

# LOK SABHA DEBATES

## (English Version)

**Seventh Session**  
**(Fourteenth Lok Sabha)**



Gazettes & Debates Unit  
Parliament Library Building  
Room No. FB-025  
Block 'G'  
Acc. No. .... 21 .....  
Dated ..... 20. Oct. 2007 .....

*(Vol. XIX contains Nos. 21 to 30)*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*Price : Rs. 80.00*

## **EDITORIAL BOARD**

**P.D.T. Achary**  
Secretary-General  
Lok Sabha

**A.K. Singh**  
Joint Secretary

**Harnam Dass Takker**  
Principal Chief Editor

**Dr. R.N. Singh**  
Chief Editor

**Prabhakar Mohanty**  
Senior Editor

**Dhani Ram**  
Editor

---

(ORIGINAL ENGLISH PROCEEDINGS INCLUDED IN ENGLISH VERSION AND ORIGINAL HINDI PROCEEDINGS INCLUDED IN HINDI VERSION WILL BE TREATED AS AUTHORITATIVE AND NOT THE TRANSLATION THEREOF)

## CONTENTS

(Fourteenth Series, Vol. XIX, Seventh Session, 2006/1927 (Saka)  
No. 22, Saturday, March 18, 2006/Phalguna 27, 1927 (Saka)

SUBJECT	COLUMNS
FINANCE BILL, 2006 .....	1-3 65-162
Shri P. Chidambaram .....	1-3
Shri Vijayendra Pal Singh .....	65-70
Shri S.P.Y. Reddy .....	70-73
Shri Rupchand Pal .....	73-82
Shri Mohan Singh .....	82-87
Shri Ram Kripal Yadav .....	87-93
Shri Kashiram Rana .....	93-98
Dr. Rajesh Mishra .....	98-106
Shri Shailendra Kumar .....	106-107
Shri C. Kuppusami .....	107-110
Shri B. Mahtab .....	110-115
Shri P.S. Gadhavi .....	115-122
Shrimati Tejaswini Seeramesh .....	122-125
Shri Aruna Kumar Vundavalli .....	125-129
Shri Varkala Radhakrishnan .....	129-134
Shrimati Jayaben B. Thakkar .....	134-135
Prof. Chander Kumar .....	135-138
Shri Francis Fanthome .....	138-141
Shri T.K. Hamza .....	141-142
Shrimati Kiran Maheshwari .....	142-145

## SUBJECT

## COLUMNS

Shri Jivabhai A. Patel .....	145-147
Shri Alok Kumar Mehta .....	147-150
Shri Lonappan Nambadan .....	151
Shri K.S. Rao .....	151-160
Dr. K.S. Manoj .....	160-162
PAPERS LAID ON THE TABLE .....	4-6
COMMITTEE ON PUBLIC ACCOUNTS	
Statements .....	7
COMMITTEE ON PETITIONS	
Tenth Report .....	7
NOMINATIONS TO PANEL OF CHAIRMEN .....	8
BUSINESS OF THE HOUSE .....	61-64



## **OFFICERS OF LOK SABHA**

### **THE SPEAKER**

**Shri Somnath Chatterjee**

### **THE DEPUTY-SPEAKER**

**Shri Charanjit Singh Atwal**

### **PANEL OF CHAIRMEN**

**Shri Giridhar Gamang**

**Dr. Satyanarayan Jatiya**

**Shrimati Sumitra Mahajan**

**Dr. Laxminarayan Pandey**

**Shri Balasaheb Vikhe Patil**

**Shri Varkala Radhakrishnan**

**Shri Arjun Sethi**

**Shri Mohan Singh**

**Shrimati Krishna Tirath**

**Shri Devendra Prasad Yadav**

### **SECRETARY-GENERAL**

**Shri P.D.T. Achary**

# LOK SABHA DEBATES

---

## LOK SABHA

---

Saturday, March 18, 2006/Phalgun 27, 1927 (Saka)

---

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

### FINANCE BILL, 2006

[English]

MR. SPEAKER: Now, the House will take up Item No. 7. The Business Advisory Committee in the meeting held on 9th March has allotted 8 hours for consideration and passing of the Finance Bill, 2006. If the House agrees, we may allot 7 hours for general discussion, half an hour for clause by clause consideration and half an hour for the Third Reading of the Bill. Now, it has been agreed that the hon. Finance Minister will move the Bill and then he has to go. We shall continue with other matters.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2006-2007, be taken into consideration".

MR. SPEAKER: Do you want to say something?

SHRI P. CHIDAMBARAM: As I have said in the Budget speech that there are a very few tax proposals this year and there are a very few tax changes, and the reasons I have attempted to explain.

On the Customs side, the direction is to move towards ASEAN levels of taxation. We have taken, as some would say, a half step this year, bringing down to 12.5 per cent, the peak rate of customs duty. The goal is to have customs duties ranging between 5 and 10 per cent, which will make India comparable to the ASEAN countries.

On the Excise side, there is a broad consensus emerging in this country that we must converge upon the CENVAT rate. What the ultimate CENVAT rate will be, cannot be predicted now. But, broadly going by

international experience, it should be somewhere between 14 per cent and 16 per cent. At the same time, we must also converge the Service Tax rate because the proposal is to have Goods and Service Taxes in this country. We have allowed ourselves a four-year time period. We will come back to the House with the roadmap of how to take all the States on board, work the State Finance Ministers and have a Goods and services Tax in about four years. So, we are converging the excise rates. Wherever we found that there are deviations in excise rate, we have tried to correct those deviations and converge them. But, selective industries have been identified in order to give them a boost. The best example is the man-made fibre industry. What this House did in respect of cotton textiles industry two years ago, has given a huge boost to the cotton textiles industry. I have received a number of letters in the last two years from the cotton textiles industry of how this House has given a virtual new lease of life to the cotton industry. We expect the same to happen to the man-made fibre industry, and man-made textiles industry. Members would have seen the advertisements before the Budget and the advertisements after the Budget. The entire industry has welcomed the reduction of excise duty to 8 per cent. Similarly selected industries have been identified in order to give them a boost. Some of them are leather, paper and most importantly the food processing industry.

On the direct tax side, this is a year of consolidation. Major tax reforms were done in 1997-98 and again in 2005-06. There is no reason to tinker or tamper with the tax rates year after year. There must be a certain stability in tax rates. Today, I think, most people are comfortable with the personal and corporate tax rates. This is the year of consolidation. Some relief was required to be given on a couple of items under the fringe benefit tax and that has been given. Apart from that, as I emphasised, this is a year in which we want to send the clear message that tax rates will be moderate and stable. Therefore, this year is a year of consolidation.

Revenues are growing at about 20 per cent a year, which means that our tax policies are very balanced and right. Three years in succession, gross tax revenues as well as net tax revenues to the Centre are growing at 20 per cent a year. We must ensure that this momentum of

[Shri P. Chidambaram]

growth is maintained; this momentum in the growth of tax revenue is maintained.

I am sure that there will be issues raised during the course of the debate on certain provisions of the Finance Bill. I will make every effort to answer hon. Members and satisfy them what we have done in the Finance Bill is correct and will promote growth.

MR. SPEAKER: We will continue with the discussion later.

Motion moved:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2006-2007, be taken into consideration".

...(Interruptions)

[Translation]

PROF. VIJAY KUMAR MALHOTRA (South Delhi): He would reply day after tomorrow.

[English]

The reply will be given day after tomorrow or so. But I request the hon. Finance Minister to kindly consider senior citizens, women and the Government servants.  
...(Interruptions)

MR. SPEAKER: Somebody can speak on your behalf.

PROF. VIJAY KUMAR MALHOTRA: Sir, I will not be here. I will be going out. Great injustice has been done to these people. Kindly look into it....(Interruptions)

MR. SPEAKER: We have all agreed.

...(Interruptions)

[Translation]

SHRIMATI KIRAN MAHESHWARI (Udaipur): Excise duty on marble should be withdrawn....(Interruptions)

MR. SPEAKER: You may speak on marble and other things during your speech.

11.06 hrs.

## PAPERS LAID ON THE TABLE

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI KANTILAL BHURIA): Sir, I beg to lay on the Table—

A copy each of the following Notifications (Hindi and English versions) issued under sections 1 and 3 of the protection of Plant Varieties and Farmers' Rights Act, 2001:—

- (i) S.O. 1588 (E) published in Gazette of India dated the 11th November, 2005 appointing the 11th day of November, 2005 as the date on which the sections mentioned therein of the Protection of Plant Varieties and Farmer's Rights Act, 2001 shall come into force.
- (ii) S.O. 1589 (E) published in Gazette of India dated the 11th November, 2005 establishing the Protection of Plant Varieties and Farmers' Rights Authority for the purposes of the Protection of Plant Varieties and Farmers' Rights Act, 2001.

[Placed in Library. See No. LT 4007/2006]

- (2) (i) A copy of the Annual Report (Hindi and English versions) of the National Cooperative Development Corporation, New Delhi, for the year 2004-2005.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the National Cooperative Development Corporation, New Delhi, for the year 2004-2005, together with Audit Report thereon.
- (iii) A copy of the Review (Hindi and English versions) by the Government of the working of the National Cooperative Development Corporation, New Delhi, for the year 2004-2005.

- (3) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (2) above.

[Placed in Library. See No. LT 4008/2006]

- (4) A copy of the Annual Accounts (Hindi and English versions) of the National Cooperative Development Corporation (Employees Provident Fund), New Delhi, for the year 2004-2005, together with Audit Report thereon.

[Placed in Library. See No. LT 4009/2006]

[English]

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI NAMO NARAIN MEENA): I beg to lay on the Table—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Animal Welfare Board of India, Chennai, for the year 2004-2005, alongwith Audited Accounts
- (ii) Statement regarding Review (Hindi and English versions) by the Government of the working of the Animal Welfare Board of India, Chennai, for the year 2004-2005.
- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 4010/2006]

- (3) A copy of the Outcome Budget (Hindi and English versions) of the Ministry of Environment and Forests for the year 2006-2007.

[Placed in Library. See No. LT 4011/2006]

- (4) A copy of the Performance Budget (Hindi and English versions) of the Ministry of Environment and Forests for the year 2006-2007.

[Placed in Library. See No. LT 4012/2006]

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY

AFFAIRS (SHRI BIJOY HANDIQUE): On behalf of Shri Jairam Ramesh, I beg to lay on the Table—

- (1) (i) A copy of the Annual Report (Hindi and English versions) of the Indian Council of Arbitration, New Delhi, for the year 2004-2005 alongwith Audited Accounts.
- (ii) A copy of the Review (Hindi and English versions) by the Government of the working of the Indian Council of Arbitration, New Delhi, for the year 2004-2005.

- (2) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (1) above.

[Placed in Library. See No. LT 4013/2006]

- (3) (i) A copy of the Annual Report (Hindi and English versions) of the Export Inspection Council and Export Inspection Agencies, New Delhi, for the year 2004-2005.
- (ii) A copy of the Annual Accounts (Hindi and English versions) of the Export Inspection Council and Export Inspection Agencies, New Delhi, for the year 2004-2005, together with Audit Report thereon.

[Placed in Library. See No. LT 4014/2006]

- (iii) A copy of the Finance Review (Hindi and English versions) by the Government on the Audited Accounts of the Export Inspection Council, New Delhi, for the year 2004-2005.

[Placed in Library. See No. LT 4015/2006]

- (iv) A copy of the Review (Hindi and English versions) by the Government of the working of the Export Inspection Council and Export Inspection Agencies, New Delhi, for the year 2004-2005.

- (4) Statement (Hindi and English versions) showing reasons for delay in laying the papers mentioned at (3) above.

[Placed in Library. See No. LT 4014/2006]

11.06½ hrs.

## COMMITTEE ON PUBLIC ACCOUNTS

**Statements***[English]*

PROF. VIJAY KUMAR MALHOTRA (South Delhi): I beg to lay on the Table the Statements (Hindi and English versions) showing action taken on the recommendations contained in the following Action Taken Reports of the Public Accounts Committee:—

- (1) 42nd Report of PAC (10th Lok Sabha) on "Union Excise Duties—Taking Irregular Credit of Duty of Rs. 1.17 crores on Base Yarn and its Utilisation for Payment of Duty on Textured Yarn".
- (2) 20th Report of PAC (11th Lok Sabha) on "Out-of-turn Allotments of Government Residential Accommodations".
- (3) 11th Report of PAC (12th Lok Sabha) on "Avoidable Extra Expenditure on Import of Sugar".
- (4) 1st Report of PAC (14th Lok Sabha) on "Delay in Operational Deployment of Imported System and Delay in Development-cum-Production of a System".
- (5) 13th Report of PAC (14th Lok Sabha) on "Council for Advancement of People's Action and Rural Technology (CAPART)".

11.06¼ hrs.

## COMMITTEE ON PETITIONS

**Tenth Report***[Translation]*

SHRI PRABHUNATH SINGH (Maharajganj, Bihar): Sir, I beg to lay the Tenth Report (Hindi and English versions) of the Committee on Petitions.

11.07 hrs.

## NOMINATIONS TO PANEL OF CHAIRMEN

*[English]*

MR. SPEAKER: Hon. Members, I have to inform the House that under Rule 9 of the Rules of Procedure and Conduct of Business in Lok Sabha, I have nominated the following members as members of the Panel of Chairmen:—

1. Shri Giridhar Gamang
2. Dr. Satyanarayan Jatiya
3. Shrimati Sumitra Mahajan
4. Dr. Laxminarayan Pandey
5. Shri Balasaheb Vikhe Patil
6. Shri Varkala Radhakrishnan
7. Shri Arjun Sethi
8. Shri Mohan Singh
9. Shrimati Krishna Tirath
10. Shri Devendra Prasad Yadav

*[English]*

MR. SPEAKER: Now, Prof. Vijay Kumar Malhotra. You know that it is a friendly country.

*[Translation]*

PROF. VIJAY KUMAR MALHOTRA (South Delhi): Mr. Speaker, Sir, a Krishna temple of Hare Krishna mission is located in Moscow. The Parliaments the world over and others also have requested that the said temple may be permitted to be reconstructed.

*[English]*

I will only read two or three points from the International Religious Freedom Report. It says:

"The only Hare Krishna temple in Moscow, which was located is properly slated for redevelopment,

has been demolished, and the situation with the construction of a new temple has not been resolved. According to the Moscow Vedic Cultural Centre, in January 2004, Mayor signed a decree allocating land in north-west Moscow for construction of the first Vedic temple in the country. According to city officials, as of the end of the reporting period, a plan for the design of the temple had been approved by the city, but questions regarding the legal ownership of the property still had to be resolved, due to recent changes in Moscow's property law; Orthodox groups have opposed the project...."

That is why, it is not coming up there.

Sir, I have to make one more point. The British Minister of Europe at the House of Commons also assured. There are letter of Mayor of London written to Mayor of Moscow; letter of Euro-Asian Branch of the International Religious Liberty Association; letter to World Conference of Religions and Peace; and scores of people. The British Parliament passed a Resolution. Everywhere it is being asked.

*[Translation]*

Permission should be granted for reconstruction of the said temple. Certain groups are opposing this move because of certain specific reasons. That is why the temple could not be constructed so far, whereas land has already been allotted for it. I know that the British Parliament and even the whole world has agreed to it. The Prime Minister should hold talks with the Russian Government in this regard and request that permission be granted to construct the temple at the earliest. People all over the world would have been demanding it and our Members of Parliament also support it.

*[English]*

MR. SPEAKER: Shri Santosh Gangwar is also associating with him.

*[Translation]*

SHRI SANTOSH GANGWAR: Sir, my submission is that since the Russian Prime Minister is here on a visit to this country, our Government should request him to consider it.

*[English]*

MR. SPEAKER: Now, Shri Prabhunath Singh.

I try to accommodate as many as possible. I have committed. Therefore, please wait for your turn.

*[Translation]*

SHRI PRABHUNATH SINGH (Maharajganj, Bihar): Mr. Speaker, Sir, I had raised this issue during the last session also as it is a very sensitive issue. The leader of the House is present here. Financial assistance is being granted under Prime Minister's Relief Fund to the poor people for treatment of incurable diseases, which helps save their lives. Poor patients have to obtain the recommendations from their respective M.Ps. for availing the said relief under Prime Minister's Relief Fund. On 10-11-05. I received a letter from the office of Prime Minister's Relief Fund stating that as per the rules, an M.P. can recommend the cases of only 12 poor patients in a year; which means only one patient per month. Further it stated that 12 patients recommended by me have already been provided relief. So, I was advised not to recommend any more cases during that year.

Sir, to make an advance estimation of the number of patients likely to fall sick during a year is not only difficult but impossible for an M.P. We can't say how many people may fall sick and in which month. Being a local M.P. I can recommend cases of poor patients who can't afford paying for their treatment so that they can get treatment. Since the process for getting relief is cumbersome which deprives several patients the relief they may get. Consequently, many patients are unable to get themselves operated in time and die. I can't say how many more patients could fall prey to such a complex rule.

Mr. Speaker, Sir, I wrote a letter to the PMO in this regard. I would like to read out certain parts of the reply I received from them. The letter stated—I have been directed to apprise you of the position. In total, we have received 30 such cases which you have recommended for granting relief under Prime Minister's Relief Fund. At present, in view of availability of uncommitted funds under the said programme, it is not possible to approve all the cases. However, I understand that the said cases are

[Shri Prabhunath Singh]

related with urgent medical assistance. Thus, you are requested to bear in mind the availability of resources. I would be grateful if you prioritise the said cases. If you don't feel it necessary then, in view of the above facts, I would recommend the cases serially on the basis of receipt of first request. A list of cases approved is enclosed for your reference.

Mr. Speaker, Sir, a list of 30 names has been sent to me. With your permission I would like to lay the said list on the Table.

MR. SPEAKER: No, I have told you.

...(Interruptions)

MR. SPEAKER: Please sit down.

...(Interruptions)

MR. SPEAKER: I can't allow you to speak.

...(Interruptions)

SHRI PRABHUNATH SINGH: I am not levelling charges against anybody...(Interruptions)

MR. SPEAKER: It would be easy to take up important issue properly if you people sit down.

...(Interruptions)

SHRI PRABHUNATH SINGH: Sir, I am not levelling charges against anybody. Through you, and the Leader of the House, who is present here, I would like to say that no M.P. can decide as to which patient is likely to die first and which one later. Earlier too, such recommendations were made. And there is nothing new in it. Any sort of change in the said rules is unfortunate for the country. Therefore, I urge the Government to ponder over it seriously and withdraw the newly framed rules...(Interruptions)

[English]

MR. SPEAKER: No, nothing will be recorded.

...(Interruptions)\*

[Translation]

SHRI PRABHUNATH SINGH: Sir, I would like to lay my letter.

[English]

MR. SPEAKER: No, I am sorry. You can send it to the Ministers separately and not to the House.

...(Interruptions)

[Translation]

MR. SPEAKER: You please sit down.

[English]

Please sit down.

[Translation]

Please allow the House to function.

...(Interruptions)

[English]

MR. SPEAKER: Mr. Harikewal Prasad, kindly listen to me.

[Translation]

Please listen, wait for a minute.

[English]

Hon. Members, this is a matter on which I have received notices from two hon. Members. he has raised it. I have got a notice from Shri Harikewal Prasad. I will ask him to associate.

...(Interruptions)

MR. SPEAKER: As a special matter, you can send your slip to show that you have associated.

...(Interruptions)

MR. SPEAKER: But this is not a precedent, not everyday it will happen.

[Translation]

You did not even take pains to give a notice.

...(Interruptions)

---

\*Not recorded.

[English]

MR. SPEAKER: The names of Dr. Karan Singh Yadav, Shri Subhash Maharia, Dr. Satyanarayan Jatiya, Shrimati Kiran Maheshwari, Shrimati Pusp Jain, Maj. Gen. (Retd.) B.C. Khanduri, Shri Santosh Gangwar, Shri E. Ponnuswamy, Shri Subrata Bose, Shri K.S. Rao, Shri L. Rajagopal, Shri Anantha Venkatarami Reddy, Shri K.J.S.P. Reddy Shri D. Vittal Rao, Shri G. Nizamuddin, Shri M. Sreenivasulu Reddy, Shri Raghunath Jha, Shri Alok Kumar Mehta, Shri Sunil Kumar Mahato, Shri Ram Kripal Yadav, Shri Sita Ram Singh, Shri Ganesh Prasad Singh, Dr. Dharendra Agarwal, Shri Rabinder Kumar Rana, Dr. K.S. Manoj, Shri Shrinivas Patil, Dr. C. Krishnan, Shri Ravichandran Sippiparai, Shri Bachi Singh Rawat, Shri Virendra Kumar, Shri Devendra Prasad Yadav may also be associated.

[Translation]

SHRI HARIKEWAL PRASAD (Salempur): Mr. Speaker, Sir, I associate myself with the notice given by the hon'ble Prabhunath Singhji and through you would like to make a submission particularly to the leader of the House. As per the prevailing circumstances the number of voters in each constituency is 12 lakh to 13-14 lakhs and the hon. Members are elected from their respective constituencies to be sent here. My area is very backward and many relatives of sick people come to meet me. They say that their kin is admitted in the PGI, or in the AIIMS and they cannot bear the cost of his operations. How could they arrange Rs. 3-4 lakh required for the treatment. In these circumstances, whenever this kind of problem comes before me, I refer their case to the Prime Minister or the Chief Minister. Even after filing the application, many patients do not get any money and leave from here disappointed.

Through you, I would like to request the hon'ble Prime Minister to reconsider the process of granting money on one application forwarded by each Member in one month and allow to release money on humanitarian grounds keeping in view the fact that funds are spent for several other purposes.

With these words, I hope that he will do this work.....(Interruptions)

MD. SALIM (Calcutta-North East): There should be a Speaker Relief Fund for such a demand. ... (Interruptions) He is saying it very seriously.

SHRI MOHAN SINGH (Deoria): You are our protector.....(Interruptions)

[English]

MR. SPEAKER: No, not even one word is being recorded.

(Interruptions)\*

MR. SPEAKER: You do not have to tell us what is the condition in this country. Everybody knows about it. This is a question of a special fund. You are talking about the hon. Prime Minister's Relief Fund.

...(Interruptions)

MR. SPEAKER: Who is talking? When I am talking why are you talking?

[Translation]

Why do you behave in such a way on the last day, I will expurge it.

[English]

Do not take liberties with this Chair.

...(Interruptions)

MR. SPEAKER: We are all very concerned. Not a single individual in this country or single citizen will suffer because of lack of healthcare or lack of proper treatment. This is the objective. I am sure everybody has to see to it. The Government is under one of its obligations whether through this fund or not. I am sure everybody wants that everybody is properly treated. So far as this issue is concerned, nobody can dispute.

...(Interruptions)

[Translation]

MR. SPEAKER: What can we do, can we discontinue everything.

...(Interruptions)

---

\*Not recorded.



[English]

MR. SPEAKER: Shri Gurudas Dasgupta.

...(Interruptions)

MR. SPEAKER: Nothing will go on record except what Shri Gurudas Dasgupta says.

(Interruptions)\*

MR. SPEAKER: Please follow the proper procedure. You are such an articulate Member. You spoke very well on discussion on nuclear issue. Please sit down.

...(Interruptions)

[Translation]

MR. SPEAKER: All right, sit down. Please agree for increasing a little more tax in the Finance Bill.

[English]

Shri Gurudas Dasgupta.

