued in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, granting exemption from customs duty leviable under the First Schedule to the Customs Tariff Act and additional duty of customs leviable under sub-section (1) of section 3 of the Customs Tariff Act on import of "Polytan in powder or granule form" by Sports Authority of India or a National Sports Federation under a certificate issued by the Sports Authority of India for laying synthetic tracks and artificial surfaces for use in a national or international championship or competition to be held in India or abroad shall be deemed to be and always to have been for all purposes validly, come into force on and from the 1st day of December, 2000 at all material times.	126A (New)
---	---	------------

(2) Refund shall be made of all such duties which have been collected but which would not have been so collected if

the amendment referred to in sub-section (1) had been in force at all material times.

(3) Notwithstanding anything contained in section 27 of the Customs Act, an application for the claim of refund of the duty of customs or the additional duty of customs, as the case may be, under sub-section (2) shall be made within one year from the date on which the Finance Bill, 2001 receives the assent of the President.

(4) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notifications referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notifications under Sub-section (1) of Section 25 of the Customs Act, retrospectively at all material times. (56)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That new clause 126A be added to the Bill."

The motion was adopted.

New Clause 126A, was added to the Bill.

Clauses 127 to 129 were added to the Bill.

Clause 130

Amendment of Act 32 of 1994

Amendments made:

Page 33,—

in line 26,—

(i) for "automobile manufacturer", substitute "motor vehicle manufacturer";

(ii) for "automobile manufactured", substitute "motor car or two wheeled motor vehicle manufactured". (57)

Page 35,—

in line 36,—

for "by a port", substitute "by a port or any person authorised by the port". (58)

Page 38,—

in line 3,—

for "policy holder", substitute "policy holder or insurer". (59)

Page 38,—

in line 7,—

for "by a port", substitute "by a port or any person authorised by the port". (60)

Page 38,—

in line 9,—

for "automobiles", substitute "motor cars or two wheeled motor vehicles"; (61)

Page 38,—

in line 33,—

for "and", substitute "and includes". (62)

Page 39,—

in line 18,—

for "commission", substitute "commission, fee or any other sum". (63)

Page 39,—

in line 21,—

for "automobile", substitute "motor car or two wheeled motor vehicle". (64)

Page 39,—

in line 28,—

for "automobiles", substitute "motor cars or two wheeled motor vehicles". (65)

Page 40,—

omit lines 13 to 16. (66)

Page 40,—

for lines 27 to 29, substitute—

'(k) in section 77, for the words "two thousand rupees", the words "one thousand rupees" shall be substituted;' (67)

(Shri Yashwant Sinha)

19.00 hrs.

MR. SPEAKER: Shri Pawan Kumar Bansal, are you moving your amendments?

SHRI PAWAN KUMAR BANSAL: Yes, I am moving the amendments.

I beg to move:

Page 35, line 30,—

omit "any professional photograher or" (1)

Page 37, lines 36 and 37,—

for "in any manner"

substitute "the value of which exceeds five thousand rupees" (2)

Page 37, lines 48 and 49,—

for "in any manner"

substitute "the value of which exceeds five thousand rupees" (3)

Page 37, lines 50 and 51,—

omit "or agency in relation to any kind of sound recording" (4)

Page 38, line 30,—

omit "any professional videographer or" (5)

MR. SPEAKER: I shall now put amendments No. 1 to 5 moved by Shri Pawan Kumar Bansal to the vote of the House.

The amendments were put and negatived.

MR. SPEAKER: The question is:

"That clause 130, as amended, stand part of the Bill".

The motion was adopted.

Clause 130, as amended, was added to the Bill.

Clauses 131 to 135 were added to the Bill.

First Schedule

MR. SPEAKER: Shri Pawan Kumar Bansai, are you moving your amendments?

SHRI PAWAN KUMAR BANSAL: Yes, I am moving my amendments.