...(Interruptions)

MR. SPEAKER: I am not minimising the importance of this matter. Please do not think so. But I have to regulate the House. There are so many matters before me.

[Translation]

I have to take all the matters.

...(Interruptions)

[English]

MR. SPEAKER: I find that brevity is a virtue that is being lost. Both relevance and brevity are great virtues.

...(Interruptions)

SHRI GURUDAS DASGUPTA (Panskura): Sir, India has entered into an agreement recently with the United States on the supply of nuclear fuel equipment and technology.

I am not going into that. This House has discussed it. We have our views. The Government have their views.

\*Not recorded.

But, I am raising a question. What is the aftermath of it? What has happened after that? After that, India has recently entered into an agreement with the Government of Russia. When it was being discussed, suddenly a statement came from some officials representing the Government at Washington saying that India cannot enter into an agreement with Russia without fulfilling, in full, the obligations under the agreement. This is the statement that has come. Of course, there has been a rejoinder from the Government of India. A very mild rejoinder has been there. But that is not the issue.

The point is what India should do or should not do, whether India should enter into an agreement with Russia or not, that is none of the business of the Government of America. I feel, as a Member of Parliament, humiliated because this browbeating, if I may use a mild word....(Interruptions)

MR. SPEAKER: Why should you feel humiliated? This country is second to none in upholding its sovereignty.

SHRI GURUDAS DASGUPTA: Sir, I agree with you. But I have a right to express my feelings.

MR. SPEAKER: Certainly.

SHRI GURUDAS DASGUPTA: My question is this. Why such a situation has been created in India? Earlier, it was not like this. Why such a situation has been created in India where a junior official can say openly, publicly and the Government of India has to retort? I take it as an act of browbeating by the Government at Washington. Our Government should take a little more note than what it has taken.

Secondly, what is the aftermath? A Bill has been introduced in American Parliament to implement the agreement. While introducing the Bill in both the Houses, speeches have been made that there should be unspecified restrictions on Government of India. This is what is going on. This is an act of total interference and Government of India should take note. I am sorry to say. ....(Interruptions)

SHRI JYOTIRADITYA M. SCINDIA (Guna): This is what they are saying in their House....(Interruptions)

SHRI GURUDAS DASGUPTA: Mr. Scindia, this is what they are saying....(*Interruptions*)

SHRI MADHUSUDAN MISTRY (Sabarkantha): How can we regulate what is being discussed there in their House?...(*Interruptions*)

SHRI GURUDAS DASGUPTA: I am not regulating. ...(*Interruptions*) Shri Ministry should know this is a sovereign House....(*Interruptions*)

MR. SPEAKER: You should not take note of any howlers there.

...(*Interruptions*)

SHRI GURUDAS DASGUPTA: Sir, an hon. 'would-be Minister' feels unnecessarily embarrassed. ...(*Interruptions*) As a sovereign House we have every right to reflect on what is going on there....(*Interruptions*)

MR. SPEAKER: You have given your view.

SHRI GURUDAS DASGUPTA: Sir, I have one more point. I wish that the Government of India should take a little more firm step than what it is doing. While saying so, I am only requesting the Government to re-examine its power production through nuclear process. I want the Government to re-examine it.

MR. SPEAKER: Thank you. Shri Ramji Lal Suman to speak now.

SHRI GURUDAS DASGUPTA: Sir, I have just two-three sentences to speak.

MR. SPEAKER: It cannot be a debate.

SHRI GURUDAS DASGUPTA: I want the Government to re-examine it because France is having the largest capacity of producing power through nuclear process and even there it is six per cent.

MR. SPEAKER: I was told by the Minister of France that it is 85 per cent nuclear power there.

SHRI GURUDAS DASGUPTA: No, Sir.

MR. SPEAKER: I was told by the Minister.

SHRI GURUDAS DASGUPTA: I am saying no. But,

my point is even if it is 85 per cent, it is high cost, absolutely a high cost.

MR. SPEAKER: You cannot have a debate on this now.

SHRI GURUDAS DASGUPTA: I am not debating. I am only saying one point. With much less expenditure to incur, we can develop our hydel power production. Then, why are we going in for high cost of atomic power generation?

MR. SPEAKER: This is much beyond your notice.

...(*Interruptions*)

SHRI GURUDAS DASGUPTA: Is it because India should come closer to America? Is it with that pretext?

MR. SPEAKER: Thank you. Shri Ramjilal Suman to speak now.

SHRI GURUDAS DASGUPTA: Sir, my last point is I feel this is political economics and not economics. The Government's decision to go for nuclear power generation is not backed up by economic consideration. It is backed up by political consideration.

MR. SPEAKER: This is not your notice. That matter has been debated. Please take your seat.

SHRI GURUDAS DASGUPTA: I humbly request the Government to re-examine the matter and take into consideration the question of exploiting the cheap hydel power potential of our country....(*Interruptions*)

MR. SPEAKER: This is not a debate on power policy in the country. These matters have been discussed.

...(*Interruptions*)

SHRI GURUDAS DASGUPTA: Sir, I am not debating. I am only saying that the Government is indulging in politicking in power generation....(*Interruptions*)

[*Translation*]

SHRI RAMJILAL SUMAN (Firozabad): Mr. Speaker, Sir, a few days ago, Allahabad High Court has given the ruling that Aligarh Muslim University is not a minority institution. The University was established by the name

[Shri Ramjilal Suman]

of AMU in 1887. Its founder Sir Syed Ahmed died in 1898 and then only it was decided in his condolence meeting that the University should be set up in his memory. The people met with the representative of the British Government, but the Government said, it was not having money, then Muslims themselves collected 30 lakh rupees and gave it to the Government and the then General Council enacted Aligarh Muslim University Act. This Parliament amended this Act in 1951. What I mean to say that this is that a historical fact that the Muslims had established this University....(Interruptions)

[English]

MR. SPEAKER: Please do not discuss. That is not the place to discuss. Shri Ram Kripal Yadav and all the hon. Members who are there, please go outside if you have to discuss anything.

[Translation]

SHRI RAMJILAL SUMAN: Allahabad High Court has given the ruling. I do not know whether the Government will appeal against it in the Supreme Court or not. Recently Congress Party itself has reiterated the resolution in the Hyderabad Conference that its minority status would be restored....(Interruptions)

[English]

MR. SPEAKER: You have raised the issue. You cannot have a long speech.

[Translation]

SHRI RAMJILAL SUMAN: Mr. Speaker, Sir, the new academic session is going to begin. What the Government are doing? The Government have made the commitment and in the Hyderabad Conference the Congress Party has passed the resolution to restore its minority status.

Through you, I would like to tell the Government that the academic session is going to begin. Will the Government amend the act of 1981 or bring the new bill. I understand that if delay is caused in this regard it would not be justified at any cost. The leader of the House is present here. I would like that he should assure the House that the Aligarh Muslim University....(Interruptions)

[English]

MR. SPEAKER: If it is relevant and brief, it has greater effect than if you are saying the same thing longer. The matter has already been presented very effectively. So, do not continue.

[Translation]

SHRI RAMJILAL SUMAN: The Government should either amend the act of 1981, or bring new bill to restore the minority status of the Aligarh Muslim University. ....(Interruptions)

[English]

MR. SPEAKER: Otherwise, this hour will go. It will not continue.

[Translation]

SHRI BACHI SINGH RAWAT 'BACHDA' (Almora): Mr. Speaker, Sir, the hilly area of Uttaranchal has not received normal rainfall after September, 2005. The crops dried up in absence of winter rainfall and alongwith it natural sources of potable water also dried up. Fodder for animals is also not available due to drought and severe potable water crisis has also emerged.

I would like to demand from the Government to constitute a Central Study Team and in consultation with the state Governments, the farmers should be provided proper assistance for giving them relief and alongwith that arrangements of fodder for animals and potable water should also be made.

[English]

MR. SPEAKER: How specific he is ! Thank you very much.

...(Interruptions)

[Translation]

MR. SPEAKER: I also test the patience, how much patience one is having.

DR. KARAN SINGH YADAV (Alwar): Mr. Speaker, Sir, the National Pharmaceutical Pricing Authority under the Ministry of Chemicals and Fertilizers had, through a

notification, ordered to reduce the prices of 280 medicines majority of which included antibiotics, pain-killers and cortico steroids. However, I am very sorry to say that there has been no impact of this notification on the drug companies and the said drugs are being sold at the old rates that is double or triple of the price stipulated under the order. Though the smaller companies have reduced the prices of these drugs, Pharmaceutical majors like Ranbaxy, Cipla and Dr. Reddy's Laboratory etc. engaged in the manufacturing of various antibiotics, supplements like vitamins and various cortirons are selling the said drugs at the double or triple prices. The said order of the government through the gazettee notification has failed to have any impacn on the said pharmaceutical companies.

Through you, I would like to draw the attention of the Ministry of Chemicals and Fertilizers towards the point that merely issuing orders would not result in reduced prices of drugs, rather there is a need to have an effective control on the issuing pharmaceutical companies so that the people could get drugs at cheaper rates.

[English]

DR. C. KRISHNAN (Pollachi): Sir, I am speaking on behalf of Marumalarchi Dravida Munnetra Kazhagam headed by Shri Vaiko of Tamil Nadu. Mullar Periyar Dam, which is situated in Idukki, was built by the Government of Tamil Nadu in the year 1886 by an agreement with His Highness, the Prince of Travancore.

The dam, when it was built, was meant to maintain the water level of 152 feet, but now the water is being maintained only at a level of 136 feet. This was done because of a fear due to a disruption in the wall of the dam. Thereafter, that wall was repaired and reinforcement was done.

Further, experts have also given their opinion that water can be raised upto a level of 145 feet. This Expert Committee was headed by Shri S.S. Brar and Shri T.K. Mittal.

My leader Shri Vaiko also led a delegation to Kerala to meet the hon. Chief Minister of Kerala, Shri Oommen Chandy, and presented a memorandum stating that the level of water should be raised to 145 feet. As per the opinion of the experts....(Interruptions)

MR. SPEAKER: Hon. Member, please raise a matter which is within the control of the Central Government.

DR. C. KRISHNAN: Yes, Sir. I have also raised this point in the first week of August 2005 during the heavy rains in Kerala and Tamil Nadu. Water was overflowing, and it was getting wasted as it was going into the sea. At that time, ...\* who is very much interested in...(Interruptions)

MR. SPEAKER: Dr. Krishnan, you need not mention these names. It is to be deleted.

...(Interruptions)

SHRI E. PONNUSWAMY (Chidambaram): The Chief Minister of Tamil Nadu has not taken any step ... (Interruptions)

SHRI S.K. KHARVENTHAN (Palani): Sir, it is the Supreme Court judgement...(Interruptions)

SHRI J.M. AARON RASHID (Periyakulam): Sir, this should not be allowed....(Interruptions)

MR. SPEAKER: Unfortunately, you are not the Speaker. I am the Speaker, and I shall decide what to do and what not to do.

...(Interruptions)

MR. SPEAKER: It has been deleted. The name will not be there. Dr. Krishnan, please conclude now.

...(Interruptions)

DR. C. KRISHNAN: Sir, the Tamil Nadu Government filed a writ petition in the Supreme Court....(Interruptions)

MR. SPEAKER: Can we not discuss an important issue?

...(Interruptions)

DR. C. KRISHNAN: Sir, the Tamil Nadu Government filed a writ petition on this matter in the Supreme Court. ... (Interruptions)

MR. SPEAKER: I am on my legs. Therefore, please sit down.

...(Interruptions)

---

\*Not recorded.

MR. SPEAKER: Shri Ponnuswamy, please sit down.

...(Interruptions)

MR. SPEAKER: Dr. Krishnan, you will have only one more minute to conclude.

...(Interruptions)

DR. C. KRISHNAN: The Chief Minister of  
...(Interruptions)

MR. SPEAKER: Nothing is being recorded. You can go on shouting.

...(Interruptions)

DR. C. KRISHNAN: The Government of Tamil Nadu filed a writ petition in the Supreme Court, and the Supreme Court has given the direction to raise the water level upto 142 feet....(Interruptions)

MR. SPEAKER: The people of your constituency have not sent you to be unruly here.

DR. C. KRISHNAN: The Supreme Court has given the verdict that the water level may be raised upto 142 feet. Now, I request the...(Interruptions)

DR. K.S. MANOJ (Alleppey): Sir, it is a very important matter.

MR. SPEAKER: Dr. Manoj, please sit down.

...(Interruptions)

DR. C. KRISHNAN: Sir, I would request the Central Government to intervene in this matter and help to raise the water level in the Mullai Periyar Dam upto 142 feet. ....(Interruptions) I am saying this because it will help the farmers of Madurai, Ramnad, Theni, Sivagangai, etc.

SHRI C. KUPPUSAMI (Madras North): Mr. Speaker, Sir, I want to raise a very urgent matter of public importance, which affects the farmers who are in the southern districts of Tamil Nadu. As the House may recall Mullai Periyar Dam is irrigating about 216 lakh acres of paddy growing land in the southern districts of Tamil Nadu, which is being controlled by the Kerala Government.  
...(Interruptions)

DR. K.S. MANOJ: Sir, it is an important issue. He is also raising it....(Interruptions)

MR. SPEAKER: What are you talking? Please sit down.

...(Interruptions)

SHRI C. KUPPUSAMI: Though it is an old dam, in the name of safety of the dam, about 5 years back the Kerala Government unilaterally reduced the height of the dam from the existing 152 feet to 136 feet....(Interruptions)

MR. SPEAKER: Please do not make any comments on any other Government. You raise the issue. This is the trouble.

SHRI C. KUPPUSAMI: Protesting against this move, the Tamil Nadu Government approached the Central Government. Petitions were also filed by our people in the Supreme Court....(Interruptions)

MR. SPEAKER: You forget that this is a national Parliament, and we are concerned with the Government of India.

SHRI C. KUPPUSAMI: At the instance of the apex court, the Centre had appointed an expert committee that recommended raising the water level initially to 142 feet.  
...(Interruptions)

SHRI VARKALA RADHAKRISHNAN (Chirayinkil): Sir, it is a very important issue. I also wish to raise this issue.

MR. SPEAKER: Then I will ask you to come and sit in the Chair.

SHRI VARKALA RADHAKRISHNAN: Sir, I am raising it only because the Kerala Legislative Assembly passed a unanimous resolution and it has come into force.  
...(Interruptions)

SHRI C. KUPPUSAMI: The expert committee after taking into consideration the stability of the dam, stress and strength analysis and every other aspect, had refuted the apprehension of the Kerala Government about the safety of the dam. The Supreme Court has accordingly passed orders for raising the water level from 136 feet to 142 feet.

From 2001 onwards, Tamil Nadu is also deprived of benefits of power generation at about 171 million units.

About two days back, to frustrate the orders of the Supreme Court, the Kerala Legislative Assembly passed a resolution not to raise the water level from 136 feet to 142 feet....(*Interruptions*) To oppose this move, our leader Dr. Kalaignar Karunanidhi, wrote a letter to the hon. Prime Minister, Dr. Manmohan Singh to see that the Supreme Court order is implemented by the Kerala State Government, since the move of the Kerala State would lead to inter-State dispute....(*Interruptions*)

MR. SPEAKER: So far as I am concerned, both Tamil Nadu and Kerala are very dear to me.

SHRI C. KUPPUSAMI: Already farmers in the southern districts of Tamil Nadu, that is, Madurai, Coimbatore, Theni, are agitated over the move of the Kerala State in not raising the water level. I would, therefore, urge upon the Central Government, especially the hon. Prime Minister and also Prof. Saifuddin Soz, hon. Minister of Water Resources, to intervene in the matter and issue direction to the State Government of Kerala to respect and implement the orders of the Supreme Court forthwith by raising the water level upto 142 feet. ...(*Interruptions*)

MR. SPEAKER: Now, I give the floor to Shri S.K. Kharventhan. Only Shri Kharventhan's submission will go on record and nothing else. The same thing need not be quoted again and again.

SHRI S.K. KHARVENTHAN: Sir, I think you very much for giving me the opportunity to speak....(*Interruptions*)

SHRI C. KUPPUSAMI: Sir, I am concluding. I would request the Government to make a statement in the House on this issue because the situation is already explosive and if it is allowed to continue, then it may lead to a serious crisis.

MR. SPEAKER: Thank you, Mr. Kuppusami.

SHRI S.K. KHARVENTHAN: Sir, Mullai Periyar Dam is one of the oldest dams in Tamil Nadu. The Dam was constructed to safeguard the interests of the farmers in southern Tamil Nadu at the Western Ghats. Originally,

the Dam was having the capacity to store water upto 152 feet and, presently, the water is stored only upto 136 feet....(*Interruptions*)

SHRI KHARABELA SWAIN (Balasore): Sir, my name was listed after Dr. Krishnan's.

MR. SPEAKER: Who has given this information to you? I will decide whom to call, please sit down. I would not accept what you are saying.

...(*Interruptions*)

SHRI S.K. KHARVENTHAN: Since it was alleged in some corners that the Dam would leak of more water is stored, the Tamil Nadu Government spent a huge amount of money and thoroughly strengthened the Dam. After that, the Dam is having the capacity to store water upto 152 feet. Since the Kerala Government has not allowed us to store water beyond 132 feet, a Public Interest Litigation was filed in the hon. Supreme Court. ...(*Interruptions*)

MR. SPEAKER: I will decide whom to call. You are not even supposed to look at the list. You have looked into the list unauthorisedly.

...(*Interruptions*)

SHRI KHARABELA SWAIN: I must know as to what is the reason for which you are not calling me. ...(*Interruptions*)

SHRI S.K. KHARVENTHAN: The Supreme Court sent a Committee to check the Dam, and the Committee filed a report stating that the Dam is in good condition and having the capacity to store water upto 152 feet. After hearing both the States, both the parties, the hon. Supreme Court, very recently, directed that the water which can be stored should be raised from the present level of 136 feet to 142 feet....(*Interruptions*)

MR. SPEAKER: The interruptions will not be recorded. Well, I will adjourn the House, unless you control your Members.

(*Interruptions*)\*

MD. SALIM: Sir, do not take it seriously. ...(*Interruptions*)

---

\*Not recorded.

**MR. SPEAKER:** I totally repudiate your allegations, Mr. Swain.

...(Interruptions)

**SHRI S.K. KHARVENTHAN:** However, instead of following the Supreme Court judgment, the Kerala Government illegally passed a Resolution in the Assembly which will affect the interests of the farmers of southern Tamil Nadu.

Hence, I urge upon the Union Government to intervene and direct the Kerala Government to raise the water level from 136 feet to 142 feet for the welfare of the farmers of Tamil Nadu....(Interruptions)

**MR. SPEAKER:** It is always subject to my decision, Mr. Swain. Your attitude is very reprehensible. Is this the way your Members behave? I have not said that I would not call him.

...(Interruptions)

**SHRI VIJAYENDRA PAL SINGH (Bhilwara):** Sir, please give him a chance....(Interruptions)

**MR. SPEAKER:** You do not have to advise me. Who has said that I will not give him a chance?

...(Interruptions)

**MR. SPEAKER:** You are dictating to the Chair. Those days have gone, Mr. Swain. You cannot dictate to the Chair.

...(Interruptions)

**MR. SPEAKER:** You sit down. You do not have to advise me. I will not allow super-Speakers in this House. Now, I give the floor to Shri N.S.V. Chittan.

...(Interruptions)

**SHRI N.S.V. CHITTHAN (Dindigul):** Sir, the backward Districts of Tamil Nadu, such as Madurai, Theni, Dindigul, Virudhnagar, Sivaganga, Ramanathapuram, are benefited by the Mullai Periyar Dam. In the year 1979, the storage level was reduced from 152 feet to 136 feet, and as a result of this, 256.23 TMC water had gone waste into Arabian Sea....(Interruptions)

**MR. SPEAKER:** Only Mr. Chittan's observations will be recorded.

**SHRI N.S.V. CHITTHAN:** Crop loss was estimated at Rs. 2,436 crore. Thousands of people have fled to northern districts and also to foreign countries to earn their livelihood....(Interruptions)

**MR. SPEAKER:** It is very unfortunate, I can only say that. I have never said that I will not call any particular Member. Even without notice, I am trying to accommodate the Members. Even if you have given the notice at 5 o'clock, it does not matter to me.

...(Interruptions)

**SHRI N.S.V. CHITTHAN:** The hon. Supreme Court observed that though the Dam was constructed in 1874, the structure of the Dam is sound and safe. There is not leakage of water in any part of the Dam. The Government of Tamil Nadu has already taken all the necessary steps to strengthen the Dam, and the storage level can be raised from 136 feet to 142 feet at present. By raising the storage level, Kerala State will not be affected in any manner....(Interruptions)

**MR. SPEAKER:** Why is this list being shown? I want an answer on this.

...(Interruptions)

**SHRI N.S.V. CHITTHAN:** If the storage level is raised, 16,000 acres of land will be irrigated further. As the storage load of water in the Mullai Periyar Dam was restricted to 136 feet, thousands of agriculturists whose lifeline was the water from Dam have fled to other States and other countries to earn their livelihood. Now, the hon. Supreme Court has given verdict to raise the water level to 142 feet. Instead of accepting this verdict, the Kerala Assembly has passed a legislation to keep the water level upto 136 feet.

I, therefore, urge upon the Central Government to examine this serious matter and if necessary, to take over the administration of the dam under Central supervision and to increase the water storage level to 142 feet as directed by the hon. Supreme Court of India. Such a step only can meet the ends of justice.

[Translation]

**PROF. RASA SINGH RAWAT (Ajmer):** Mr. Speaker, Sir, speaking with your leave, I would like to request the Government that crops, amounting to Rs. 2-2.5 billion

have been destroyed in Rajasthan due to unseasonal rains and hailstorm and maximum damage has taken place in Havoti region of district Bra where the estimated loss is approximately one billion rupees. Besides crops of barely, wheat and mustard have been damaged in one dozen districts including Jhalawar, Sriganganagar, Hanuman Garh, Bharatpur, Alwar, Sikar, Jalor, Rajsamand etc. The unseasonal rains have been the main culprit for this severe damage to crops. Nature has given a death blow to our expectations. The rabi crops could be sown in only 134 lakh hectares of land vis-a-vis the targeted area of 140 lakh hectares earlier. The weather was favourable and no crop disease was in sight. It raised the expectation of a bumper crop of mustard to the tune of 42 lakh tonnes. However, the rains and hailstorm taking place just before Holi damaged upto 70 per cent of crops. The opium crop and coriander have also been damaged. Approximately 250 sheep and goats died due to unseasonal rains and hailstorm. The mustard crop sown in 1.55 lakh hectares of land and coriander crop spread in 40 lakh hectares of land have been damaged. The villages in 15 districts of the State suffered loss of life and property in the said area. The state Government, through its limited services is trying its best to retrieve the situation but the quantum of the damage is too much that it requires the intervention of the Union Government by providing a special economic package to Rajasthan from the National Calamity Fund and National Contingency Fund in this hour of national calamity.

Sir, I would also like to request that the norms for providing assistance be amended so that the maximum number of farmers could get compensation with increased amount besides, their loans should also be written off.

SHRIMATI KIRAN MAHESHWARI (Udaipur): Sir, I would like to associate myself with what Shri Rawatji has said.

[English]

MR. SPEAKER: No, without notice you cannot.

[Translation]

SHRI JYOTIRADIYTA M. SCINDIA: Sir, through you, I would like to draw your attention towards hailstorm and

excessive rainfall in the various districts of Madhya Pradesh.

Sir, the rabi crops have suffered heavy losses due to hailstorm and excessive rainfall in Madhya Pradesh in the recent past. Approximately 82 people have lost their lives and approximately 4500 villages in 34 districts have been affected resulting in complete damage to crops sown in approximately 1.5 lakh hectares of land. This national calamity is a double whammy for the farmers already struggling with famine and the power crisis. The steps taken by the Government of Madhya Pradesh to address the problem have been far from being adequate and effective. Therefore, through you I would like to request the Government to hold the electricity bills of the farmers and their compensation amount be increased to at least Rs. 10,000 per hectare from the present level which is grossly inadequate. I would like to request the Union Government to conduct a survey in this regard by sending a central team and provide compensation to the farmers. The funds of Rs. 100 crore given to the state Government from the National Calamity Relief Fund should be disbursed among the farmers at the earliest.

[English]

MR. SPEAKER: Nothing will go on record except Mr. Mahtab.

(Interruptions)\*

SHRI B. MAHTAB (Cuttack): Mr. Speaker, Sir, I would like to draw the attention of the House and also of the Government....(Interruptions)

MR. SPEAKER: These are matters concerning the people. People are suffering. Many notices are given and I am giving priority to them. Yet, you are not satisfied.

[Translation]

What I will do when.

[English]

You want to decide which should be given priority.

...(Interruptions)

---

\*Not recorded.



MR. SPEAKER: It is unfortunate.

...(Interruptions)

MR. SPEAKER: I am allowing these matters to be raised as people are suffering.

...(Interruptions)

MR. SPEAKER: Do not misuse the House.

...(Interruptions)

SHRI B. MAHTAB: Sir, large parts of Orissa were hit by a hailstorm recently causing extensive damage to the standing crops and houses. Erstwhile Sambalpur district, namely, Bargarh, Jharsuguda, Sambalpur, Deogarh, kalahandi and Sundargarh and some parts of coastal belt have been affected and suffered the most as roofs of several houses have been damaged, while standing crops have been lost. This hailstorm is unprecedented in terms of timing and intensity.

I would urge upon the Government to come forward with a package to help the distressed farmers in all possible manner. There is a need to take Gram Panchayats as a unit for assessment of crop loss. The Central Government may send a special team to the affected areas to assess the extent of damage and to provide support and assistance at the earliest....(Interruptions)

SHRI BIKRAM KESHARI DEO (Kalahandi): I would like to associate with this matter.

MR. SPEAKER: No, I am allowing only those who have given notices.

SHRI PRASANNA ACHARYA (Sambalpur): Sir, in the last week, there has been an untimely rain, particularly in the western parts of Orissa. My own constituency had been hit by an unprecedented hailstorm. Only in the districts of Bargarh, Attaguda and Bhadrak, around 2,500 hectares of land have been affected and many houses have been damaged. Likewise, large parts of Jharsuguda and Sambalpur have been affected. Standing Crops have been severely damaged. Cash crops like Onion, Moong, Chilli and Garlic have been severely damaged. Consequently, it would affect the financial conditions of the farmers. Unfortunately, hailstorm has not yet been included in the relief code. Therefore, I urge upon the

Central Government to send a special team to assess the loss. In view of the very poor financial condition of the State Government, I urge upon the Central Government to come forward with a financial package to deal with the situation. Immediate help should be sent to the affected farmets. Correct assessment should be made.

MR. SPEAKER: Dr. Jatiya, you have given your notice beyond the time. Because of the importance of the matter, I am allowing you. At least, you have taken the trouble of giving a notice.

[Translation]

DR. SATYANARAYAN JATIYA (Ujjain): I had given notice before 10 O'clock, I do not know about its fate?

MR. SPEAKER: All right, it has to be given before 9.30.

[English]

I will go away. Nobody will be allowed to raise any matter. If there is any disturbance, I will adjourn the House and go away.

[Translation]

DR. SATYANARAYAN JATIYA: Mr. Speaker, Sir, I would like to thank you for including my name in the list of Chairpersons.

MR. SPEAKER: Now, you speak.

DR. SATYANARAYAN JATIYA: Mr. Speaker, Sir, I would like to thank you for including my name in the panel of Chairmen....(Interruptions)

[English]

MR. SPEAKER: Do not call me 'Sir'. Allow the House to continue, I shall be very happy.

[Translation]

You speak your point, I do not want to be thanked.

DR. SATYANARAYAN JATIYA: All right, Sir, I do not want to create any controversy on my thanks giving. I would only like to request that a grave national level crisis has emerged due to the national disasters in the state of Rajasthan, Madhya Pradesh and other States.

The unseasonal rain and hailstorm have not only damaged the crops but has also resulted in the loss of life and property. Therefore, the centre should immediately provide assistance by declaring national calamity in the affected states. This is my only submission.

[English]

MR. SPEAKER: Dr. Pandey, you also gave the notice late. In view of the importance of the matter, I am allowing you.

[Translation]

DR. LAXMINARAYAN PANDEY (Mandsaur): Mr. Speaker, Sir, I would like to draw your attention towards the plight of the opium farmers who have been undertaking cultivation of opium under licence issued to them by the Narcotics Department of the Ministry of Finance. The entire opium crop of approximately 50,000 farmers has been damaged due to the untimely rain and hailstorm. The main affected districts in Madhya Pradesh include Neemach, Mandsaur, Ratlam, and those of Rajasthan are Nimbaharo, Chittorgarh and Jhalawar. I would like to request the Government that the licences of people engaged in the cultivation of opium would be cancelled by the Narcotics Department related with the Ministry of Finance in the event of their failure to produce the quantum fixed for them and this would render them unable to carry on this cultivation.

So, the Narcotics Department should take initiative in this regard so as to ensure that their licences are not cancelled since they have already suffered a huge loss.

[English]

MR. SPEAKER: Now, Shri Avinash Rai Khanna.

SHRI JYOTIRADITYA M. SCINDIA: Sir, I also want to associate on this.

MR. SPEAKER: You have made your observation.

SHRI JYOTIRADITYA M. SCINDIA: It is on a different matter. I want to associate on this.

MR. SPEAKER: No, there would be no association allowed without notice.

[Translation]

SHRI CHANDRAMANI TRIPATHI (Rewa): Mr. Speaker, Sir, my name may kindly be associated with this matter.

[English]

MR. SPEAKER: No association is allowed.

...(Interruptions)

SHRI KINJARAPU YERRANNAIDU (Srikakulam): Sir, please allow me to speak...(Interruptions)

MR. SPEAKER: Mr. Yerrannaaidu, you are a leader. You cannot do like this every time. I know and I have seen your matter. First of all, be satisfied that it is a Central matter.

[Translation]

SHRI AVINASH RAI KHANNA (Hoshiarpur): Mr. Speaker, Sir, through you, I would like to draw the attention of the Government towards the problems faced by those in the business of poultry farming. The people who minted money in farming but left it for poultry farming business have suffered losses in the poultry business when news of bird flu spread in Maharashtra. The people who used to transport their poultry farm products from Punjab to Jammu-Kashmir suffered huge losses on account of the ban put on poultry items by the Jammu-Kashmir Government without issuing any notice and as a result thousands of trucks got stranded on the border. People had to stage dharnas over there in rain and raise slogans. Then only the Government lifted the ban for a short while. I would like to submit that if all the state Governments start taking such arbitrary actions, putting ban on whatever items they like, it will only lead to anarchy. If the Government fails to pay attention towards the poultry farms, the people engaged in this industry would be compelled to commit suicide as the farmers are doing now. This business has suffered a heavy blow on account of this decision of the Jammu-Kashmir Government. They have imposed a tax of Rs. 2/- per bird. Levying of tax to the tune of Rs. 6-7 thousand per truck has put everyone in panic and anxiety. I would like to request the Government that for promoting this business some

[Shri Avinash Rai Khanna]

concessions should be given to people engaged in this business on the lines of farmers so that the people could get some relief. This business gives employment to crores of people. If people get some concessions they will be able to run their business properly.

MAJ. GEN. (RETD.) B.C. KHANDURI (Garhwal): Mr. Speaker, Sir, through you, I would like to draw the attention of the Government towards the fact that a large number of people are serving in military and have retired from the para-Military forces of Assam Rifles. Their demand is that they should also be given CSD facility on the lines of army. I have been raising this issue for fairly a long time. Hon. Minister of Home had given an assurance and had informed through a letter about an under consideration departmental action. Mr. Speaker, Sir, the Assam Rifles and Para Military Forces are rendering similar services and should get canteen facilities on the lines of army. They also work for internal security and in tough conditions. The facility of canteen has been their long standing demand. It is my humble request to the Government that this facility to both serving and retired jawans of para military forces and Assam Rifles be provided by taking an immediate decision on this matter.

[English]

SHRI A.V. BELLARMIN (Nagercoil): Mr. Speaker, Sir, I would submit about the prevention and control of cancer disease in Kanyakumari district of Tamil nadu. In Kanyakumari, the incidence of cancer is in high proportion. The projected number of cancer patients treated in the Regional Cancer Centre, Trivandrum, which is an accredited centre by the WHO, is about 600 every year ...*(Interruptions)*

MR. SPEAKER: Nothing would be recorded except the submission of Mr. Bellarmin.

*(Interruptions)\**

SHRI A.V. BELLARMIN: From the register, it is found that the common cancer is found in oral, lung, oesophagus and other places....*(Interruptions)*

MR. SPEAKER: Hon. Members, I am sorry that you

are so unruly. I hope that the hon. Minister of Parliamentary Affairs will control these Members.

...*(Interruptions)*

SHRI A.V. BELLARMIN: Sir, one-third of cancer is preventable and one-third is completely curable if detected early. So, it is in this background that the Cancer Centre which is proposed to be set up in Kanyakumari should have the following objectives viz., to conduct cancer detection surveys, to educate people on the importance of preventions, to conduct cancer detection camps in selected areas, to assess poor cancer patients, to provide free treatment and methodologies, to create cancer awareness, to take pre-cancer survey, to conduct cancer detection camps, to give treatment and follow-up treatment; and to monitor everything.

Sir, the establishment and administration of the proposed Cancer Centre would be very economical and effective if it is supervised and collaborated with the administration of RCC Trivandrum. I would, therefore, appeal to the Government of India to set up this Cancer Centre with collaboration with the RCC, Trivandrum without any loss of time, because it will help a long way in controlling and checking this dreadful disease in the Kanyakumari district.

MR. SPEAKER: Shri Swain, you may have to satisfy me as to how it is a matter relating to the Central Government because it is a Resolution passed by the Kerala Legislature. That is my information.

SHRI KHARABELA SWAIN (Balasore): First you may have to listen to me.

MR. SPEAKER: I will listen and that is why, I am asking you to tell me, especially on the question of the Central Government's role.

SHRI KHARABELA SWAIN: You may have to listen to me. You may take a decision after listening to me.

MR. SPEAKER: Yes, certainly.

SHRI KHARABELA SWAIN: An effort is being made in Kerala to seek the release of the prime accused in the Coimbatore terrorist bomb blast, Abdul Nasser Madani. In February 1998, just ahead of the arrival of

---

\*Not recorded.

Shri L.K. Advani, the present Leader of the Opposition, serial explosions shook Coimbatore which resulted in the death of 59 persons and maiming of another 200. The investigation by the Tamil Nadu Special Investigation Team looking into the Coimbatore bomb blast revealed that Madani was...\*

SHRI VARKALA RADHAKRISHNAN: This is a wrong statement....(*Interruptions*)

MR. SPEAKER: This is very unfortunate; you cannot go on interrupting the proceedings like this. What is going on in the House?

...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN: He is misleading the House....(*Interruptions*)

MR. SPEAKER: Are you bound by his statement?

...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN: No. I am not bound by his statement....(*Interruptions*)

MR. SPEAKER: Then, please sit down.

...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN: But he cannot mislead the House....(*Interruptions*)

MR. SPEAKER: You may sit down now. Please take your seat.

...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN: I have a right to deny that....(*Interruptions*)

MR. SPEAKER: No, you have no right at the moment.

...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN: But he is misleading the House....(*Interruptions*)

SHRI KHARABELA SWAIN: But the police alleged that in the last decade, Madani aided by ISI built a network\*

MR. SPEAKER: I will look into this.

SHRI KHARABELA SWAIN: ...\*...The Kerala Police arrested Madani on 31st March 1998 for making provocative speeches and he was subsequently handed over to the Tamil Nadu Police. Since then, Madani had been trying to get out on bail. But his appeals had been rejected by all the courts including the Supreme Court.

MR. SPEAKER: You have to tell me how the Central Government is responsible for that. You have to come to that.

SHRI KHARABELA SWAIN: I am coming to that.

...\*...both the Congress-led UDF and the CPI(M)-led LDF in Kerala Assembly had passed a unanimous Resolution to release Madani on humanitarian grounds.

MR. SPEAKER: This has nothing to do with the Central Government.

...(*Interruptions*)

SHRI KHARABELA SWAIN: I very strongly condemn the attitude of both Congress-led UDF and the Communist-led LDF....(*Interruptions*)

MR. SPEAKER: I have said that this has nothing to do with the Central Government.

...(*Interruptions*)

MR. SPEAKER: Bring the proceedings to me; I will see that.

...(*Interruptions*)

SHRI KHARABELA SWAIN: My appeal to the Central Government is that it should not go by any such Resolution and see that he is not left out on bail. ...(*Interruptions*) He is an ISI-man; he should not be released....(*Interruptions*) \*

Thank you very much, Sir....(*Interruptions*)

MR. SPEAKER: Mr. Radhakrishnan, I will decide.

...(*Interruptions*)

\*Expunged as ordered by the Chair.

\*Expunged as ordered by the Chair.

MR. SPEAKER: Bring this matter to me; I will see this.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: Sir, I can raise a point of order....(Interruptions)

MR. SPEAKER: No, you cannot.

SHRI VARKALA RADHAKRISHNAN: I can. I can and I have a right to raise a point of order.

MR. SPEAKER: I will rule it out.

SHRI VARKALA RADHAKRISHNAN: Every Member has a right to do it....(Interruptions)

MR. SPEAKER: Please sit down.

...(Interruptions)

MR. SPEAKER: Mr. Swain, I have allowed you to do it.

...(Interruptions)

SHRI VARKALA RADHAKRISHNAN: When a misleading statement is made in the House, we have a right to raise a point of order....(Interruptions)

MR. SPEAKER: I am expressing my deep annoyance at the way senior Members are interrupting the proceedings of the House.

...(Interruptions)

MR. SPEAKER: You are setting a very very bad example.

SHRI VARKALA RADHAKRISHNAN: But he is misleading....(Interruptions)

SHRI KHARABELA SWAIN: I am not misleading.

MR. SPEAKER: You do not have to reply to him, Mr. Swain.

SHRI VARKALA RADHAKRISHNAN: Kerala Assembly unanimously passed a Resolution for his release.

MR. SPEAKER: Not one word of him will be recorded.

(Interruptions)\*

\*Not recorded.

MR. SPEAKER: Every matter relating to the State is being raised like this.

...(Interruptions)

MR. SPEAKER: I can only say that this is a very sad day.

...(Interruptions)

MR. SPEAKER: Any attempt to browbeat the Chair will not be permitted; I can assure you.

[Translation]

SHRI BHANWAR SINGH DANGAWAS (Nagaur): The crops of farmers of Rajasthan were insured by the Agriculture Insurance Company (India) Limited. No compensation for the loss suffered in the Kharif crops 2005 and Rabi crops 2005-06 has been paid. This company has put a hurdle with the demand of the details of item-wise losses. This alibi is given that the figures of production are not of lowest quality of production. The state governments collect the figures of crop harvesting from CCES whereas the Planning Commission also collects estimated figures at national level.

12.00 hrs.

Dispute has been raised that the estimated itemwise separate figures have not been made available whereas the Central Government itself admits that it is not possible after harvesting of crops. Another fact that the amount to be paid is more than the insurance instalment then the Central and the State Government would pay more than 50:50 per cent amount to the insurance company, thereafter the insurance company would pay the insurance amount to the farmers...(Interruptions)

[English]

MR. SPEAKER: Please conclude.

[Translation]

SHRI BHANWAR SINGH DANGAWAS: The State Government has apprised the Ministry of Agriculture, through a letter, that it has deposited the 50 per cent share of the state government. The state government has

requested the centre to issue orders of payment for both the crops to the Insurance Company after depositing its share of 50 per cent. It is also my request....(*Interruptions*)

MR. SPEAKER: Please sit down.

...(*Interruptions*)

[*English*]

MR. SPEAKER: Now, Shri Madhu Goud Yaskhi to speak. Mr. Yaskhi, I will scrutinize every word of your speech and if it is a State matter, I will not allow you to raise that.

SHRI MADHU GOUD YASKHI (Nizamabad): Sir, it is not a State matter.

MR. SPEAKER: You should also be very disciplined.

SHRI MADHU GOUD YASKHI: Sir, I am sorry.

MR. SPEAKER: You want to raise an important issue and you are disturbing the proceedings. You are not showing a sense of responsibility and this applies to every Member.

SHRI MADHU GOUD YASKHI: Sir, I am truly sorry but this is a very serious and important matter concerning the State.

MR. SPEAKER: You have to wait. Why do you have the Chair? You should tender apology.

SHRI MADHU GOUD YASKHI: I truly apologise for interrupting the proceedings but it is a serious matter.

MR. SPEAKER: Who has said that it is not a serious matter? I have allowed it because it is a serious matter.

SHRI MADHU GOUD YASKHI: Sir, I thank you for giving me an opportunity.

MR. SPEAKER: I have a list of 39 Members who want to raise important matters. Should I call all 39 Members together?

SHRI MADHU GOUD YASKHI: Sir, I rise to represent my esteemed colleagues from Andhra Pradesh and the people of Andhra Pradesh.

MR. SPEAKER: I want the people of this country to

be proud of this Parliament. That is my appeal to all of you. So, let us do it in such a manner that we could have good discussion and could raise good issues. By interrupting in this manner and disturbing others, you are not raising your own prestige.

SHRI MADHU GOUD YASKHI: Sir, I rise to represent my esteemed colleagues and people of Andhra Pradesh to protest the Maharashtra State Government's unauthorised and illegal construction of Babhali barrage ...(*Interruptions*)

MR. SPEAKER: Please bring this matter to me. I want to see this. If any matter is a State matter, I will delete it.

SHRI MADHU GOUD YASKHI: Sir, the action by Maharashtra State Government will affect the existence of Sriram Sagar Project also known as Pochampad Project. It is not out of context to mention here the hon. Supreme Court judgment in the Narmada Bachao Andolan versus Union of India. It said:

"Water is the basic need for the survival of human beings and is part of the right to life and human rights as enshrined in Article 21 of the Constitution of India and can be served only by providing source of water where there is none".

The water scarcity is there in seven districts of Telangana region. The only source of survival for the people there is the water from the Godavari river. This project was built in 1975 Its foundation stone was laid by the great Prime Minister, late Pandit Jawaharlal Nehru. The Pochampad Project was constructed across Godavari by Andhra Pradesh Irrigation and Drinking Water Department.

MR. SPEAKER: Please conclude.

SHRI SARVEY SATYANARAYANA (Siddipet): Sir, it is a very important matter...(*Interruptions*)

MR. SPEAKER: Are you trying to help him by disturbing the House?

SHRI SARVEY SATYANARAYANA: Sir, I am not going to disturb the House. But it is concerning our State.

MR. SPEAKER: You sit down. People are seeing that you are a disturbing element.

SHRI MADHU GOUD YASKHI: This matter was raised last year also when a meeting was convened by the Central Water Resources Commission. (CWC) In that meeting, Maharashtra agreed that the project of Babhali was being constructed without the approval of CWC. They have also accepted that it is in violation of inter-State agreement reached between the State of Andhra Pradesh and Maharashtra. They have also accepted that this project is being built in the submergence of Andhra Pradesh which is illegal. It is affecting the livelihood of thousands and lakhs of people of Andhra Pradesh.

MR. SPEAKER: This matter cannot be raised during this time. You should have taken recourse to some other method.

SHRI MADHU GOUD YASKHI: On the 6th of this month, CWC has issued a clear instruction to the Chief Secretary of Maharashtra saying that the construction of barrage by the Government of Maharashtra in the submergence area is a clear violation of the mutual agreement reached between the States of Maharashtra and Andhra Pradesh. It further asked the Chief Secretary to restrain himself from constructing it....(Interruptions)

MR. SPEAKER: It is a State matter. It has nothing to do with the Centre.

SHRI MADHU GOUD YASKHI: Sir, it is a very important matter. On the 11th of March, a meeting of both the Chief Ministers was held and they have decided on the 30th of March, in the presence of the CWC and the Minister for Water Resources....(Interruptions)

MR. SPEAKER: This country is being divided on these issues as there is no national approach.

...(Interruptions)

SHRI MADHU GOUD YASKHI: It is a very important issue in a democratic system....(Interruptions) A Chief Minister holding such a high post is not keeping up his word. He had assured the Chief Minister of Andhra Pradesh but still the construction is continuing. ....(Interruptions)

MR. SPEAKER: Shri Madhusudan Mistry.

...(Interruptions)

MR. SPEAKER: Nothing more will be recorded except what Shri Madhusudan Mistry will say.

(Interruptions)\*

MR. SPEAKER: Sit down. If you do not sit down, it will be totally deleted.

...(Interruptions)

SHRI MADHU GOUD YASKHI: Sir, the States are fighting amongst themselves and this is going to lead to a civil war....(Interruptions)

MR. SPEAKER: Shri Handique, please look after him. Otherwise, I will have to adjourn the House. I have now called Shri Mistry to speak.

...(Interruptions)

MR. SPEAKER: Please sit down. What do you want now? You have done what you wanted. I have allowed you to raise the matter. You have taken more than ten minutes to make your case. Do you want that an immediate decision will be taken by the Speaker?

...(Interruptions)

[Translation]

MR. SPEAKER: Please sit down. You are a teacher, you should at least show some sense of discipline.

SHRI MADHUSUDAN MISTRY (Sabarkantha): Mr. Speaker, Sir, I would like to draw the attention of the Union Minister of the Ministry of Rural Development and his entire Ministry that work under the National Rural Employment Guarantee Act has been commenced every where in Gujarat. The work has commenced in my Parliamentary Constituency and more than one lakh registrations forms were filled up there and more than approximately one lakh twenty thousand people were registered and cards were also distributed to some people.

[English]

Sir, the minimum wages prescribed in the National Rural Employment Guarantee Act is over Rs. 60. If you get the work done with the CPWD, it is Rs. 80 and if the

\*Not recorded.

work is done for an irrigation project, it is Rs. 85. But I am sorry to say that despite this fact, the labourers are getting only Rs. 16 to Rs. 17 to Rs. 19 because of the attitude adopted by the State Government. This is the standard rate which has been adopted by the Government of Gujarat. I am sure this will be the attitude with the other Governments also....(Interruptions) Sir, I have got the papers with me in this connection...(Interruptions) So, I want to request the Minister for Rural Development to find out the position and take up the matter with the State Government of Gujarat as well as other Governments which are defying the National Rural Employment Guarantee Act whereby the labourers are assured to be paid Rs. 80 to Rs. 85 but are paid only Rs. 16 or Rs. 17 because of the attitude of the State Government.