I beg to move:

Page 43,—

for lines 9 to 15, substitute—

"Rates of income-tax

- | | |
|---|---|
| (1) where the total income does not exceed Rs. 1,00,000 | Nil; |
| (2) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 1,20,000 | 10 per cent of the amount by which the total income exceeds Rs. 1,00,000 |
| (3) where the total income exceeds Rs. 1,20,000 but does not exceeds Rs. 1,70,000 | Rs. 2,000 plus 20 per cent of the amount by which the total income exceeds Rs. 1,20,000. |
| (4) where the total income exceeds Rs. 1,70,000 | Rs. 12,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,70,000" (6) |

Page 43, line 21,— for "sixty thousand" substitute "one lakh twenty thousand" (7)	Page 43, line 8,— for "35 per cent" substitute "32 per cent" (16)
Page 43, line 23,— for "sixty thousand" substitute "one lakh twenty thousand" (8)	Page 47,— for lines 17 to 23, substitute— "Rates of income-tax"
Page 43, line 24,— for "one lakh fifty thousand" substitute "One lakh seventy thousand" (9)	(1) where the total income does not exceed Rs. 1,00,000 Nil;
Page 43, line 25,— for "one lakh fifty thousand" substitute "one lakh seventy thousand" (10)	(2) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 1,20,000 10 per cent of the amount by which the total income exceeds Rs. 1,00,000
Page 43, line 28,— for "sixty thousand" substitute "one lakh twenty thousand" (11)	(3) where the total income exceeds Rs. 1,20,000 but does not exceed Rs. 1,70,000 Rs. 2,000 plus 20 per cent of the amount by which the total income exceeds Rs. 1,20,000.
Page 43, line 30,— for "sixty thousand" substitute "one lakh twenty thousand" (12)	(4) where the total income exceeds Rs. 1,70,000 Rs. 12,000 plus 30 per cent of the amount by which the total income exceeds Rs. 1,70,000 (17)
Page 43, lines 31 and 32,— for "one lakh fifty thousand" substitute "one lakh seventy thousand" (13)	Page 47, line 29,— for "sixty thousand" substitute "one lakh twenty thousand" (18)
Page 43, line 33,— for "one lakh fifty thousand" substitute "one lakh seventy thousand" (14)	Page 47, line 34,— for "sixty thousand" substitute "one lakh twenty thousand" (19)
Page 43, line 34,— for "one lakh fifty thousand" substitute "one lakh seventy thousand" (15)	Page 47,— for line 36,— substitute "income of one lakh twenty thousand rupees by more than the amount of income that exceeds one lakh twenty thousand rupees." (20)
	Page 47, line 52,— for "35 per cent." substitute "32 per cent." (21)

MR. SPEAKER: I shall now put amendments No. 6 to 21 moved by Shri Pawan Kumar Bansal to the vote of the House.

The amendments were put and negatived.

MR. SPEAKER: The question is:

"That the First Schedule stand part of the Bill".

The motion was adopted.

The First Scheduled was added to Bill.

The Second Schedule to the Eighth schedule were added to the Bill.

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

MR. SPEAKER: The Minister may now move that the Bill, as amended, be passed.

SHRI YASHWANT SINHA: Sir, I beg to move:

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

MR. SPEAKER: Motion moved:

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

SHRIMATI MARGARET ALVA: I am not raising any new point. Since the House felt that I was misleading the House, I just wanted to clarify my point. Here is the Economic Survey...*(Interruptions)* I would like to go right on the record.

[Translation]

I showed it to the Finance Minister also. I did wrong, I read out footnote,

[English]

but it is not a footnote. It is an explanatory note. What I said was that, because of the changes in methodology of data collection, these two sets of estimates may not be strictly comparable to the earlier estimates of poverty. I am just putting the records straight. I am not going beyond that.

SHRI YASHWANT SINHA: Frankly, I was misled or I misread. I was looking at the footnote. I have seen the paragraphs that the hon. Member had mentioned. It is paragraph 10.15.

[Translation]

AN HON'BLE MEMBER: It is a printing mistake.

SHRI YASHWANT SINHA: It is not a printing mistake.

If you read the whole paragraph, you will see that they are comparing the figures of poverty according to the thirty-day recall and seven-day recall. When they are talking about the seven-day recall, they are saying that because of this innovation, these figures are not strictly comparable. So, the comparable figures are based on thirty-day recall. Whereas the figures which cannot be compared or should not be compared strictly are the figures based on the seven-day recall. That is the point which I am trying to explain.

MR. SPEAKER: The question is:

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

The motion was adopted.

19.05 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, April 26, 2001/Vaisakha 6, 1923 (Saka).