SHRI MANJUNATH KUNNUR (Dharwad South): Hon. Speaker, Sir, thank you very much for giving me an opportunity to raise this important matter. I wish to bring to the kind notice of the Government towards the need to sanction valve cluster in Hubli under the Industrial Infrastructure Upgradation Scheme of the Government. ... (Interruptions)

MR. SPEAKER: I would like to ask the hon. Members as to how to decide the priority. Can you not learn from Shri Girdhari Lal Bhargava? How can anybody call all the 39 Members together? Obviously, it has to be one by one. You will have to leave it to somebody. Who is that somebody? Unfortunately, for you it is the Chair where I am sitting now.

I am trying to give opportunity to everybody. Will your matter become important only when it is no. 1? Shri Malhotra made a personal request as he had to go away. So, I gave him the first opportunity. Then Shri Prabhunath Singh made a personal request as he had some urgent work. So, I gave him the chance to speak. So, I am calling everybody. On the natural calamity issues, I have allowed everybody. I am allowing them although State matters are being brought up here. But you cannot all the time say, "call me". How can I do it? When I sit in the Leaders Meeting, I will request them to please decide the priority. There is no point in having the Chair. Try to appreciate.

...(Interruptions)

[Translation]

MR. SPEAKER: Try to be a little bit discreet in your speech, irrespective of what you have in your mind.

...(Interruptions)

[English]

SHRI MANJUNATH KUNNUR: Hon. Speaker, Sir, thank you very much for giving me an opportunity.

[Translation]

MR. SPEAKER: I do not need, thanks.

[English]

SHRI MANJUNATH KUNNUR: This is an important matter. This is with regard to sanctioning valve clusters in Karnataka. Already the Government of India, through the Ministry of Commerce and Industry has identified and sanctioned more than 100 clusters for the whole of the country. Only two clusters have been approved by the Government of Karnataka. These two proposals are pending with the Government of India. About five thousand people will get employment if these valve clusters are set up in Hubli-Dharwad. It would be an attraction to the multi-national companies as Hubli has huge potential to become an international market because of its geographical placement and quality production of valves and pumps.

Till now only Bangalore has been identified as the machine tool cluster. Hubli is situated in North Karnataka. Once it is identified, in the international market Hubli can become a good place for valves and pumps. It should be given more importance. If it is done, employment problem can also be solved.

Therefore, through you, I humbly request the Ministry to sanction valve clusters in Hubli on top priority and release funds as it is very important for the North Karnataka. The State of Karnataka should not be deprived of this important cluster when other States have already been sanctioned and funds released for four or five clusters. Therefore, I humbly request the hon. Minister concerned once again to look into this matter.

MR. SPEAKER: Shri K. Yerrannaidu, how is your matter concerned with the Central Government?

...(Interruptions)



SHRI KINJARAPU YERRANNAIDU: This is a matter of urgent public importance....(*Interruptions*)

MR. SPEAKER: How does it concern the Central Government?

SHRI KINJARAPU YERRANNAIDU: The Union Ministry of Environment and Forests should intervene in this matter to protect the lives of the tribals....(*Interruptions*)

MR. SPEAKER: But that is not your notice.

...(*Interruptions*)

SHRI KINJARAPU YERRANNAIDU: Sir, the Government of Andhra Pradesh has entered into a Memorandum of Understanding....(*Interruptions*)

MR. SPEAKER: The issue of the State of Andhra Pradesh cannot be raised here.

...(*Interruptions*)

SHRI KINJARAPU YERRANNAIDU: This is against the constitutional norms and also against the environment and forest rules....(*Interruptions*) Thousands of tribals will be displaced by this MoU....(*Interruptions*)

MR. SPEAKER: Even then it is a State matter. Any constitutional matter cannot become a Central matter.

...(*Interruptions*)

SHRI KINJARAPU YERRANNAIDU: The Andhra Pradesh Government has entered into a Memorandum of Understanding, which is against the Constitution....(*Interruptions*)

MR. SPEAKER: Bring it to me. I will see. If any State matter is mentioned, it will be deleted.

...(*Interruptions*)

SHRI KINJARAPU YERRANNAIDU: You will have to protect the tribals in that area....(*Interruptions*) You know that Arakku and surrounding areas are called the Ooty of Andhra Pradesh. The tribals are agitating....(*Interruptions*) Now, without the consent of the tribals and without the consent of the *gram sabhas*, going against the environment guidelines, they have entered into an MoU....(*Interruptions*)

MR. SPEAKER: I will see. If it is irrelevant, I will delete it.

...(*Interruptions*)

SHRI KINJARAPU YERRANNAIDU: That is why I am requesting, through you, the Ministry of Environment and Forests to intervene in this matter in order to protect the tribals, their culture and the environment. That is my humble request....(*Interruptions*)

MR. SPEAKER: Shri Girdhari Lal Bhargava. He waits for his turn.

[*Translation*]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): I give notice and keep patience.

MR. SPEAKER: You give notice and sit quietly, but your party opposes you, what can I do?

SHRI SANTOSH GANGWAR (Bareilly): Party never opposes him; the entire party is with him.

[*English*]

SHRI AJIT JOGI (Mahasamund): He is part of "India Shining".

MR. SPEAKER: We have a living example, a shining example in this House. Why do you not follow him?

[*Translation*]

KUNWAR MANVENDRA SINGH (Mathura): Mr. Speaker, Sir, he comes and stands in the well of the House.

SHRI GIRDHARI LAL BHARGAVA: If Hon'ble Member wants to say something more, he may say. I will not be offended. I am serious even if you use abusive language. I will not mind it.

MR. SPEAKER: Little bit of interference looks good.

SHRI GIRDHARI LAL BHARGAVA: Mr. Speaker, Sir, common salt in Rajasthan is produced in Lake called Sambhar Salt Jheel. Besides this common salt is produced in two more Lakes. Salt is not only produced in Lakes but it is produced from the water wells also. This is

a cottage industry. My submission is that being a cottage industry this is well known throughout India. I think that everyone consumes common salt. They consume the salt produced there and oppose me too. They should not oppose me after consuming salt produced in my region.

Mr. Speaker, Sir, I want to bring it to the notice of the Government that salt is produced there but the Central Government is imposing a ban on purchase of this salt because of the policy that only iodized salt will be sold or purchased. My request is that such a ban should not be imposed. Government have compelled the public to use iodized salt. If iodized salt is added in hot vegetables then its iodine contents get evaporated and if kept in open for two months then also its effect dissolves. Commonman of the country uses ordinary salt, because it costs 50 paise per kg., whereas iodized salt costs 7-8 Rs. Per kg. Iodine is so dangerous that causes irritability, diabetes, T.B., cancer and hyperthyroidism and heart disease. Therefore I urge the Government not to impose ban on common salt.

Mr. Speaker, Sir, you may recall that Mahatma Gandhi also launched salt movement against British. At the time of the NDA Government, due to opposition by the Sarodaya people, Government withdrew this Act. Today's progressive Government is marching forward. I humbly request the Government that if they want stability in the Government then the ban imposed on items like common salt should be lifted. If this order is not withdrawn, it may lead to a mass agitation. I urge you to give directions to the Central Government that if the common salt is not banned in the country like America, then why it is banned here?

Mr. Speaker, Sir, if iodized salt is not banned, then it does not make a difference for those who want to die by consuming it. Government should give some subsidy on the common salt produced in Sambhar Lake or wells. I thank you for the time you have given me to speak.

[English]

MR. SPEAKER: Shri Lonappan Nambadan. Your matter relates to the Finance Bill. You can raise it during the debate. So, your matter does not come now.

Shri Dhanuskodi R. Athithan.

It the other Members disturb you, how will you feel?

SHRI DHANUSKODI R. ATHITHAN (Tirunelveli): Sir, Tirunelveli is one of the six Corporations in Tamil Nadu which lies in my Parliamentary constituency with a population of nearly four lakh. Within one week, more than 500 people have been affected by jaundice in the city alone, which killed a pregnant lady on 12th March. People are living in an alarming situation. The people's panic runs high when they know that the Billirubin level rises high which touches even 45 to 50 percentage points in the blood level of the patients which is unusual and abnormal in jaundice.

Likewise, hundreds of people have been dying due to brain fever in Thuthukudi, a municipal city in my Parliamentary constituency. This fever killed Ms. Julie, a 14 year student recently. The hygienic situation is worsening day by day in these two cities. Stagnation of water, mixed with drainage and polluted water, causes these deadly diseases. A worse health disorder is prevailing in these cities which jeopardises the normal life of the people.

Hence, I would request and urge upon the hon. Health Minister to send two special teams to the two cities to investigate and assess the real situation and make an on-the-spot study about the health disorder and the hygienic deterioration in these cities. I would also request the Health Minister to provide necessary advice to the State Government and also provide all necessary help to stop the spread over of these dreaded diseases, jaundice in Tirunelveli and the brain fever in Thuthukudi and save the people from the alarming situation and the health hazards.

[Translation]

SHRI VIRENDRA KUMAR (Sagar): Mr. Speaker, Sir, almost all the formalities regarding Bina Refinery has been completed. It is to be established by Bharat Petroleum near Agasoud in Bina situated within my Parliamentary Constituency, Sagar in Madhya Pradesh. State Government has also given an assurance to extend all possible help, but due to non-commencement of work till now the people of the area are getting disappointed and doubts are rising in their minds whether the location is not being changed.

The cost has also increased from Rs. 7500 crore to

[Shri Virendra Kumar]

Rs. 10000 crore because of time taken in the work. Land has already been acquired and compensation also paid to the farmers. The boundary wall has been constructed too. Almost Rs. 300 crore have been spent. The Annual profit of Bharat Petroleum is approximately Rs. 2000 crore, so capital is also not a problem.

Therefore, I request the Central Government to extend their cooperation to start Bina refinery as soon as possible keeping in view the development of Bundelkhand in Madhya Pradesh

MR. SPEAKER: Shri Rajesh Mishra—Not present.

Shrimati Kiran Maheshwari.

SHRIMATI KIRAN MAHESHWARI: Mr. Speaker, Sir, through you, I would like to draw attention of the Government and the Department of Archaeological Survey of India towards the conservation of many palaces and forts in Rajasthan. Rajasthan has an important contribution in the glorious history of our country. There is a district called Rajsamund which is a part of my parliamentary constituency. There is Kumbhalgarh Fort in this district, which is the birthplace of revered Maharana Pratap. This Fort falls under ASI, but this department has not prepared any plan for the conservation of this fort. Earlier, there were 365 temples, but at present only 85 temples are remaining and rest have been decrepit. Through you, I request Hon'ble Minister and Government that while Archaeological Department collects money from the sale of tickets, then they should also invest some money there. This is a historical place, where not only Indian but foreign tourists also come to see it. In this situation even foreign tourists discuss with each other that Government of India does not have proper arrangements for the conservation of these palaces and forts. Even we all feel bad about it. Therefore, I want to say that a reserve fund should be created for conservation of those forts, which are thousands of years old so that these forts could be saved. These forts must be conserved, even if we have to spend crores of rupee on this. This is our history and if we forget our history, then perhaps we will lose our identity in the world. Through you, I would like to request the Government that Department of Archaeological Survey of India should

not perform the job of money collection only. Foreign tourists are charged 100 Dollars for every ticket, even if the same is invested there, that would be sufficient. So I urge that a plan should be formulated for the conservation of Kumbhalgarh fort, which is the birthplace of revered Maharana Pratap and other forts like Chittaurgarh Fort or other forts in Udaipur.

SHRI RAM KRIPAL YADAV (Patna): Mr. Speaker, Sir, through you, I would like to draw the attention of Hon'ble Minister of Road Transport and Highways towards the condition of roads in Bihar. All the highways of Bihar are in a dilapidated condition. Money has been allocated for the construction of nearly 890 k.m. of roads during last two years, but no work has been done so far. All the roads are in a dilapidated condition. One cannot walk over it. The terms and conditions and process adopted by the Government are such that none of the contractors are able to come forward to take up the construction work which is delaying the commencement of work. The works sanctioned earlier for the National Highways are also not progressing.

Sir, I would like to invite the attention of hon'ble Minister towards the pathetic condition of the National Highways. Kindly take appropriate steps to spend the money allocated for four laning and construction of various roads. I would like to mention National Highway 98, 83, 110 and 107; the said highways are in a very bad condition.

MR. SPEAKER: What is the need to repeat?

SHRI RAM KRIPAL YADAV: Sir, I am repeating because the condition of such highways is very bad. National Highways are in a very bad shape. It is very difficult to walk on such highways...*(Interruptions)* Sir, you had also approved Calling Attention for the purpose...*(Interruptions)*

MR. SPEAKER: Shri Raghunath Jha, you are disturbing him.

SHRI RAM KRIPAL YADAV: Last time you had approved Calling Attention in this regard and we had discussed the matter and invited the attention of hon'ble Minister towards the matter...*(Interruptions)\**

\*Not recorded.

[English]

MR. SPEAKER: This will not go on record.

[Translation]

SHRI RAM KRIPAL YADAV: I would like to request him to start the construction work there, so that people of the region could be relieved.

[English]

MR. SPEAKER: Shri Varkala Radhakrishnan. How is your matter? It is a question of law.

[Translation]

What will be the office of profit, it is in the law.

[English]

SHRI VARKALA RADHAKRISHNAN: Sir, I have a request to the Central Government. Now, the Office of Profit held by a legislator has become a controversial subject. It has not been properly defined in any of the status. Some legislators may get an appointment of the State Government or some other Government agency. Whether it amounts to an Office of Profit is a matter to be decided.

MR. SPEAKER: There is a proper interpretation of the court.

SHRI VARKALA RADHAKRISHNAN: Sir, in the recent decision, in Shrimati Jaya Bachchan's case, (*Interruptions*) \* has taken a decision on the recommendation of the Election Commission.

MR. SPEAKER: His name will not come on record.

SHRI VARKALA RADHAKRISHNAN: Sir, the matter is a controversial one and this is the right place to discuss as the Parliament alone can decide the matter regarding the question of Office of Profit.

I would request the Central Government to bring in a legislation by defining precisely what should be the Office of Profit and what will not amount to an Office of Profit. It should be made clear in the light of Shrimati

Jaya Bachchan's case. There are also pending cases before the Election Commission. They are taking their decision according to their (*Interruptions*) \*We cannot say that the Election Commission is not influenced by political consideration.

MR. SPEAKER: These words will not go on record.

SHRI VARKALA RADHAKRISHNAN: Therefore, I would request the Central Government to bring in a legislation for being discussed in the House regarding the exact definition of the Office of Profit to be held by a legislator. This should not be left like this.

[Translation]

SHRI PUNNU LAL MOHALE (Bilaspur): Mr. Speaker, Sir, I would like to state about the approval of National River Conservation Plan (NRCP) that linking of three rivers i.e. Shivnath, Kharoon and Arfa in Tenth Five Year Plan under National River Conservation Plan implemented by Government of India and Ministry of Environment and forests, are being polluted because of sewage and solid waste from Raipur, Durg and Bilaspur city and hence erosion of river is increasing resulting in disruption of traffic flow to the cities. The Government of Madhya Pradesh has forwarded a proposal to the Union Government for the allocation of Rs. 101.21 lakh under the National River Conservation Plan. I would like to request the Union Government that action was taken in this regard in the year 2003 during Tenth Five Year Plan but Government of India has not yet approved the said plan due to which the three rivers are being polluted and cities are filled up with dirt and filth. Traffic flow to the city is adversely affected. Therefore, I would like to request the Union Government to kindly approve the plan and provide Rs. 101.21 lakh under NRCP so that there could be improvement in maintenance of the said three rivers, for sanitation, construction of natural disaster shelter, cremation ground, grih ghat and preserve environment.

SHRI HARISINH CHAVDA (Banaskantha): Mr. Speaker, Sir, there is bumper production of mustard in the country and farmers are very happy. Government have fixed the support price of mustard to provide benefits to the farmers. Last time it was Rs. 340 per quintal upto

\*Not recorded.

\*Not recorded.

[Shri Harisinh Chavda]

1700 quintal and this time it has fixed to Rs. 343 per quintal upto 1715 quintal which is a good thing.

Sir, last time the benefit of Minimum Support Price could not reach the farmers because the employees of Nafed, Gujarat Co-operative Department, Gutko and Mathot and workers of co-operative sector did not purchase mustard from farmers as per minimum support price by forming nexus. Due to this farmers are forced to sell their mustard to the local traders at cheap rates. Those people purchase mustard from local traders at cheap rates and sell the same to the government as per support price. Hence they have made profit of thousands and lakhs of Rs. through such conspiracy. Local trader purchase mustard from farmers at Rs. 260 and 270 per quintal and the same has been sold to the government at Rs. 343 per quintal by the employees of Nafed, Co-operative and Gujarat Co-operatives and workers of co-operatives. Government have fixed the minimum support price of mustard at Rs. 343 per quintal to provide benefit to the farmers but the said benefit could not reach the farmers. Hence, I request the Government to check such corruption and if necessary engage some other agency to purchase mustard from the farmers instead of Nafed, Gujarat Co-Operative Department, Gutko and Mathot as our government want to provide benefit to the farmers only. This is my request.

[English]

SHRI P.S. GADHAVI (Kutch): Sir, I would like to invite the attention of the hon. Minister of Power to the following matter of urgent public importance. Recently the Central Government has made drastic reduction in the allocation of power from the unallocated quota of Central Generating Stations of Western and Eastern regions, the details of which, in brief, are as under.

In September and November 2005, from Western Region, there has been a reduction of about 23 MW. In February 2006, in Western Region, there has been a reduction of about 121 MW. In February 2006 again, in Eastern Region, there has been a reduction of about 77 MW. There has been a total reduction of about 221 MW.

The Ministry of Power has reduced allocation of

power to Gujarat arbitrarily and diverted the same to Maharashtra, and Dadra Nagar Haveli, which has caused great loss to Gujarat, which is facing acute shortage of power.

I, therefore, urge upon the Government of India to reallocate the power to Gujarat which was reduced arbitrarily and without any justifiable reasons. Thank you very much.

[Translation]

SHRI SHAILENDRA KUMAR (Chail): Mr. Speaker, Sir, I would like to draw the attention of the Union Government towards the problems of 10 lakh P.C.O. owners in the country. The problems of P.C.O. owners has increased due to the communication revolution and the policy adopted by the Government. Sanchar Nigam signed the agreement that 20 per cent commission will be provided to the P.C.O. owners. Sanchar Nigam had asked the P.C.O. owners to provide certificate regarding educated unemployed for the purpose. Government have reduced the tariff under the present policy and local call rate applied throughout the country. Due to the said policy commission of the P.C.O. owners further reduced due to which they are facing acute hardship. Those people who are earning their bread through such P.C.O. are in very difficulty state and do not know not how to make their both ends meet in such a meagre commission. Therefore, I would like to request through the Chair, that Union Government must take action in this regard and provide them the commission by which they could fulfill the basic requirements of their families.

DR. RAJESH MISHRA (Varanasi): Mr. Speaker, Sir, I am late and I feel sorry for that.

Sir, there is a post office in Tiliya Bagh Mohalla in Varanasi city of Uttar Pradesh. Local residents had deposited their money through saving certificates in that post office during the last four years. Officers of the said Post Office provided the receipts of the saving certificate to the consumers but did not deposit their money in the post office. A CBI enquiry was conducted in the matter. It is revealed in the enquiry that Rs. 12-13 crore had been deposited in the post office by the locals during the last 4-5 years which was misappropriated by the post office

officials. The ultimate result is that during the last four-five years those who have deposited their money through the saving certificates are not getting their money back. Due to this they are not able to continue their children's education and to get their daughters married. Five-six years have passed since their money is blocked.

About one thousand depositors have fall in victims of this and more or less than Rs. 8-10 crore have been blocked for the last 4-5 years. Through you, my request is that a CBI inquiry may be conducted into the case so that the officers who are responsible for this trend are caught and the money involved is recovered. But the depositors being not at fault; should have been allowed to take their money from the post offices, so that they could do their routine work and get their children educated, get their daughters married, and if necessary, they could take medicines for the treatment of their parents. This is our request through you.

[English]

\*SHRI M. SHIVANNA (Chamrajangar): Mr. Speaker, Sir, first of all, let me thank you for giving me opportunity to raise this very sensitive issue.

Agitations are going on at Bagalkot and all over the State of Karnataka regarding dishonouring the Statue of Dr. Ambedkar, the Father of our Constitution. Similarly, the photograph of Dr. Ambedkar which was in Government offices in Karnataka has been removed. The down trodden, Harijans and Girijans all over the State of Karnataka are agitating and taking out processions and the situation may go out of control. The photographs of the Father of our Nation and the Father of our Constitution are there in the Government Offices. I do not understand how these photographs are removed and they are dishonoured. It is easy to frame the Constitution to any nation. But India consists of hundreds of castes, religions and languages. Hence, it is a very tough task. Dr. Ambedkar succeeds in his effort and gave us this Constitution. A law should be enacted in this Parliament to keep photographs of the Father of our Constitution and the Father of our Nation in all the Panchayat, Zilla Parishads and other Government offices.

\*English Translation of the Speech originally delivered in Kannada.

MR. SPEAKER: Now, Shri M. Shivanna. It is a matter nothing to do with the Centre. Something has happened in your Karnataka Office.

SHRI M. SHIVANNA: Sir, please give me one minute.

MR. SPEAKER: You see, nobody can affect the memory or the prestige of either the Father of the Nation or Dr. Ambedkar. Their position is supreme and unique. Anything done by anybody will not affect their position in this country.

SHRI M. SHIVANNA: Sir, what has happened in Karnata is...(Interruptions)

MR. SPEAKER: Therefore, what is happening in Karnataka is not the matter.

SHRI M. SHIVANNA: Sir, it is a matter because this is a Central matter.

MR. SPEAKER: It is for the State Government to do.

SHRI M. SHIVANNA: Sir, I would conclude in one minute.

MR. SPEAKER: I make an observation from the Chair, from the Parliament that nothing should be done in any way to disrespect them.

SHRI M. SHIVANNA: Sir, I thank you for your kind observation. I hope and believe that such incidents do not occur again, not only in Karnataka but anywhere in the country. Sir, I once again thank you and with these words, I conclude my speech...(Interruptions)

[Translation]

MR. SPEAKER: It is a big problem, all are raising matters regarding districts, Assemblies.

SHRI SANTOSH GANGWAR (Bareilly): Mr. Speaker, Sir, in the matter of MPLADS fund Members of Parliament have to suffer a great disreputations, but to my knowledge no money is being released by the statistics department of the concerned Ministry under MPLADS fund for the last 6 months. Even eight months have passed, but no money of the second installment of this year has been released so far. On the contrary, various kinds of investigation have been initiated by this Ministry.

[Shri Santosh Gangwar]

My request is that as long as this MPLADS fund is in operation the money should be released keeping in view the interests of the Members of Parliament because the time of next installment will come now and then, the problems would arise. I would like to urge you to give directions to the concerned Minister for releasing the money at the earliest wherever it is required.  
...(Interruptions)

[English]

MR. SPEAKER: Please sit down.

...(Interruptions)

DR. K.S. MANOJ (Alleppey): Sir, I thank you for this opportunity to raise this important matter, and I am very sure that the entire House will join me in condemning the attack on Christian Missionaries at Kota in Rajasthan.  
...(Interruptions)

MR. SPEAKER: He has to raise the issue. He is entitled to raise the matter. You are not bound by his statement.

...(Interruptions)

MR. SPEAKER: Only his statement will go on record.

(Interruptions)\*

DR. K.S. MANOJ: Sir, a team of five Members of Parliament had visited the institutions run by the Emmanuel Mission at Kota, Rajasthan, which have been under constant attack by the Sangh Parivar in the State.  
...(Interruptions)

Sir, the Emmanuel Mission has been working in Rajasthan for the last four or five decades. They run 49 schools in different parts of the State and a Mission Hospital. The Orphanage run by the Mission houses more than 2000 inmates.

The Sangh Parivar has been targeting the Mission for the last five years. The Sangh activists used to create trouble during the annual convention of the Bible College. On 17th February 2006, they have stepped up their attack

\*Not recorded.

targeting the members of Christian community and all institutions run by the Emmanuel Mission in the entire State, particularly at Kota. The reason propagated by the Sangh outfits for the sudden spurt of violence against the Mission was the sale of a book 'Hakikath' which alleged to have contents of derogatory comments on Hindu Gods. However, the Mission withdrew the sale of the book and totally disassociated with it....(Interruptions)

The continuous attack by the Sangh outfits and the role of the State Government clearly manifest the conspiracy to mount attack on the Christian minorities and the issue of the book was only a pretext for their nefarious actions....(Interruptions)

Sir, the miscreants vandalised the school classrooms, threw petrol bombs at the girls hostel attached to the Emmanuel Mission Hospital and desecrated the statue of St. Paul in the premises of the St. Paul's Senior Secondary School at Kota....(Interruptions) Even the Orphanage was not spared. The in charge of the Orphanage Mr. V.S. Thomas was attacked and he is presently in jail.

MR. SPEAKER: It is over. Please conclude. Please sit down.

DR. K.S. MANOJ: The role of the State administration is biased, as they did little to protect the members of the community and their institutions. Instead, the State Government cancelled the registration of various societies under the Emmanuel Mission and directed the banks to freeze their accounts. Even the LPG distributor was reprimanded by the Sangh Parivar against supplying gas cylinders to the Orphanage....(Interruptions) Yesterday in Delhi, the Rajasthan Police took into custody one of the Bishops of the Mission, Dr. Samuel Thomas and his whereabouts are unknown. The situation is very serious and the Christian community in the entire State is in a state of shock and feels insecure....(Interruptions)

MR. SPEAKER: He is reading out. Why are you obstructing?

DR. K.S. MANOJ: In this connection, I would like to express my gratitude to Mr. A.R. Antulay who has intervened in this matter

In the above circumstances, we request your immediate intervention and take urgent measures to stop

the attacks, ensure safety of the Mission institutions and to instil confidence among the minority communities in the State.

MR. SPEAKER: Please conclude.

DR. K.S. MANOJ: Sir, even though the hon. Minister has assured all the assistance, nothing has happened. ...*(Interruptions)*

MR. SPEAKER: Please sit down. You have finished.

Today, I have allowed 40 matters. Now, I am coming to Item No. 6.

...*(Interruptions)*

MR. SPEAKER: Dr. Manoj, will you sit down?

...*(Interruptions)*

MR. SPEAKER: Please sit down.

...*(Interruptions)*

MR. SPEAKER: Please take your seat.

...*(Interruptions)*

MR. SPEAKER: Nobody listens to the Chair. It is despicable.

...*(Interruptions)*

12.44 hrs.

## BUSINESS OF THE HOUSE

*[English]*

MR. SPEAKER: Now, Shri Bijoy Handique has to make a statement regarding Government business.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI BIJOY HANDIQUE): With your permission, Sir, I rise to announce that the Government Business during the remaining part of the First part of the Budget Session will consist of:—

- (1) Consideration of any item of Government Business carried over from today's Order Paper.

- (2) Consideration and passing of the Petroleum and Natural Gas Regulatory Board Bill, 2006, as passed by Rajya Sabha.

DR. K.S. MANOJ (Alleppey): Sir, the following subjects may be included in the next week's agenda:—

- (1) Need to man the unguarded level crossings where accidents have occurred more than once.
- (2) Need to construct a bridge to connect Perumbalam island in Alappuzha district of Kerala to main land.

*[Translation]*

SHRI VIRENDRA KUMAR (Sagar): Mr. Speaker, Sir, the following subjects may kindly be included in the next weeks agenda:—

- (1) Need to confer upon Dr. Sir Hari Singh Gaur, the founder of Sagar University, with Bharat Ratna.
- (2) Need to provide doordarshan facilities by setting up of tower as early as possible at Beena, where there is a railway junction and the Beena refinery is being set up by Bharat Petroleum, but—there is no Doordarshan Kendra.

PROF. RASA SINGH RAWAT (Ajmer): Mr. Speaker, Sir, the following subjects may kindly be included in the next weeks agenda:—

- (1) Need to set up on an oil refinery in Rajasthan at the earliest in view of availability of heavy oil and gas reserves in Barmer Jalore-Jaisalmer Patti.
- (2) Need to start newly proposed Jaipur-Amritsar train from Ajmer to make it more useful and beneficial in view of pilgrimage and tourism.

SHRI PUNNU LAL MOHALE (Bilaspur): Mr. Speaker, Sir, the following subjects may kindly be included in the next weeks agenda:—

- (1) Need to sanction an amount of Rs. 50 crores for the construction of guest house park, children park and reservoir alongwith 200 toilets at multifaceted tourist place of religious, historical



[Shri Punnu Lal Mohale]

and natural importance, situated at village Giroudpuri of Raipur district in Chhattisgarh State.

- (2) Need to widen runway in Bilaspur District of Chhattisgarh State and sanction a station (ATS) runway by constructing tower and boundary so that Raipur-Bombay-Calcutta-Chennai-Delhi air stoppage may be sanctioned.

[English]

SHRI VARKALA RADHAKRISHNAN (Chirayinkil):

Sir, the following subjects may kindly be included in the next week's agenda:—

- (1) Long-standing request of people of Kerala and Kerala Government to provide NRIs the right to vote by making appropriate amendments in the People Representation Act. This subject may be discussed.
- (2) There are various complaints on illegal recruitments made by bogus recruiting agents. Presently recruitments to foreign countries are done as per the Emigration Act, which is having a lot of deficiencies/shortcomings. This is being a Central Act, the State Government does not have any role even in framing rules under the same.

This has to be changed. This may kindly be discussed.

[Translation]

SHRI JIVABHAI A. PATEL (Mehsana): Mr. Speaker, Sir, the following subjects may kindly be included in the next week's agenda:—

- (1) Need to set up an agriculture research center at Mehnsana for the spice crops to upgrade it and to increase its production capacity as my constituency Mehnsana produces the world's high quality of spices.
- (2) Need to provide rail connectivity as early as possible from Taranga to Ambaji as the devotees

have to face a lot of problem to visit Ambaji, a holy place, while the people of the country, particularly of Gujarat have a great devotion towards Ambaji.

SHRI SUNIL KUMAR MAHATO (Jamshedpur): Mr. Speaker, Sir, the following subjects of public interest may kindly be included in the next week agenda:—

- (1) Need to launch food for work programme and 100 days employment guarantee scheme to weed out naxalism and alleviate poverty in the district of East Singhbhoom under my constituency Jamshedpur.
- (2) Need to implement provision in Jharkhand to enhance the limit of creamy layer from one lakh to two and half lakh regarding other backward classes as passed by the Central Government in 9th March, 2004.

SHRI BACHI SINGH RAWAT 'BACHDA' (Almora): Mr. Speaker, Sir, the following subjects may kindly be included in the next week's agenda:—

Need to launch a special recruitment campaign in the recruitment of Para Military Forces by the Central Government by fixing special quota for the youths of frontier hilly area of Uttaranchal on the line of Jammu and Kashmir.

DR. DHIRENDER AGGRAWAL (Chatra): Mr. Speaker, Sir, kindly permit me to included the work of next week in today's agenda of Lok Sabha:—

- (1) Karanpura Super Thermal Power Plant situated in my parliamentary constituency have been inaugurated twice by the then Prime Ministers. To start this plant at the earliest so as the shortage of power in the area may be met and the work related to transfer it's headquarter from Hazaribagh to Chatra.
- (2) The work of Division Dam project at Mahua Dand division in my parliamentary constituency, whereon crores of Rs. have been spent, hanging in fire since many years, may be completed under accelerated irrigation benefit program.

12.51 hrs.

FINANCE BILL, 2006—*contd.*

[English]

MR. SPEAKER: Now we resume our discussion on item no. 7—the Finance Bill, 2006. There will be no luncheon recess today.

Shri Vijayendra Pal Singh to speak now.

SHRI VIJAYENDRA PAL SINGH (Bhilwara): Mr. Speaker, Sir, I stand to participate in the discussion and oppose the Finance Bill, 2006. We are all aware that in Parliament the Budget is discussed in three phases.

12.52 hrs.

[DR. LAXMINARAYAN PANDEY *in the Chair*]

The first part is the General Discussion after the presentation of the Budget by the hon. Minister of Finance wherein general issues are discussed like the GDP, growth rate, employment/unemployment etc. After that the second phase is the discussion on the various Ministries or rather their Demands for Grants which are taken up in detail. This is the first time that they are not being referred to the Standing Committees where they usually are discussed during the recess in Parliament. Then, they come back to the House. But, I will not go into the debate of that. Then, we have the guillotine, the Appropriation Bill, and finally we come to the stage that we are in today and that is the Finance Bill.

The final stage of the passing of the Budget is supposed to be limited to the taxation proposals contained in the Finance Bill. I must say that the hon. Minister has always been saying that he wants to simplify the income-tax returns. He also says that he wants to curb the black money power because everybody knows that the black money has got to the stage of being a parallel economy in the country. But we are disappointed by the hon. Minister of Finance because nothing has been done on the issue of an amnesty or any other scheme to curb the black money power.

Also, the hon. Minister of Finance has been talking about that he wants to broadbase the income-tax network

of the people who are filing their income-tax returns or assessments. But all the financial institutions, Chambers like ASSOCHAM, FICCI etc. have been saying that something should be done regarding the rich farmers. They have been talking about it.

We all know that the farming community is strange in the sense that there are poor farmers who are committing suicides and there are also very rich farmers who roam about only in Mercedes Benz, limousines etc., but they have not been taxed. The CII, the ASSOCHAM and the financial institutions have been talking about it. I thought the Finance Minister would have the guts to do something about that, but nothing has been done on that count also.

You talk about poverty in the farmer class, but on the other hand, other issues should also have been taken up and I feel that it seems to have also missed him. May I also say that when you talk about income-tax return filing, you say that it needs to be simplified? Now, nothing has been done on the simplification of that. In fact, there are so many forms and forms to the extent that it is not just once a year that you have to fill them. There are advance tax forms and returns. These are to be submitted three times or four times—three times by individuals and HUFs and four times by the companies. That also has not been looked into by the Finance Minister.

Let me also talk about specific issues which are of concern. On the direct taxes side, let me talk about the FBT, Fringe Benefit Tax. It needed to be simplified. It has not been defined as such. The disallowances of staff welfare expenses, hospitality expenses, sales promotion expenses etc. were requested to be lowered down and looking at the basic need of business, these disallowances plus FBT thereon shall further increase the tax burden on the companies, industry and trade. Something has been done. Taking the medical samples to doctors, brand ambassador's charges out of purview of FBT is a welcome measure. Simultaneously, contribution to approved superannuation fund upto rupees one lakh per employee is not liable to FBT. It is also welcome, but overall simplification of FBT calculation is not really defined and is very much required and needed.

The one system of taxation and the tax rates should be levied to avoid repetitive returns, calculations and

[Shri Vijayendra Pal Singh]

challan forms. It needs to be looked into. I urge upon the Finance Minister, who is not here, to look into it. I do not know if he is listening to what I am saying. I am the first speaker from here, but the Finance Minister does not answer to all arguments. What I also want to put across is with regard to income tax provisions. There are certain harsh provisions as introduced in the Bill, which also need clarification and a sympathetic approach.

Let me also talk about the co-operative banks which are doing lending business. They are doing lending business to the farming community, to the rural areas. That has also been taxed this year.

13.00 hrs.

It is very surprising. I am saying this because once we talked about how we are going to uplift the rural community, and the farming section. The bank, which really looks after their interest is the co-operative bank. If they are taxed, then there will be a crunch on the amount of lending that they can do. This should not have been done, and I feel that the Government is not really serious about the upliftment of the rural section by putting this in place.

I would now like to mention about the removal of exemption in income from investment in infrastructure and other projects under section 10 (23) (g) with effect from 01-04-2007. It is also going to be very unpleasant, and it is very unthoughtful, since India has attained this growth rate only on the shoulders of the infrastructure funds and projects. Therefore, more time should have been given for the takeoff stage. We need these projects to be exempted for at least another 10 years for the infrastructure development in the country.

13.01 hrs.

[SHRI MOHAN SINGH *in the Chair*]

I would also like to say that granting benefit of bank deposits under section 80 (C)—like insurance premium, NSC investment, purchase of pension plan and mutual funds, etc.—for a five year term shall hamper the concept of insurance. In addition, the real savings, by which we are getting the long-term funds for these infrastructure

activities, should also be looked into or thought about by the hon. Finance Minister.

I would now like to talk about the anonymous or pseudonymous donations made to charitable institutions. This is under the tax net under section 11, and under section 10 (23) (c), and it has been proposed to be taxed at 30 per cent, that is, other than donations to institutions wholly for religious purposes. I feel that there was a blanket exemption, and now exemption has been given only for religious purposes. This is going to really complicate matters, and donors—who really want to put in money for institutions and for other charitable causes—are going to have a lot of problems. I feel that this matter should also be looked into by the hon. Finance Minister.

The other point that I want to raise is with regard to the Securities Transaction Tax (STT) on share transfer. Doubling it is not right, and it will affect only the small investors. It will not affect the FIIs and the big companies, but it is going to really affect only the small investors. The hon. Finance Minister seems to have missed this point that when the small investor is wanting to put in his little bit into the share market, then there should also have been some sort of an exemption for the small investors. This should have been thought by the hon. Finance Minister.

The most concerned views have been on the service tax. There has been a tremendous increase of 20 per cent from the existing 10 per cent to 12 per cent in the service tax rates. This will really make things very costly.

The cost of every project and everything else will go up because there is a very big increase, to the extent of 20 per cent, in the service tax. Even if it were there, they should be at par, in the sense, that all the Chartered Accountants, Company Secretaries and ICWA qualified professionals, on the one hand, have to bear this increase from 10 per cent to 12 per cent. However, on the other hand, the lawyers, who also come under the same category—Sir, you are also a lawyer and you understand this point very much—have to be brought at par with them. You are taxing the Chartered Accountants and the Company Secretaries, but the lawyers have been kept out. I do not know what is the rationale behind this. Is it that the Finance Minister himself is a great lawyer—we have a lot of respect for him as a great lawyer—that he

has excluded them? I think, they should be brought at par with others. This must also be looked into by the Finance Minister.

The other amendment in the Income-Tax for abolishing 1/6 Scheme for filing returns, and new scheme to facilitate submission of returns, may create more jobs for younger generation, are a few welcome measures. But overall, in the booming market that we have, and in the non-favourable climatic conditions, the proposals should not have been made. I feel that it is just an illusion. Under the Scheme that had come up, a lot of forms had to be filled, there was a lot of work for the Income-Tax people, and they seem to have done away with it. I feel that other measures should along be suggested on this.

There is one thing that I have been harping, and this has come up actually in the Budget 2002. The Finance Minister should have looked into this also. This is about section 50 (c) where the seller of an immovable property is liable for Capital Gains Tax on value that is determined by the Government authorities, which is the DLC. Now, there is a DLC in one area. Let me give a hypothetical example. There is one house which fetches one crore of rupees, and the house next to it because of *vastu* and so many other reasons, it may fetch a much lesser rate, though in the DLC, it may be of the same value as the first one. Despite this fact, the second house owner will have to pay the Capital Gains Tax on the DLC rate and not on the actual amount that he has paid for. I feel that it must be looked into by the Finance Minister. When I was in Chennai, I heard somebody talking about one house which, since it was facing the wrong direction, was not getting sold though it was offered for half of the price of the next house, which is on the same road. Now, there can be cases like this, and if that person has to pay on the rate of the DLC, I think, it is not justifiable. This must also be looked into by the Finance Minister.

The other issue which I had raised earlier is on the parallel black money. I remember, the same Finance Minister had put up VDS. There are some other amnesty schemes that can be put forth, but nothing has been done about that, especially in the economy that we are living in, the boom that we are talking about in the economy. That black money should be diverted into the infrastructure by giving them amnesty. They can put that

money in some bonds or other instruments for ten years, and they will not get any interest on it. for which they get the amnesty.

That would really get us a lot of funds for infrastructure, which are required in our country.

Having said all this, I feel that the Finance Minister has really disappointed us. He has disappointed the industry; he has disappointed the senior citizens. Nothing has been said about the senior citizens. He has disappointed the section of women. He has disappointed not just the industry, senior citizens, women, but a lot of other sectors. He has given very little to them. I feel that I need to oppose it very strongly.

SHRI S.P.Y. REDDY (Nandyal): Mr. Chairman, Sir, I rise to support the Finance Bill, 2006 presented by the hon. Minister Mr. P. Chidambaram under the able guidance of our beloved Prime Minister Dr. Manmohan Singh.

The GDP growth rate this year is projected as 8.1 per cent. Our Prime Minister is targeting a GDP growth rate of about 10 per cent. GDP indicates creation of wealth. So, creation of wealth this year is going to be 8.1 per cent. The Government is targeting to create wealth at the rate of 10 per cent in the coming years. This is unprecedented in the Indian Budget.

GDP growth comes mainly from industry, services, mining and agriculture. Unfortunately, GDP growth rate in agriculture is only 2.3 per cent. Our UPA Government is trying to increase the growth rate in agriculture. If you see the Budget you can find that Agriculture is given the top most priority. Agriculture mainly requires water, credit at low interest and insurance. With regard to water, the Government has increased fund allocation for Accelerated Irrigation Development Programme from Rs. 4,500 last year to Rs. 7,121 crore next year.

Many projects taken up by State Governments are languishing for want of funds. They are taking years together before they are completed in time and offer the benefits of that programme, that structure, that dam, that reservoir. Our Government has increased the outlay.

Water is the main input for agriculture. I hail from a village and I am from agricultural background. I have seen the situation in the villages myself. If you go to a village

[Shri S.P.Y. Reddy]

and ask a farmer as to what is the most important requirement of his, he would say, 'water'—water either by canal or the groundwater. Groundwater is much more preferential to canal water because you have groundwater available 365 days in a year.

Canal water comes only for three to six months. Groundwater level has to be increased now. Groundwater level has been depleted very much. Towards this, our Finance Minister has come up with water bodies programme of Repair, Renovation and Restoration of Water Bodies, which is being implemented in 25 districts in 13 States. Twenty thousand water bodies with a command area of 1.47 million hectares have been identified in the first phase. The estimated cost is Rs. 4,481 crore. Firstly, they are taking up at least one lakh water bodies in the country which are languishing for repairs and renovations. Our Government has identified these water bodies. Restoration and repair work would increase the groundwater level. The Finance Minister has allocated a sum of Rs. 4,481 crore for repairs and renovations of water bodies. Not only that, the National Rural Employment Guarantee programme has been allocated a sum of Rs. 14,000 crore. A majority of this money is going for increasing and developing the groundwater level. As a villager, I have seen it. Coolies are going to undertake repair and renovation work of water bodies and to construct check dams. Waterways would enable the water to go into the ground. Rain water should go into the ground. It is just like a bank. If water goes through the waterways and bank, it would go to the ground so that we can always take it back. Such type of works would increase the groundwater level. Eighty to 90 per cent of the funds of the National Rural Employment Guarantee programme are going in for groundwater development, and the remaining amount would be utilised for laying of roads, etc. Therefore, I would say water is given the topmost priority. Our Prime Minister, our Finance Minister and our leader, Shrimati Sonia Gandhi have said that groundwater is the key for the prosperity of the villages and agriculture.

Next comes the farm credit. As far as our UPA Government is concerned, farm credit is a critical point. In 2004-05, we have asked the banks to lend to the

farmers a sum of Rs. 1,25,000 crore; last year, it was Rs. 1,41,500 crore; and this year, it is Rs. 1,75,000 crore. We have asked the banks to increase the number of farmers to be benefited under this. Fifteen lakh additional farmers will be brought into this net. Not only that, bank interest rate is being reduced to seven per cent. Two per cent is being refunded by our Government. It is considered as a great act—credit at low rate of interest—which would increase the viability of agriculture. Many farmers who are suffering today for want of credit have gone to private lending at exorbitant rates of interest, which forced them to commit suicides. Our Government has taken care of them and asked the banks to liberally lend to agricultural farmers, and that too, at low rate of interest of seven per cent. Even industrial sector is not getting credit at seven per cent rate of interest. Now, farm credit is well taken care of. Groundwater charge is going up. Once again, I would request the UPA Government to link agriculture with industry.

Sir, if we analyse, we will find that all the industrial raw materials come either from agriculture or from mining. These two sectors only provide the raw materials for all the industries. Agriculture gives textiles, cotton, sugar, sugar industry and so many agro-processing industries etc.

Now, the latest move have come. It is ethanol. Brazil is showing the way. We are importing petrol and diesel. But now this ethanol is being mixed in petrol upto the level of 24 per cent in Brazil. Similarly, in USA, it is mixed upto the level of 10 per cent. In India, it is mixed in petrol upto seven per cent; and there is a mandate of making it 10 per cent in one to two years time. In fact, in Brazil, they are manufacturing engines to run cent per cent on ethanol, which is made from Agriculture. Jowar, maize, broken rice, bajra are all the starch-based materials which can produce ethanol. This is a renewable source. Unlike petrol and diesel, which we take from earth and which is exhaustible, this is inexhaustible, renewable and clean also. Therefore, we are encouraging the use of ethanol. It will give so much of employment also.

Agriculture is the backbone of India. It gives food to the nation, it removes poverty, it removes unemployment and it gives raw materials to the industries. This UPA Government has taken great care of agriculture, drinking

water, groundwater. They have taken special steps in providing employment to the rural unemployed. It is the first time in India that we are legally guaranteeing employment to the unemployed persons, especially the youths of the country.

Sir, power production is also going up. Petroleum exploration is also on the increase. Coal explorations is also going on to a large extent. It is also being given to the private parties. Coal is very important for power sector, steel, cement etc.

Sir, our Finance Minister has talked about 8.1 per cent growth. But I am sure, very shortly it would be touching the level of 10 per cent growth. I fully support this Finance Bill. I congratulate the hon. Finance Minister, Shri P. Chidambaram and the hon. Prime Minister Dr. Manmohan Singh for giving this Budget to India.

**SHRI RUPCHAND PAL (Hooghly):** Mr. Chairman, Sir, the hon. Finance Minister has presented the Finance Bill, 2006. First of all, I would like to draw the attention of this House to the tax philosophy. It is believed even by this Government that lesser the tax, more the compliance—“Laffer's Curve”. But from our experience, we find that the Indian psyche is different.

Even after you reduce or bring down the tax rate, there may not be compliance. We have seen it from our own experience in the recent days also. Now, if you look at the rate in direct taxes, and if you make a comparison with the rates of income tax, corporation tax in other parts of the world, you would find that the effective rate of the corporation tax is about half the world average. The world average rate is 40 per cent.

In our case, the corporate tax is 35.87 per cent; but the effective tax rate, after the accelerated depreciation and other things taken together, it may come to 20 per cent or even less than 20 per cent. In our country, we find that about 500 companies alone are amassing wealth. They are making more than Rs. 500 crore as profit in a year. If you look into the total amount of profit, more than 73 per cent of the profit goes to the limited number of large companies. They are enjoying accelerated depreciation, several exemptions, etc. I am not telling this out of my invention. This is a statement by the hon. Minister. Even the small amount at low rate that is being

imposed, is not being paid. We have Rs. 1,58,000 crore exemptions and out of that, 92,000 crore exemptions are in respect of customs and others, benefiting only the industries, not agriculturists and not farmers.

I congratulate the Government that they have taken care and looked into these exemptions, and tried to do away with some of the exemptions. But it is a peanut. If you look at the tax arrears, they have lower rate, but still they are not paying that, through evasion and avoidance, using the loopholes in the existing legal framework. They are enjoying exemptions and even after that, there are arrears to the tune of more than Rs. 1,11,000 crore.

In the last Budget, the hon. Finance Minister had said there is an amount of Rs. 42,000 crore or something, as litigation free arrears. Even after trying to catch hold of those arrears which are litigation free, which is very limited, they are not able to realise that. I congratulate this Government because this Government is more transparent in the statement made in FRMB and also Annual Information Report, AIR. Annual Information Report, 2005 has come and what does it say?

In a country of 1.1 billion people, how many are there whose annual income is more than Rs. 10 lakh? It is 80,000. It says that out of 17 lakh transactions, 30 per cent did not use PAN. On the one hand, there is duplicate pan which is being used and on the other hand, large scale expenses are being made for purchase of luxury cars, for making investments in the share market, for putting in some instruments in the bank, etc. So, 30 per cent did not have any PAN. But the declaration is that only 80,000 people are having income more than Rs. 10 lakh. But we do find lakhs and lakhs or rupees are being spent on luxury cars.

India is a big market. George Bush has rightly pointed out that there are about 30 crore people or at least 20 crore plus people who are the targets of latest luxury products of the world. In such a country, there is lack of resources! But this Government has at least brought out the truth through the AIR, through the statement, etc. But the reality is that India is a country which is under-taxed.

Whatever be the complaints of the corporate sector, India is a country which is under taxed in terms of corporation tax and in terms of income tax also.

13.30 hrs.

[SHRI VARKALA RADHAKRISHNAN *in the Chair*]

SHRI K.S. RAO (Eluru): This is the condition now.

SHRI RUPCHAND PAL: I can tell you what was the condition at that point of time. But it would require more time. At that time also, your Government was there. At that time, the exemptions were dependent on the whims of the Ministers and the Party. That is a different story and I am not going into that.

As regards indirect taxes, the Minister says that there is 20 per cent growth of tax, although it has not increased from last year's performance in respect of Central Excise. As regards exemptions, we do find that they have been rampant firstly, in terms of customs duty, export oriented concessions, and in central excise also. Although it is less than the customs duty and the income tax exemptions. Now what has happened this time? The Minister with a goal of GSP is trying to bring at par the service tax and the State VAT tax. He has mentioned 2007 as the target year. What will it require, is a different thing. How the revenue would be shared between the States and the Centre is another story. It is to be seen whether it is possible without appropriate setting up of the IT, administrative arrangements, agreements between the States and the Centre, how it will be shared, what will happen to VAT, Central Sales Tax and CENVAT everything will have to be taken into account. So, first it will have to start at the central level and in the second phase it may be switched over. For that, the national tax network, NSDL, and necessary software will have to be strengthened. That is a different story.

Over the years, customs duty has been brought down. It is according to the WTO stipulation. But how is it impacting our own domestic industry? It has been calculated by some people, particularly by our small and medium industry. We cannot stand in competition. Now again this FDI in retail is being advocated. I do not know what will happen to our small industries. Even in this year's Budget, what has happened? I am mentioning three to four things with regard to central excise. Take for example the hand made soap. Several thousands of people are involved in it in Haryana, Uttar Pradesh, some parts of Gujarat and Rajasthan. This product is being used by the

poorest of the poor. It is being said that they will have to pay the amount of excise which they cannot afford. I had met the hon. Finance Minister along with the producers of the hand made soap. The Minister said that they are enjoying the small scale status. Their turn over is such that maybe technically some of them are above small scale but if you look at the actual methodology, they are not using power. The Minister said that because of the court cases, they have divided it into those who are using power and those who are not using power. He explained to me that even using electric bulb in the office room would also be considered as using power. This is too much. The major part of the production does not involve the use of electricity. It involves manual labour. If 99.99 per cent is manual labour and in the office where they are doing calculations and all these things, they are using a bulb, you will consider it as use of power and put that industry at par with those who are using megawatts of power with special arrangements of bulk purchase of power, it should not be like that.

He has told me that he will look into it. Similarly, in the case of umbrellas, they are being produced by big companies and there are small companies that are making very small umbrellas. There are small umbrellas made manually, and labour intensive umbrellas and mechanised sort of umbrellas made by big companies. They cannot compete with each other if you put them at par. So, there should be a provision that those who want to go for CENVAT, they should be allowed. It should be optional. In the case of any option, these small producers of umbrellas for the poorest of the poor should be given some protection.

In the case of value addition, let me take the example of polyester, POI. I am not naming the companies which are dominating the industrial scene of India today. Petrochemicals is one of the strong areas. They are composite. They are the producers of raw materials and also the producers of the end product. For the first time, the excise and customs duties have been rearranged. I am reading out the figures of this year. I would begin from PTA which has 10 per cent as customs duty and 16 per cent as central excise and MAG has 10 per cent customs duty and 15 per cent as central excise figures.

Coming to polyester chips, there is a very big

company in Gujarat producing polyester chips. They are selling it as a raw material to the market for small users and they have been producing the end product also. In the case of polyester chips, the excise duty is 16 per cent. They do not have to pay any tax because they are the producers. Now, the small companies which are producing POI polyester will have to pay 8 per cent tax. What is happening? Buying the raw material at 16 per cent and to be competitive at par with 8 per cent with big producers make all the small companies to close down. How can the small companies stand in competition with big companies? The big companies are being patronised and the small industries are not. We are told that employment generation happens in the case of small industries and biggest export potential is there. There is 40 per cent export. In a country like India where labour-intensive units are to be patronised, we find that dereservation is taking place in small industries. In this year, 15 cases of dereservation are there. It is being said that paid-up capital and upgradation are taking place. But small is small. Tiny is tiny. If you look at the global scenario, the small and the medium sectors which form the important sectors of the economy have to appropriately supported and strengthened as they can provide employment. Sometimes they ask as to why big industries have stopped producing such and such a thing and why small industries are doing it. Actually, there is a philosophy called ancillarization. If big public sector undertakings like the NAMC stops production or closes down or sold out or disinvested, the small industries down below also will be affected automatically. We have been objecting to the Government's industrial policy not because that all these large units have been performing well but because a large number of small industries which are depending on them also get affected. It is felt that small industries are put at par with the big industries and they are being told to compete with them.

The Central Excise is an instrument being used not in favour of the small industries. It is being mechanically used. Those units which use bulbs for reading or writing are being put at par with the units which use good amount of electricity. It has happened in the case of soap and umbrella. In case of umbrella, I suggested that CENVAT should be made optional. The Central Excise will have to be re-organised in a manner, in a philosophy, which can

help the labour-intensive small industries. The hon. Prime Minister was emphasising the point that banks have been told that appropriate support need to be given to the small and medium industries. But what is happening at other levels? Due to the instrument of Central Excise, in the name of dereservation, parity, etc. we find that small units are suffering continuously. If you adopt this approach, the small units will suffer continuously. They can never be equal.

You are looking at the GST. Why? it is because it will give us some leverage in the labour-intensive manufacturing sector as it has happened in the case of China. But China is reviewing and re-considering its whole approach towards these problems, particularly the labour problem. In our country, we are not adopting the Indian model of development. The hon. Prime Minister has correctly emphasised that small and medium industries should be given the importance. This is one aspect which I have mentioned. I have not mentioned many other things. There are a lot of points with regard to small and cottage industries. I have mentioned about umbrella, soap and polyester.

Coming to the service tax, I would like to say that you have included fifteen more services. How will you calculate it? You have increased the rate from ten to twelve per cent and you have given some exemptions. How will the valuation be done? It is because service is not like goods. So, calculation or valuation is a grey area. There is no law worth the name till today in that regard. There is service tax at the Central level and there is VAT at the State level.

My apprehension is that ultimately the service tax, collected by the service providers for their services, will be passed on to the consumers and it will cause inflation. How will you be able to check it? There are service providers who are already collecting the money as service tax but are not depositing the same. Of course, the Government knows it and it is aware of it.

Inflation is one area, I think, this Government should take note of. The Standing Committee on Finance has made certain recommendations. After so many decades, there is a need to look at the non-farm activities. Of course, agriculture is a State subject and imposing agriculture tax is a very sensitive thing. But there are



[Shri Rupchand Pal]

non-farm activities and middlemen activities in the rural areas, through which they are amassing wealth. The Standing Committee was of the opinion that it is high time the Government should have looked into that area as the Committee thought that it would help in mobilising resources. But unfortunately the Government has not looked into that aspect.

They have made some other recommendations also. One of them is regarding the donations made to the charity trusts.

There are three types of Charitable Trusts. They are religious and secular Trusts or whatever you may call it, not so religious Trusts or actually no religious Trusts at all; public-service-oriented Trusts and the educational Trusts. All these Trusts are there. The point is that the Trust is an area where *benami* donations continue to pour in, unaccounted money comes. In some cases, some Trusts were again used by the same people. The same people became the beneficiaries this way or that way. It is good that the Government has listened to the suggestions made by the Standing Committee on Finance. But he is afraid of touching the religious Trusts. I know why it is so. It is not the right place to name some religious bodies which are most irreligious people, which use these religious bodies for the most dishonest purpose. The religious bodies should be engaged in religious activities. It is not the role of the State to serve a religious body. I have serious objection to it.

Next, if *benami* donation is continued in the case of religious Trusts, it will continue further. It is the most irreligious people who will claim themselves to be religious people and take the *benami* donations to get back the money in circulation. This is happening.

Then, educational Trusts are there. Even after the Supreme Court's judgment, lakhs and lakhs of rupees are being collected through *benami* donations. Actually, this is another way of getting capitation fee for admission in the engineering and medical colleges. It should be looked into....(Interruptions)

Sir, I am concluding. I feel that today we will get enough time. Let me be given some more time. I will not take much time.

The hon. Minister has taken certain steps with regard to exemptions, with regard to personal tax and the income-tax. But that is not enough. What is happening now? The rich people are enjoying all the exemptions but the poor and the middle-class people are at the hands of the new crisis growing in the market. Although it has been claimed that the WPI has come down, yet, in reality, in the market, you will find that prices of essential commodities are going up and up. It is not only in respect of oil and fuel but also everything like sugar. About the PDS price, the previous Government had taken certain steps. This Government has also increased the price of diesel etc. which has its influence on the market. What is happening to the fixed income people, the senior citizens, pension-holders and the retirees? They put their money in the Postal Savings Bank, in the monthly scheme. Suddenly, the hon. Minister has withdrawn, the Government has withdrawn the ten per cent bonus. A large number of the Indian population, the senior people put their money and draw it at the end of the month. That is the only source on which the whole family depends. In a country where the companies are making profit to the extent of more than Rs. 500 crore annually, they are under-taxed. They are not paying and the arrears are mounting. Still, they continue to get some sort of exemptions. black money is being generated. It is quite transparent to the Government. The report is there. As I said earlier, the middle-class people, the retirees and the senior citizens had earlier put their money in the banks or in some other places. Some of them, encouraged by the previous Government and, again, by this Government also, have gone to the capital market and burnt their fingers. They invested in some vanishing companies. Those companies vanished with the money. Now, these people are putting their money in the Postal Savings Bank, in the monthly income scheme. The ten per cent bonus is taken away! This Government is telling that people are free to put their money in the banks also. A certain sectoral cap is being removed. They say that upto rupees one lakh, a person is exempted. In the case of senior citizens, the total taken together comes to Rs. 1.85 lakh and for the women it is Rs. 1.35 lakh and all these things are there.

But the rate of interest for deposits in banks is coming down. It is at 6.5 per cent now and it is 7 per

cent for deposits of longer duration and very few people put the money there. By taking away the sectoral cap of Rs. 10,000, I apprehend that this Government is very surreptitiously doing a dangerous thing. What is that? They are moving from EEE to EET. That means, in the pension plan only Rs. 10,000 comes under EEE and the rest comes under EET and so you will have to pay tax at the end. The Government owes an explanation to this House whether they are surreptitiously moving from Section 80 CCC to Section 80 CCE. This is indicative that may be this Government is gradually and surreptitiously moving towards EET which will be dangerous for the senior citizens. Although there are special schemes for the senior citizens like the Senior Citizen Scheme etc. with 9 per cent interest, but even after the concession is given like raising the income tax limit to Rs. 1,85,000, still in the absence of a social security scheme, the senior citizens in the country are the worst sufferers and the Government has failed to take note of it and provide the necessary support to them.

MR. CHAIRMAN: You have taken 30 minutes. Please conclude.

SHRI RUPCHAND PAL: Sir, I am concluding.

There have been some good measures like the levying of Transaction Tax in the Share Market, withdrawing some exemptions etc., but the measures taken are lopsided. The Government should have focussed their attention to collect more tax from the corporate sector, the profit-making bodies, from those who are amassing wealth and evading tax as can be seen in the AIR. The rich people are purchasing luxury cars, but they are not paying tax and they are not using the PAN also. But the Government is looking to take away the benefit that the poor senior citizens were getting by way of monthly interest by depositing their money in Post Offices. They are dependent on that. This Government is looking to take away that benefit. This is lopsided.

Sir, the Government is trying to implement the National Common Minimum Programme (NCMP) as best as possible. This is a coalition government and it is dependent on the NCMP. The Government should not deviate from the letter and spirit of the NCMP because their future will be dependent on the implementation of the NCMP.

I would like to reiterate that this Government should look for resource mobilisation as per the philosophy mentioned in the NCMP. I think this Government will reorient its outlook and philosophy and look at the right places for resource mobilisation which they require badly for implementation of the NCMP that they have announced to the people.

*[Translation]*

SHRI MOHAN SINGH (Deoria): Mr. Speaker, Sir, there are many good points in the Finance Bill and I rise to advise the government regarding amending the point with which I have disagreement. As per our constitution the Government have the right to constitute a Pay Commission to revise the Pay of Government employees at the rate of dearness after every 10 years and at the time of inauguration of budget Session the Prime Minister had assured that the Government are contemplating to constitute Pay Commission. Now this session is coming to an end but there is no assurance or concrete measures taken by the Government. I would like to request to the government that now it is time to constitute Pay Commission at the earliest and the recommendations of the Pay Commission may be accepted at once. This Parliament has decided to revise the Pay and amenities of the Members of Parliament. There is a provision in our constitution which made ourselves criticized of the fact that the income of common man, pay and allowances of government employees do not increase but the MPs unanimously increases their pay and amenities. I would like to request that the change may be made in constitutional arrangement and the pay and amenities to the MPs may also be revised by the Pay Commission constituted for Government Employees so that integrated pay scales for all may be decided by Pay Commission.

Second problem is related to banks of our country, which are the biggest means of access of government and financial institution to the masses of our country from financial management point of view. The government has declared in its budget that the Rs. 1.15 lakh crore will be distributed among farmers as loan this year. The experience of last years was very good. We provided loans to farmers beyond our target. This amount of Rs. 1.15 lakh crore would become Rs. 1.27 lakh crore by the end of this year. But still there are people who are

[Shri Mohan Singh]

spending their life in the salavary of small business man/ money lenders in rural areas. No commercial banks came forward to open their branches in rural and small areas. They say that they have security threat there. Earlier there was a provision that Commercial Banks were supposed to get licence from RBI to open their brnaches. Now the RBI relaxed this condition but thereafter the balance sheets of commercial banks are registering a good growth. There are many a bank, which increased their income upto 147-148% within a year. It is written in their balance sheet but such banks are restricted to urban areas. At the time of nationalization there was an obligation thereon. Fulfilment of social obligation is one of banks' duty. There are many small businessmen, unemployed youth who want to avail loan facility under Prime Minister Employment Scheme, moreover there are many petty traders, who want to operate their business in rural and small areas but there is no facility provided by the banks for such people. Today many an NIR of rural belts and small cities are working in foreign countries and send their money to their parents, but transaction of such amount is hard to transfer in rural and small cities, there are no such facilities available there. Therefore, by framing a time bound programme efforts should be made to extend branches of banks to small cities. The rates of interest of Regional Gramin Bank are still very high. To mend this situation and make arrangements in this regard the government have announced many schemes and assured that these will be united and a Regulatory Bank will be set up at central level. I think that no initiative has been taken by the government in this regard. In order to improve the condition of Regional Gramin Banks and as declared by the government about the cities that by recoupmnt of their loss these arrangement will be taken back to track. I think in the same way, the situation of Regional Gramin Banks should also be changed so also the farmers. The backbone of our country may get benefits thereof and the purpose of establishing Regional Gramin Banks would also be fulfilled. There is a need to improve this situation.

14.00 hrs.

Last year Government has declared that we would try to merge Regional Gramin Banks with a Commercial Bank

but no concrete steps have been taken in this regard. Similar efforts should also be made for our cooperative banks. But I am sorry to say that the public sector banks did not fulfill their assigned duty. These banks became a medium of plundering and forgery. There is a dire need to monitor them. The Minister of Finance may prepare a comprehensive policy and constitute a Committee to study the financial condition thereof. This Committee may find out what improvement is required and how it could be done. The Union Government should bring a legislation at Central level.

Sir, our colleagues were saying that a new tax policy should be formulated The Government have also repeatedly said that an experts committee has been constituted and the committee has suggested to bring tax reforms. The Government are bringing tax reforms. But in my opinion tax reforms are creating more problems. We are not able to bring as many people in the tax net as ought to have been brought. More than 3 crore people are covered in tax net. The number of the poor are increasing and the number of millionaires, billionaires, crorepatis are also increasing many fold. Indians are in habit of tax evasion. The Government should expand tax net to bring thirty crore people in this net work. If these people pay tax then there will be no dearth of resources in our country. Only one section of the people contribute in preparation of the budget. The customs duty, income tax, excise duty, sales tax and proposed service tax are being paid by the same section of the people. Thus only one section of the people then will remain burdened with taxes and the majority of non taxpayers will not make any contribution in nation building. Therefore, our efforts should be made to expand the tax net so that more and more people can be covered under it.

Sir, an assurance has been given to WTO that the service tax will be increased to 16% by the year 2010. The Government have to do it by the year 2010, but it is not correct to do it in a year. The Government have increased service tax from 10% to 12%. As per figures maximum revenue has been realized through service tax. As per estimates of the Government about Rs. 48,000 crore have been collected as service taxes, but no provision has been made so far for the settlement of the surcharge to be imposed on the said tax. For the settlement of the excise and the customs duty Tribunals

are already there. If anybody has any problem he can approach the Tribunal. But no provision has been made so far for settlement and arrangement of service tax. I would like to urge the Government that a provision should be made for settlement and arrangement of service tax as early as possible. On non-payment of 10% and 12% service tax penalty interest is imposed on income tax, but rate of such penalty is very high. I think the rate of the penalty interest on service tax should be fixed as it is being fixed on Excise and other taxes. An assurance had been given that the value added tax system would be implemented by scrapping sales tax all over the country. Today there are several states in the country which have a lot of apprehensions in this regard and they have not implemented it so far. Some States have recently announced that they will implement it. Rajasthan has said that it is going to implement it from 1st April. Three-four States are there which have stated that they are not in favour of implementing it yet. I would like to request the Union Government to sort out apprehensions of the States in this regard through discussions and the value added system should be implemented all over the country. At the same time, there must be uniformity in the rates of their own commodities. There are different rates in Uttar Pradesh, Madhya Pradesh and Punjab. It results in inter-state smuggling. My request is that there should be uniform VAT rate for all commodities in all States. The Union Government should take initiatives to call meeting of the Chief Ministers and the Finance Ministers of the States to make uniform rates of value added tax all over the country.

Similarly consultants, Chartered Accountants have been brought under the Service tax net. But the lawyers have been exempted from the said tax. I had tried hard to know its reason. The day budget was presented, wife of the Finance Minister, who is a senior advocate gave 10/10 marks to him for the budget. I tried to find the reason as to why she gave him 10/10 marks then I came to know that she is an advocate herself and he kept advocate out of service tax net, that's why he got 10/10 marks. I think that there should not be double standards. If advocates are not covered under this service tax, then why C.A.'s are being covered under it. The Finance Minister does not have any answer to this. There should be a parity. Similarly a clause has been included that

excise duty is being levied on such products which are not manufactured by machines. Two years back villagers and washerman used to wash clothes with hand made soaps, but excise duty has been levied on it also this year. The Minister of Small Scale Industries said that in order to promote hand made products the Government have to encourage village industries, but the Government have levied excise duty on it. I think this is wrong and it should be withdrawn. the Government have imposed tax on umbrella also. This tax should be withdrawn. It is strange that the Government have abolished excise duty on ice-cream, coca cola, pepsi, to make these products cheaper. Tax has been levied on essence (Itar) which is manufactured by poor Muslims of Kannauj, Sikenderpur. It is a cottage industry in these areas. Bringing this into the tax net will ruin the business of the common people.

I would like to say that it is quite strange that car-manufacturers are exempted from tax in this country. The foreign companies are controlling more than 90% car manufacturing work in our country. There is only one indigenous company called Tata Motors in the small car manufacturing segment which is exempted from tax. In my opinion if a person can afford to buy a car worth Rs. 2.50 lakh than he can give an additional Rs. 5,000 as a tax. The Government have given tax exemption on cars, whereas tax is levied on umbrella. The persons who import luxurious cars have been exempted from customs duty. The Government said that for tourists promotion business exemption on import of luxury cars have been given. I want to ask as to what is this happening? The cars worth Rs. 1.50, 2 and 2.50 crore are being imported by evading tax of Rs. 25-30 lakh. These are being used by rich people. The Government are not taking any action in this regard. While these people are evading tax amounting to Rs. 30-35 lakh. I would like to urge that there is only one way to check such tax evasion of Rs. 35-40 lakh on the luxury cars that have been imported for personal use in the name of tourists promotion business in the country, to levy customs duty on these cars.

Mr. Chairman, Sir, Common Wealth Games are going to be held in our country in 2010. On this pretext large number of such cars will be imported, that is unimaginable. I would like to request that tax exemptions should not be given on indigenously manufactured cars or imported cars. The Government have abolished excise

[Shri Mohan Singh]

duty on manufacturing of tractors but they will not get other facilities by implementation of VAT. This resulted in the loss to the tractor companies. The condition of those companies worsened. I would like to make a demand that subsidy on purchase of tractor should be enhanced. A nominal excise duty of 3 to 4 per cent should be levied and other facilities should be continued.

Mr. Chairman, Sir, thank you for giving me an opportunity to express my views on this issue.

SHRI RAM KRIPAL YADAV (Patna): Mr. Chairman, Sir, I rise to support Finance Bill, 2006. The UPA government are constantly trying to make all its countrymen content whether they are working in the industrial of suffer, agriculture or other professions. They are trying their best to make them progressive. I think that the government have tried to make the general public satisfied with their efforts made during the last 20 months.

14.14 hrs.

[SHRI DEVENDRA PRASAD YADAV *in the Chair*]

It is true that the government are trying to make the country's progress more speedy but more efforts are needed on its part to make its results more positive. I would like to make some important suggestions to the hon. Finance Minister so that the agrarian people in general and farmers as well as backward states can make progress. Why are they not making progress? The farming community is not satisfied even today. The situation in states like Bihar, Orissa, Uttar Pradesh, Rajasthan, Madhya Pradesh etc. is not good and their financial position is not good due to their backwardness. I would like to explain the situation prevailing particularly in Bihar. Hon. Members, Shri Mohan Singh was elaborating the working of banks and their malpractices. Certainly, there are guidelines issued by the Reserve Bank of India about the money deposited by the lowest strata of society. The rickshawpullers and labourers deposit their hard-earned money with two objectives. The first one is for saving and the second one is for development of their state. You will be surprised to know that if someone is violating the guidelines of Reserve Bank of India, it is the banks of Bihar. Only 15 per cent of C.D. Ratio investment meant

for investment by the Government in agricultural, industrial and other sectors is given by the banks and rest of the money i.e., 0.5 per cent is passed on to other states. How can Bihar make progress in that condition? Bihar is the poorest and most backward state and the guidelines of Reserve Bank of India are being violated. I have drawn the attention of the House towards this issue repeatedly but no concrete action is being taken by the Minister of Finance which has resulted into deprivation of legitimate share of Bihar.

Through you Sir, I would like to request the hon. Minister to definitely take some concrete action so that money deposited by poor people of Bihar is invested properly for its development.

Sir, another point towards which I would like to draw your attention is the criteria fixed by Finance Minister as well as by Planning Commission for allocation of funds. As per the criteria they allocate funds on the basis of internal resources generated by the concerned states. But, Bihar is such a state which has no internal resources. So, they are doing injustice to Bihar and other such states which have no internal resources. As Bihar has no internal resources at its disposal and it faces flood and drought every year, so it cannot get its due share as long as the aforesaid criteria is being implemented.

I would like to remind you about Gadgil Formula. According to it, the states are to get funds from the Ministry of Finance and Planning Commission on the basis of their poverty, population and backwardness. But, this formula has not been implemented as yet and unless this is implemented backward, poor and miserable states like Bihar which have no resources cannot make progress. Are they supposed to lose their due share in this way? I would again draw the attention of hon. Finance Minister towards Gadgil formula and request him to adopt it and to change the traditional rules and regulations for allocation of funds so that states like Bihar can get their legitimate share and come out of poverty. How can a state like Bihar progress in prevailing inequality? The momentum of development in Bihar is very slow and I think that had funds been allocated after independence since first five year plan on the basis of poverty and misery, Bihar could have watched other prosperous states.

Mr. Chairman, Sir, I would like to draw your attention

towards another important issue. The farm labourers and the farmers are our greatest assets and basic strength. But, are those persons satisfied in the present circumstances? Do they want to work on agricultural land? No, they do not want to do so. The reasons is that people's attraction towards agriculture is diminishing. Any one working or owning any industry wants his enterprise to make profit. No one wants to indulge in some loss-making work. Two-third of our population depends on agriculture for survival and provides capital to this country. But, what is the present condition of those persons who provide that capital? There are many states where the farmers are committing suicide because they get no remunerative price and support price for their hard-earned produce. So, he is discouraged to work in the farms and fields. He takes loans from various sources at high rates but he can repay neither the principal amount nor its interest. So, he is left with no choice other than committing suicide. The farmers will not get attracted towards farming unless you give him support price which will enable him to get back the invested capital. I can claim with conviction that rapid urbanization, unchecked unemployment and population growth will generate many problems and poverty generated due to their problems give birth to unrest and naxalism. All these problems can be solved if people get employment. You should pay attention to avenues of employment generation for that. Globalisation is taking its root in our country and in other parts of the world. Foreign companies are sitting in our country and indigenous companies are being closed due to them. And these people who are engaged in industrial sector are facing closure of industries thereby dwindling employment opportunities. Today, youth of the country want to earn livelihood for themselves but a large number of people are still living below poverty line. It is all right that you have talked of providing employment and efforts have been made to take concrete steps to launch National Rural Employment Scheme by enacting laws. Funds for this scheme have also been allocated. I welcome this step but this amount is not sufficient. There will not be prosperity in the country as long as the farmers are not provided remunerative prices for their produce and agriculture is not made a trade of rewarding nature.

You have talked of providing funds for irrigation in your budget. I admit this fact that a lesser amount has been provided for irrigation over the years in budgets and

this time too it is insufficient. Today, we have various canals which are not in working condition. It is the commitment of the government towards farmers to enhance production capacity by providing more benefits to them. But we will have to ponder over it as to how to increase it. According to the report of economic survey projects decline by about 30 to 40 per cent in foodgrains. This does not augur well for the country. Your reports are reflective of it. Lesser production will create problems for the country. Therefore, this trend is not a favourable one. The Government have fixed target of more production but the report of the economic survey reflects the reverse trend.

It was an important aspect of National Common Minimum Programme to throw a focus on agriculture. We tried to keep our word and 209.3 million tonnes of foodgrains is expected this year which is 5 million tonnes more as against last year. But as per reports of economic survey, apprehensions regarding probable adverse effect on production capacity have been expressed. Therefore, the Government need to take some steps in this regard.

We have a large chunk of unirrigated land in our country. Irrigated land also suffers from the scourge of nature in the form of drought and floods every year which leads to inadequate irrigation. Uninterrupted supply of water and sufficient funds for hundred per cent irrigation land can boost agriculture production, thereby strengthening financial position of our country. Unless the barans are full of grain and life-standard of farmers is upgraded, the country cannot make progress because even today 75 per cent people depend on agriculture. Therefore, their satisfaction is a must. Special arrangements are required to be made for them and they are to be empowered. This is the strategic sector through which we can remove poverty and unemployment and the Government may do so at the cost of other sectors.

If it is done, the farmers of the country will become prosperous and the country will also move ahead on the path of progress.

The Government propose to import wheat. It is not a good sign. This will send a wrong message in the country and big traders will indulge themselves in hoarding and after sometime they will sell the stock in black markets. The necessary fallout of importing wheat

[Shri Ram Kripal Yadav]

is the shortage of wheat in the market and this situation is likely to create panic among people. This does not augur well. This whole process will benefit big traders because by hoarding wheat and creating artificial shortage they will be able to sell their stock at higher rates. Therefore, the government should think over it.

I would like to say something about the rate of interest of banks. I would like to congratulate Hon'ble Minister of Finance and Shri ManMohan Singh, the Prime Minister of UPA Government for the right steps they have taken over the years. A demand was made to make the rate of interest 7% for farmers. You have done this but for a very short term. Sir, I would like to request hon'ble Minister, through you, that a few years ago, a committee was constituted under the Chairmanship of Agriculture Scientist Dr. Swaminathan and after assessing the condition of small medium and marginal farmers, the committee submitted its reports as to how the farmers could make progress. The report stated that farmers had to pay more for agriculture implements and higher rate of interest on bank loans. I congratulate the Government for reducing the prices of tractor. Dr. Swaminathan has recommended 3 to 4 per cent rate of interest on agricultural loan. The farmers will not get relief till it is done. The banks provide loan to big people at the rate of 6 per cent for constructing houses and purchasing vehicles but farmers are deprived of this facility. The Government cannot provide relief to farmers unless it reduces the rate of interest to 3% for them because their entire earning is spent on paying the exorbitant rate of interest. The prices are rising, so are the problems of farmers. As per the report of Shri Swaminathan, the farmers will not get relief and their interests will not be served unless they are provided support price, loans on comparatively lesser rate of interest.

Mr. Chairman, Sir, when a bank gives loan to farmers, it mortgages their land in lieu thereof and after making frequent visits to seek loans from the banks he becomes disturbed and gives up hopes of raising loan from bank. Bank loans are given to big money lenders but not to a poor farmer. Bank gives loan to money-lenders at lesser rate to interest but the farmers are stripped of it. Today, banks are treating them like profiteers. If the banks

amend their rules and regulation in the interest of the farmers, then only farmers will be able to get loan from banks and it will prove beneficial for them. A common man cannot take loan from banks without paying bribe. You are not taking action against those officers. I would like to know as to how many bank officers have been punished and how many bank officers have conducted survey regarding difficulties being faced by farmers. The Government have said that they would provide so much money as loans to farmers and rate of interest has been fixed at 7 per cent for farmers but the benefits are still to accrue to them. The farmers should be provided access to it. I would like to conclude while drawing your attention towards two-three points. If you want to strengthen the economy of this country, you will have to focus on farmers. There is no other way. I would like to say that the co-operation of farmers, who form a major part of population is needed if we want to get the dream of 10% growth rate to materialise and thereby strengthen economy of the country. Why don't you accord status of industry to agriculture when every other industry is getting this status. This has been the demand of farmers. If agriculture is accorded the status of industry, many facilities will have to be provided to this sector. I request you to take some concrete decision in this matter. I would like to request you to make special arrangements for our state Bihar and other states such as Uttar Pradesh and Orissa which have very poor economy. Today, roads in Bihar are in bad shape. You have sanctioned 890 kilometer of roads. But it is unfortunate that work is still to be taken up on them. Why the work is not being taken up there? You have opted for 40:60 cost sharing formula. The investor will have to pay 60 per cent of the cost and 40 per cent will come as support prize. But work has not been started even on a single road so far. Work has been commenced in all the states but Bihar is an exception. You are floating tenders but nobody is coming forward. Why don't you change it? Why are you neglecting Bihar? Why you are not doing justice to this state? Even today the roads are in bad shape there. I also draw the attention of Hon'ble Minister of road construction during zero hour towards this issue early in the morning. Mr. Minister of Finance, the matter needs to be looked into at your level. Make changes in the rules which have been formulated by you so that we can overcome the poor condition of the roads. I request that a special package should be given to Bihar. Bihar

was partitioned by N.D.A. Government. N.D.A. Government had said that they would give Bihar a special package. Now there are no resources in Bihar. There is nothing left in Bihar, no electricity no industry. Bihar is still known for its flood, drought and agrarian back ground. Nobody is setting up industries there. All the industries and resources have gone to other state. You are reluctant to give special package to Bihar last it becomes a self reliant state. You should allocate funds on the basis of Gadgil Formula so that Bihar could come out of its miseries. Bihar and Biharies are a part of this country. About nine crore people are there in Bihar. Do you think this country can progress by neglecting Bihar and its people? The country cannot move forward. Bihar has a lot of capacity. It has labour force. Strength fertile soil. Hon'ble Finance Minister, we require your kind attention. There may be no progress until you pay your kind attention. The position of electricity is very bad. You formed the Rajiv Gandhi Vidyut Mission there but work is not being done by this mission. The agency, which has been entrusted the responsibility to electrify the villages is not working in any village. Keeping all these things in view I express my gratitude to the Finance Minister that you have worked to bring the nation on the path to progress. I express my gratitude to the U.P.A. Government and the Prime Minister as well and would like to say that we are with you in taking the country on the path of progress. But your kind attention is also required to the state which has been neglected. It continues to be backward, poor and remains in misery. A special package should be given to Bihar to make it self reliant.

SHRI KASHIRAM RANA (Surat): I am thankful to you for giving me an opportunity to speak on the Finance Bill. Hon'ble Finance Minister has presented Finance Bill in the House. When the Finance Minister replied after the discussion was over on the budget, I feel that he would remove the ambiguities in the budget and he would try to solve the problems being faced by the small industries, the small farmers and the common man. But it did not happen. I therefore, rise to make some suggestions to the Finance Minister. I would be happy if he gives its clarification. It seems to me that the Government is considering to make a cut in the exemption and subsidy and would withdraw the exemption and subsidy. My

submission is that the Government should think on this issue properly about it and it should not make such deductions that make our industries, people and farmers suffer. It should not be done. I would like to say that the industries coming under the small scale sector, tiny sector which manufactures driven pumps and submersible pumps had been given an exemption upto Rs. one crore but that exemption has been withdrawn and an excise duty of 8% has been imposed. On one hand the U.P.A. Government says to help agriculture and the farmers but on the other hand it has imposed an excise duty of 8% on submersible pumps. The farmers will suffer due to it. Not only that, 95% small units manufacture submersible pumps by which water is drawn for irrigation purposes. These 95% small units manufacture submersible power driven pumps. The Government has imposed eight per cent excise duty on them. For it a condition has been laid that you would have to pay an excise duty of eight per cent if you do not use I.S.I. mark of B.I.S. mark pump. You will get an exemption duty of eight per cent if you use I.S.I. mark pump. One has to face lot of problems in getting I.S.I. mark pump. A lot of time is consumed and money is spent and a lot of stationery work has to be done. They say that excise duty will not be imposed on I.S.I. mark pumps. *[English]* Otherwise, you have to pay this eight per cent duty as excise. *[Translation]* What kind of a justice is it? Suppose it is I.S.I. mark or it is of good quality. But it does not mean that an excise duty of eight per cent should be imposed on small units. Through you, I would like to request the Government that 95% small units manufacture these pumps and an excise duty of eight per cent has been levied on them. These submersible pumps are sold all over India. People purchase this. They have no problem in this regard and there is no complaint against the pumps. Therefore, the Government should immediately withdraw the excise duty of eight per cent. During elections Congress Party gave a slogan that Congress ka hath aam admi ke sath (Congress Party is with common men) but now the common men feel that congress has betrayed us.

*[English]*

I would like to request the hon. Finance Minister, through you, to withdraw this proposal from the Finance Bill. It is very important.



[Shri Kashiram Rana]

[Translation]

I have spoken about exemption and subsidy. Government has adopted progressive approach but it has not been so in the matter of growth. Growth is deteriorating. Hon'ble Member Shri Mohan Singh has also said that the tax network should be balanced in a manner so that the people do not feel any difficulty and they can pay tax easily. I would like to tell you how much irrationality is there in the tax proposals. In the Budget Government has decreased excise duty to sixteen per cent on manmade polyester yarn.

[English]

I appreciate the Government for that.

[Translation]

We want the Government to bring down excise duty from eight per cent to zero per cent. As Zero per cent excise duty is there on cotton, Government should do the same to the manmade fabric also. But you have decreased it to eight per cent, it is a good thing. There are small spinners like small manufacturers of submersible pumps. There are about thirty small units which make P.O.Y. from Chips. Sixteen per cent excise duty is levied on these chips too. You should decrease the excise duty from sixteen per cent to eight per cent as you have done in the case of P.O.Y. polyester yarn. But the Government did not do so. Why did not you do so? The Government's policies prosper rich persons on the cost of the poor. Otherwise, the Government would not do so. Government decreased the duty on polyester yarn but did not do so in the case of chips where the duty has not been decreased from sixteen per cent to eight per cent. I want to say that there is an investment of crores of rupees in this sector. By these twelve lakh metric tonne polyester yarn is prepared out of which forty per cent i.e. five lakh tonne yarn is prepared by the small spinners. Thousands of workers would be rendered jobless if these units are closed down. Investment of crores of rupees would go waste. I, therefore, would like to request the Finance Minister that the duty of sixteen per cent on chips should be reduced to eight per cent as you have done in the case of P.O.Y. Not only that, customs duty on it should

be reduced from twelve and a half per cent to five per cent. We want that this duty should be totally withdrawn. But if the government needs revenue then it should decrease the duty from twelve and a half per cent to five per cent.

[English]

it is very important. Otherwise, the textiles industry, in general and the manmade textiles industry, in particular, would be ruined. Nobody is protecting the textiles industry. I would like to request the hon. Finance Minister, through you, Sir, to give some benefit, some type of concession to the manmade textiles industry, otherwise it has no future.

[Translation]

The way government have made efforts to save the cotton industries, in the same way to save the manmade textile industries government should reduce the excise duty on chips from 16 per cent to 8 per cent and customs duty should be reduced from 12 and half per cent to 5 per cent.

Mr. Chairman, Sir, today there is big question before co-operative banks. As hon. Member Shri Mohan Singh and one more hon. Member have said that cooperative banks are of great importance for the farmers in villages and weaker sections in towns. As scheduled banks help big or medium scale industries, extend finance to them and give loans to them in the same way cooperative banks give loans and financial help to farmers and weaker sections in villages and urban areas respectively. Government have not touched scheduled banks but government have withdrawn the exemption under section 80P of income tax which was available to cooperative banks. It rendered their profit taxable. Today, the total profit of co-operative banks in the country is about Rs. 1400-1500 crore. Government have made the profit of cooperative banks taxable so that it can take Rs. 500 crore from it. Government have fixed a target to collect Rs. 500 crore from the cooperative banks. I want to know from the government that only yesterday in a reply to my question hon. Minister had said about the amount government have to collect from the defaulters of the scheduled banks. That amount is Rs. 17 thousand crore. But government have written off this amount of the

defaulters. Government have waived off Rs. 17 thousand crore due to defaulters. We wave Rs. 17 thousands crore but we are not trying to improve the situation of cooperative banks who are passing through a very critical situation. Due to laws and rules made by government it has become very difficult to run and manage these cooperative banks. Those, who are committed to serve the people are running the cooperative banks and these banks are different from commercial banks. You take action against the defaulters. I have no objection to it, the cooperative banks are a boon for farmers and weaker sections, so to make the profits of such banks taxable is irrational in my opinion. How the Government will be benefited by imposing tax on it? As I have said that in our tax network in service tax, income tax, excise etc. we have covered a lot of persons in tax net but the profits of banks which are serving people have also been made taxable and I think that government should remove this tax. *[English]* It is my request to the hon. Finance Minister to remove it fully. So far as the proposal under Section 80P of the Income Tax Act is considered, the exemption should not be withdrawn. It should continue. *[Translation]* Their deposit should also be excluded. Therefore, I am unable to understand as to what type of proposal is it, which is made for cooperative banks. It has been made indirectly to curb the activities of cooperative banks. I think that finance minister will think about both of these. I request you not to make the profits of cooperative banks taxable which are spread all over the country and help lakhs of people.

Sir, the number of senior citizens in the country is very large, but they have not been given any relief or benefit in this budget. Their limit is to the tune of 1.85 lakh, but the committee which was set up for this purpose recommended to extend it upto 2.5 lakhs. I would like to request the Finance Minister again that for these crores of citizens, tax limit should be increased from 1.85 lakh to 2.5 lakhs which has also been recommended by the committee. My contention is that this has been suggested by the committee and you should implement it.

Sir, we say time and again that women of country need to be empowered, their poverty has to be removed. They have to be given employment, but when the question comes to give them something we don't do so. I wish that as tax limit for senior citizens has been raised in the

same way tax limit should be raised to 2.5 lakh for women. This will encourage them and they will get inspiration to earn more. They will go forward to earn more, they will be motivated to work hard. I am assured that government will move in this direction and will think in right perspective.

Mr. Chairman, Sir, government servants were entitled for standard deduction of Rs. 30 thousand as a relief but it has been done away within this budget. What does it mean? Government is withdrawing this relief also. I request the government that standard deduction of Rs. 30 thousand should continue. Reason behind this is that income of government employees is hard earned, it is not black money. They should be given this relief. If government withdraws this relief, then it will be injustice to them.

Mr. Chairman, Sir, I hope government will consider my suggestions. Government have imposed 16 per cent tax on chips, to keep this industry viable *[English]* Kindly reduce it to eight per cent. So far as customs duty is concerned, it should be reduced from 12.5 per cent to 5 per cent. So far as cooperative banks are concerned, I request you not to impose this type of a tax on the cooperative bank's profit, so that banks can function very properly and serve the people.

*[Translation]*

Hon. Mohan Singhji has said some right things regarding service tax. I had read that last year it was rupees 23 thousand crores which has gone upto rupees 34 thousand crores in the current year. There is 20 per cent increase in service tax. It should not be so that service tax payer is subjected to overburden. They are not making black money. They are honest persons of the country, who pay tax without fail. I want that they pay their taxes happily. So, government should reconsider it. There is ambiguity in what has been covered in service tax, public are apprehensive, they are fearful, which should be alleviated by the government.

DR. RAJESH MISHRA (Varansai): Mr. Chairman, Sir, I rise to speak in support of the Finance Bill, 2006. I am grateful to you for giving me an opportunity to speak.

Mr. Chairman, Sir, since the UPA Government came to power, the Chair Person of UPA, Prime Minister Dr.

[Dr. Rajesh Mishra]

ManMohan Singh and Finance Minister had pledged in association with their supporting allies that they would be working towards making a new India. I would like to congratulate the hon'ble Finance Minister through this bill for they have made efforts through this bill so that the pledge taken by them to build a new Bharat can fructify.

15.00 hrs.

After the budget was presented there were discussions on this around the industrial world. I would also like to mention the encouraging views that were received regarding this budget. I would like to express the views of Shri Montek Singh Ahluwalia, Deputy-Chairman of Planning Commission on this budget. He said that providing rebate in custom duty would attract investment in India and the economy would achieve higher growth rate of 10 per cent. This comment is from the person who is considered to be a learned economist within and outside the country and our GDP which has been ever rising, has reached above 8 per cent now. Hon'ble Prime Minister has stated in his statement that very soon we will be able to achieve the target of 10 per cent and this budget is a step towards that direction, Once our GDP will be 10 per cent, then the pledge of the UPA Government of Bharat Nirman would soon be accomplished.

Through you, I would like to inform the entire House that after the presentation of this budget, Chief Patronage of Federation of Indian Industries had said that industrial world would be happy with the budget as there is nothing negative in the same. In this budget, rebate has been provided in custom-duty and maximum industries have been brought under its ambit. Chairman of ASSOCHAM has described this budget as practical, development oriented and a common man's budget. He said that through this budget the steps taken in the sectors of health, education and to increase the flow of small industries as well as for the welfare of small farmers would help in carrying the benefits of economical development to all groups of people. In his reaction, Chairman of FICCI has congratulated the Finance Minister for not bringing any major changes as well as not imposing any new taxes in the budget. He said that this budget is an effort to strengthen the basic sectors of the society. This would

help in developing the entire country as on integrated market.

Sir, whatever I have mentioned, were reactions, when we hear views from the opposition benches, we realize that they talk about the very few points which were left out somewhere in the entire budget. But while mentioning that, they forget that if they draw comparison between the budget presented at the times when they were in power and the budget presented by the present Government and the direction in which the economy of this country is going now, they may not admit it in this August House but in their personal views they will say that the economic development has been taking place rapidly and they will definitely appreciate and acknowledge this budget.

Through you, I would like to bring to the notice of this August House the areas where customs duty was being levied earlier and now it has been reduced. I would also like to inform the rate at which it has been reduced and that, to give rebates was not the only aim behind it. In fact, hon. Finance Minister has given rebate on all the items, duties and taxes to achieve the target of Bharat Nirman. We would like to congratulate him for this.

Just now, we were discussing about customs duty. Sir, today there is competition amongst our Small Scale Industries in the country. The market is becoming open now and globalisation is taking place.

15.05 hrs.

[DR. LAXMINARAYAN PANDEY *in the Chair*]

Today we are competing with other countries of the world. The tax on non-productive items has been reduced from 15 per cent to 12.5 per cent under that environment we would like to praise Hon. Minister for reducing duty on raw materials and intermediaries. In our steel industry, the duty on most of the important items, that are required in the coming times for building a new India, be it steel or non-ferrous metals has been reduced to 7.5 per cent from the existing 10 per cent. The intention of the Government and hon'ble Prime Minister behind this is very clear that in the coming times our people are able to compete maximum in the areas where there is maximum competition. This is the main aim behind

reduction in tax. Similarly the tax on mineral products has been reduced to 5 per cent from 15 per cent. The tax has been reduced on raw-iron from 5 per cent to 2 per cent and similarly tax on raw material in the field of non-carbonic chemicals has been reduced to 10 per cent from 15 per cent.

Our small scale industries sector has been a very competitive sector which is going to face more competition in the coming days. In view of this, hon'ble Finance Minister has reduced the tax in plastic industry from 10 per cent to 5 per cent. All this indicates that future has been visualized through this budget as to which sectors can yield maximum benefit in future that can be utilised in our country to the maximum and also that how can our industry workers prove their worth in the competition. All such sectors have been given more importance. We would definitely like to congratulate hon'ble Finance Minister and the Government for the manner in which researches are being conducted on life saving drugs. Now, diseases like cancer and AIDS are curable. Custom duty on drugs required for curing these diseases, has been reduced to 5 per cent and besides, the duty levied on equipments has also been reduced to 5 per cent from 15 per cent. Our Government feel that all those sectors, where large amount of funds are required for treatment of such diseases and medicines meant for these are very costly and the equipments which are required for treatment of the diseases are also very costly, require maximum attention to be paid to them.

Just now, our hon'ble Member Shri Kashiram Rana was talking about cotton industries. I remember that cotton industry is the largest industry in my constituency Varanasi.

Mr. Chairman, Sir, Banarasi Sarees are famous in the entire world. Before the UPA Government came to power, the weavers of Varanasi and eastern part of Uttar Pradesh and all the districts outside it were forced to commit suicide. When I am talking about this, I am reminded of the times when we used to collect money and arrange for their two square meals so that the weavers did not commit suicide since the textiles items produced by them were not finding any market. The competition was so tough that the kind of sarees they were producing at the cost of Rs. 1200 each were

available here from abroad at the rate of Rs. 400 each. Therefore, there were no buyers for their costly sarees and the result was that the weavers were forced to commit suicide.

Sir, when UPA came to power, it announced special package for hand woven clothes and for handloom clothes in its first budget. Thereafter, the way by which the government has brought whole the industry back on the track we, on behalf of crores of weavers of India would like to congratulate UPA Chairperson, hon'ble Smt. Sonia Gandhi, Prime Minister Dr. Manmohan Singh and Finance Minister Shri P. Chidambaram for that.

Sir, Shri Kashiram Rana, who was speaking just before me, said during the discussion that custom duty has been reduced to 8% from 16 per cent in powerloom sector. He was requesting that this should be reduced to zero per cent and as the custom duty has been reduced to zero per cent in handloom industry, similarly it must be reduced in silk industry also, although he had appreciated the Government for this.

Sir, we want to say that this has been done first time. After a long time, the government is gradually coming in this situation that our cotton industry can stand parallel to the cotton industry of other countries by providing relaxation in taxes. I do not say that our cotton industry has moved ahead of cotton industry of other countries of the world, but our cotton industry has come in the situation to stand parallel to the cotton industry of other countries of the world in only two years. This is a big achievement of our government. During the last 10-15 years cotton industry of our country has been crushed and as a result of this weavers has reached in the situation of committing suicide.

Sir, today there is good competition in market of the cotton industry and we are sure that in the coming time silk industry will also get relaxation like handloom sector. During, the time of previous government, there was 16% tax on this industry, Our government has reduced it to half. We are sure that the situation will be further improved with the passage of time. When all these things will be done, which has been mentioned by the Minister of Finance, the situation will further improve and the industry would get more relief.

[Dr. Rajesh Mishra]

Sir, the way by which the Government has provided relaxation to IT sector, computer sector and the today's young generation to whom we call as future of India and who dreams to come with biggest and best software in the world is a relieving measure and for this the future generation of India will certainly congratulate this government.

Sir, I will conclude my speech by mentioning only two-three points. The future generation of India will congratulate this government for giving relaxation in IT and computer sector by it. Now we can only say that this is just beginning. We have to fight a long battle and we have to go long. We hope that this government will be successful in all these things certainly. There are such two-three sectors. Certainly, we want to suggest our hon. Minister of Finance and our government on those points because our all friends have discussed on those points. We agree that India is an agricultural country and 80% population of India is engaged in cultivation in the villages but when we look at the today's data, we find this figure of 80% is decreasing gradually. Whatever the government's figure is, we feel that the people living in villages do not want to do farming wholeheartedly. Why is it so, why such a situation is taking place, this must be discussed in this House. The government agrees with it, we also feel so and the government wants some suggestions in this regard....(Interruptions)

MR. CHAIRMAN: Please conclude now.

DR. RAJESH MISHRA: Former Prime Minister, Late Shri Rajiv Gandhi concentrated on villages and made the budget village-oriented and this budget is also an effort in that direction, but we do not consider it as a complete budget till now because today our farmers feel that farming is not a profitable job, this is the job of deficit. He wants that if we invest Rs. 2/- in agriculture we should get at least Rs. 2/- if not Rs. 3. If we are in industry sectors we assume to get Rs. 6 by investing rupees 2. Similarly in big industries, we assume the benefit of Rs. 400 crores by investing Rs. 200 crores. On the same line when a farmer is investing Rs. 2 by borrowing from money lender, he will certainly hope to get at least rupees two if not rupees three so that he can be able to sow seeds next time. But, we want to congratulate our government,

because this demand was being raised since long that the interest on the loan given to farmers by banks should be reduced to 7 per cent from existing 14 per cent. We would like to congratulate the government for meeting the long pending demand of lowering the rate of interest on the loan being given to the farmers through banks upto 7 per cent. I on behalf of crores of farmers of this country, would like to congratulate the UPA Chairperson Hon. Smt. Sonia Gandhi for meeting this demand. I will speak a few lines more on two-three points.

I would like to mention that the Chit Fund Societies, private financing companies which are being engaged in disturbing loan and collecting money from the people at district level after having collected 20-25 crores of rupees disappears within 4-5 years by looting the hard-earned money of farmers, poor people and youths. I think, such small financing companies have their history of 15 to 20 years. These innocent people become helpless to do anything. People try to find them out but to no avail. These companies always remain untraceable. That is why, I would like to say that some strict rules should be framed against such people so that no body would dare to run away with the money of people and if some one tries to do so stringent action could be taken to deal with him. I think this would be a great achievement if such legislation is brought by the Government.

The discussion about the scarcity of drinking water in the rural areas is made in the House. This is true that the reports which are coming at present and sometimes we also hear the discussion in seminars that the next world war will be for water. Several times this issue has been discussed. We would like to say that a wide survey should be conducted at national level as to what kind of arrangement can be made by the state as well as by centre to meet the scarcity of drinking water in villages and cities. It seems that this problem will become more serious during next 10-15 years. I would like to say that the survey should be conducted at national level. Irrespective of a particular state whether it is Bihar, U.P., Andhra Pradesh, Jammu and Kashmir, Madhya Pradesh and Rajasthan. I have mentioned about your state also. This kind of situation is prevailing in almost every state. Today the common man is in distress. An universal survey should be conducted. By chance hon'ble Minister of Water Resources is sitting here, a strong initiative should be

taken by the Government through the state government to find out the solution by conducting an universal survey, so that this major problem could be solved.

MR. CHAIRMAN: Mishraji, I would have not disallowing you to speak but 15 people of your own party, are still to speak. You have already taken 22 minutes continuously.

DR. RAJESH MISHRA: Sir, I would like to say a few words about the class from where I got elected. I was involved in student's politics. While we were in the university, we used to raise slogans that we should be provided with our constitutional right to employment and the right to abolish unemployment. We used to contest university elections on the basis of this demand. On behalf of the unemployed people belonging to the villages, I would like to congratulate Smt. Soniaji as I am aware that her emotional support played a prominent role in the enactment of this law. I would like to congratulate the Prime Minister, the Finance Minister and the allies of the UPA that they empowered the youths of the villages by enacting such a law for which unsuccessful efforts had been going on for the last 57 years since our independence. On their behalf, I would like to congratulate the Government. I believe that in the coming budget session, a legislation will be brought for the urban youth which will fulfill their dreams for a bright future.

I conclude my speech by supporting this Finance Bill.

SHRI SHAILENDRA KUMAR (Chail): Mr. Chairman, Sir, I am grateful to you for permitting me to speak on the Finance Bill 2006-07.

Sir, with the arrival of the month of February the common people start discussing the budget and the talks of budget take the centrestage in every nook and corner. People are curious to know about the exemption limit of Income Tax and the trend of the price of the cooking gas. Is it going up or down? Such discussions take place regularly. Regarding Income Tax, they got certain exemptions, but the imposition of Service Tax has squeezed the common man to the pulp. Service Tax has been increased from 10% to 12%. If we go through the accounts of the last four years, I think there is an increase of 16% in this. This will create a huge burden on the

common people. Rates look the same if you consider service tax and excise tax. Previous year, a target of Rs. 17500 crore had been set for the recovery of Service Taxes and Rs. 34500 crore has been set as the target for the next financial year. 96 services have been brought under the purview of the service tax and action has been taken to bring 15 more new services under its belt. I think, by doing so they are imposing a heavy burden of taxes on the common man. Till date, the charitable institutions which provide some special facilities to the people were exempted from paying taxes, but now even the donation received by the charitable institutions has also been made taxable which is not a right move. Besides, secrets donations are also going to be taxed. In this budget, the government have through jugglery of words, brought even small traders under the ambit of service tax. All the hon'ble Members have raised apprehensions that this will bring a lot of small scale industries under the purview of taxes.

The Government claims to have given relief to the salaried classes by exempting the interest of fixed deposits from tax. A lengthy discussion took place about the Government banks and the NABARD. I would not like to go into details, but would like to say that the Government have put those institutions also under the purview of taxes. On the other hand, the credit cards, ATM services, Air Travel Services, Hospitals, Schools, Canteen, Advertisements all have been brought under the purview of Service Tax. I think this will cause further inflation and people will feel the pinch.

Now several members spoke about medicines. Service tax will send shivers down the spines of people dealing in medicines, auto components and the people involved in small scale industries. You hence reserved about 506 products under small scale industries. I think they are going to impose heavy taxes on them. Customs duty has been dealt with in details here. They have fixed it at 30%, but now in one go they have increased it to 80%. This will prevent the people who are importing the plants because they have increased the taxes very much. The tax provisions in the budget have aroused the fear of the imposition government policies becoming anti labour and anti farmer. There should not be a general discussion only it needs to be discussed very comprehensively. I would like to make a special mention about the VAT Taxes. Some states have implemented this VAT system, but some

[Shri Shailendra Kumar]

other states have not implemented it. To safeguard the interests of the traders, the discussion should be held with them. I would like the Prime Minister to visit those states and have a discussion with Finance Minister or the Chief Minister of those states or he can invite the Finance Minister and Chief Minister to a meeting to discuss these matters. The geographical conditions varying from one state to other, especially the states having a common boundary with National Capital Delhi, like U.P., where the VAT system has not been implemented yet. However taking into account the geographical conditions of that particular state, in order to safeguard the interests on the traders, we should implement VAT system there.

I wanted to speak for five minutes because some more hon'ble Members from my party also wanted to express their views on this subject and also I was in a hurry. I would like to request the Finance Minister that all the hon'ble Members have expressed their views and suggestions and in order to prevent people from mentioning this budget as anti-labour or anti-farmer and to prevent them from levelling accusations against the UPA Government, relaxations should be given upto the maximum possible extent. With sincere gratitude, I am cutting short my speech here.

[English]

SHRI C. KUPPUSAMI (Madras North): Thank you Mr. Chairman, Sir. I rise to support the Finance Bill 2006 as introduced by the hon. Finance Minister as it is a progressive Bill taking the nation forward for accelerated economic growth and taking care of the down trodden poor people and the commoners.

The economy is vibrant and rightly on the growth path. Employment generation schemes are in full swing and the fruits of the schemes should come in due course. On the labour front, because of cut in the interest rate, the workers are deprived of their legitimate EPF interest. I would request the hon. Finance Minister to help tide over the crisis in the EPF Trust for continuing to pay higher rate of interest to workers who have contributed towards EPF.

My second point is about the payment of minimum

wages and raising the ceiling limit on bonus. Sir, I would like to share one important fact with the hon. House. In the year 1970, when there was a proposal to reduce the bonus to four per cent, it was our State Government headed by Dr. Kalaignar Karunanidhi, who sent his Labour Minister, Shri N.V. Natarajan to Delhi to impress upon the Centre not to reduce the bonus percentage and the Centre agreed to make it 8.33 per cent which benefited the workers in the whole of India.

Now also, in the DMK's Ninth State level Conference at Trichy in which UPA Chairperson, Madam Sonia Gandhi, participated and addressed to lakhs and lakhs of people there under the Chairmanship of Dr. Kalaignar Karunanidhi, passed a resolution recently that when the minimum wages were raised to Rs. 6,000, there is no justification and meaning in sticking to the bonus ceiling limit of Rs. 3,500. The Bonus Act which was enacted in 1965 is outmoded and hence the minimum bonus is raised to 12 per cent. I understand that with the good office of the hon. Minister of Finance, the benefit can be given to the workers.

I come to the provisions of the Finance Bill. It has withdrawn exemption from service tax enjoyed by the call centres catering to the domestic market. It has also brought under the tax net services such as telemarketing, processing of purchase orders and customer relationship management. When there is international competition, people are opting to have more call centres and Business Process Outsourcing simply because we have cheap labour and infrastructure. It has brought foreign exchange to the tune of Rs. 30,000 crore. So, to develop this industry which provides employment and entrepreneurs, domestic BPOs should not be burdened with taxes at present.

Sir, I would like to make one more suggestion in regard to clause 13 of the Finance Bill regarding the proposed amendment to Section 54EC regarding capital gains tax exemption instruments. The hon. Minister of Finance has proposed that hereafter investments made in the capital gains bonds of NHAI and REC alone, where the minimum investment is for a sum of Rs. 1 lakh as compared to others where the minimum investment has been Rs. 10,000 would qualify for such exemption.

Therefore, the small investors who had already invested prior to 28th February, 2006, in the capital gains

bonds issued by NABARD etc. would be losing the exemption from capital gains tax while, at the same time, those who had invested or who are likely to invest Rs. 1 lakh as capital gains would be eligible for an exemption of Rs. 20,000 or more, as the case may be. This would put hardship to small investors who had validly taken shelter under Section 54EC by investing in capital gains bonds of NABARD etc. prior to 28th February, 2006. In the subsequent clause, namely clause 14 regarding amendment to Section 54ED, it has been specifically provided that it will come into effect from 1st April, 2007, that is from the assessment year 2007-08. One does not know why this benefit has not been extended in the case of the proposed amendment to Section 54EC. I hope the hon. Minister of Finance will accept the suggestion to continue the exemption from capital gains in the case of investments made in NABARD etc. prior to 28th February, 2006 for the assessment year 2007-08, by incorporating the proviso suggested by me earlier.

The hon. Minister of Finance proposes to tax cooperative banks which are making profit by amending Section 80P. As he knows, health of many cooperative societies which are in the financial sector is not good. Therefore, it is not advisable to tax such cooperative society. I request the hon. Minister of Finance to reconsider this proposal.

There is a news-item that the Government is going to allow Foreign Direct Investment in retail sector. Sir, as you know, in retail sector, only small traders and marginal businessmen are engaged and if these multinationals come and capture this sector, they would be out of trade, rendering thousands and lakhs of workers out of jobs. Therefore, I would request the Government to see that the interests of domestic retail sector are protected.

Sir, there is a long-awaited announcement from the Government for constitution of the Sixth Central Pay Commission for employees who are in the service of the Union of India including Railway employees, BSNL and MTNL employees. I would request the hon. Minister to make an announcement about it since it is overdue and the hon. Prime Minister has also assured the employees that the Government is seriously considering the proposal for constitution of the Sixth Pay Commission.

With these words, I thank you very much for giving me an opportunity to speak.

SHRI B. MAHTAB (Cuttack): Thank you, Mr. Chairman, Sir. In the last few years, we have found India virtually a part of any important discussion in the world. Everyone is now convinced that it is going to be India alongwith China that will be the drivers of growth of the globalised world economy of the future. Against this backdrop, we should look at the Finance Bill, 2006.

India, today, has more than 30 crores of middle class people and this has grown within the last three decades. In the world history, in no particular country such a large number of middle class has attained this growth and this has happened in our country. China is being discussed both in our country and also in other parts of the world. China has proved the point by now attracting 60 billion US dollars of FDI, being an economy larger than France and now setting up higher targets for the next 15 years, not just on economic parameters but also on social parameters.

But, I would say, we have lost a great opportunity of embarking on a new growth-focused programme to take India where the world is now expecting us to be. Our fiscal position is far better now. The tax GDP ratio is rising. The economy is growing by eight per cent and business confidence is also robust. The attempt in the Bill, I would say, should have been bold, forward-looking and not constrained by the inhibitions of a rigid past.

I would come to the FDI sector first. The Foreign Direct Investment is integral to the growth of the economy. Its share in the gross capital formation has grown from an annual average of 1.9 per cent during 1985-1995 to 3.4 per cent in 2004. Similarly, FDI stock in GDP rose from 0.5 per cent in 1990 to 5.9 per cent in 2004. Even so, there is no focus on the FDI sector with special incentives in this Finance Bill.

While the hon. Minister of Finance has always characteri FDI in his Budget, he has never accorded any special fiscal initiatives to promote it. Perhaps, looking to the left and thinking about the Left, he has not ventured into that sphere. He has never accorded any special fiscal initiative to promote it. The FDI initiatives have been characterized only by unbundling of restricted policy and



[Shri B. Mehtab]

procedures. In contrast, India's neighbour, that is China, has showered fiscal incentives besides providing a liberal regime for investment.

In China, special income tax incentives are accorded to foreign investors in Special Economic Zones for manufacturing hi-tech products and investing in Research and Development. In India, no income tax incentive is available except in Special Economic Zones. In China foreign investors who adopt advanced technology enjoy a two-year tax holiday and are allowed 50 per cent exemption for the next six years. No such incentive is available to foreign investors in India. In China, foreign investors ploughing back their profits after operating for five years are entitled to 40 per cent refund of the tax already paid on the re-invested amount. It is not so in our country. On indirect taxes too, China grants a number of incentives. Technology transfer and technology developed by foreign investors are exempted from Value Added Tax. Equipment imported for projects in the priority sector are exempt from tariff and import-stage VAT. But the Finance Minister has done little on this front. Foreign investors are given a short shrift.

I would say that growth this year was driven by manufacturing sector. Goldman Sachs had written *Dreaming with BRIC : Path to 2050*. He had predicted that India would be the third biggest economy in 2050. Even more surprising, he had predicted that the country would surpass Japan's GDP by 2032. But do we intend to realise this dream? I would say that the countries which were earlier lukewarm towards India are now considering it an alternative to China for investment. Take Taiwan for instance. Taiwan is the fourth biggest investor in China, but India has a tenuous relationship with Taiwan. When Taiwan is of the opinion that for strategic interests, it wants to invest in India as an alternative investment destination to China, then what is the problem? Have we reacted to it? Yes, Between January and November, 2005, FDI was US\$ 4 billion excluding reinvested earnings and other capital. This growth in FDI was catalysed by the general growth in the economy and not by special measures.

China has high domestic saving ratio. That is 40 per cent, which is prudent for investment. But at the same time, they are asking for more Foreign Direct Investment.

But it is more attractive destination also. They are creating a situation where more Foreign Direct Investment is attracted to that country despite their domestic saving ratio which is around 40 per cent. They are giving more fiscal incentives, cheap labour with flexible laws. We should learn from the patterns of FDI flows to tap foreign investment.

Now, I would come to the next aspect regarding Service Tax. The Finance Minister has increased the Service Tax rate from 10 per cent to 12 per cent. By hearing that there is an increase of only two per cent, a general impression is created that nothing much is being done, but I would like to mention that while going through the fine print of the Finance Bill, one can know how the ambit of Service Tax net has grown.

I am saying this because 15 new services have been added. The hike in service tax is at the rate of only 2 per cent, but the tax liability on service providers and consumers is said to be more than this.

The Finance Ministry through a draft notification—which came in the first week of March—has proposed a revision in the norms for valuation of services for taxation. As per the proposal, even if the consideration for the service is not kind, its equivalent money value would be reckoned while determining the value of the service. This could expand the tax base significantly because in a large number of services, the consideration is not wholly or partly in money, but it is more in kind. At present, only the consideration received in money is accounted while determining the service value.

The proposed valuation norms also prescribe that the expenditure or cost incurred by the service provider in the course of providing service would be treated as consideration. Therefore, such expenditure and cost would be included in the value of the services. Here, I would like to give you an example. An advocate or lawyer looks after my income tax return. If he files my income tax returns on my behalf, then he is exempted from service tax. But if I have a Chartered Accountant and he files my income tax returns, then he has to pay service tax. Why this discrimination is there in this matter? As a service provider, one trade is being exempted, and another trade is being taxed though both are doing the same job for

the person concerned. I think that the hon. Finance Minister should look into this aspect.

A new section in the Finance Bill, 2006, namely, section 73 (c) is included, which provides for attachment of property during pendency of any proceedings. I do not know whether some hon. Members have raised this issue. I am saying this because the mere introduction of this section indicates the dwindling faith the hon. Finance Minister has on the service tax assesseees who are basically the middle-class of this country or should we say the *aam aadmi*. It means that you have dwindling faith on the assesseees who are going to give more money to the exchequer.

As regards growing population, the hon. Finance Minister has repeatedly said this, and he never tires of talking about this, namely, that the Government wants to inculcate the compliance behaviour in tax payers rather than to scare them. He has been saying this repeatedly. Now, such power is going to be vested in the revenue field formations, which may be misused. This is our apprehension as it was done in the case of central excise. How fair is it to attach someone's property when a case might be pending before the judicial fora?

**MR. CHAIRMAN:** Mr. Mahtab, please be brief, and try to conclude your speech.

**SHRI B. MAHTAB:** I would request the hon. Finance Minister to look into it before it is migrated into the Finance Act.

There are many other important proposed sections for the service tax. Section 76 is amended to levy penalty at 2 per cent per month. Section 83 provides for separate recovery. In rule 5, new sub-rules 3 and 4 are introduced to make it mandatory on the part of service tax assesseees to preserve the records for five years, and to provide them for examination or inspection.

These are, to me, draconian provisions. I would request the Finance Minister to revisit these issues.

The third point is, it is also reported in different media that we have duplicate PAN cards, and it has come to light officially also. It is recognised that between two per cent and three per cent of the 43 million PAN cards are duplicate and fraudulent. Already, a year has gone by. Though the Central Board of Direct Taxes is on the

job, already a year has gone by. When 30 per cent of the seventeen lakh transactions reported under the AIR (Annual Information Return) upto 31st December, 2005 did not have relevant PAN numbers, how many months the Government will take to provide PAN to all assesseees?

Now, the more pertinent question is that the Finance Minister, for the first time, has placed before the Parliament certain data relating to tax revenues. I refer to the tax revenues not realised and tax revenues foregone because of various exemptions that are in force. For the year ended 31st March, 2005, the exchequer was owed taxes that were not in dispute of Rs. 42,917 crore payable during that year. The taxes relating to earlier years worked upto Rs. 2,843 crore. In addition, the taxes in dispute total to around Rs. 65,300 crore. If the amount of taxes, which the Government tried to recover but did not, crossed Rs. 1,11,000 crore, and when the size of the revenue willingly foregone was even higher, what is the Government doing? Can we say that the job is not being well handled?

I would now come to the most important point. It is ominous to note that the revenue foregone is Rs. 1.58 lakh crore approximately exceeding the total fiscal deficit of the Government, which comes to Rs. 1.49 lakh crore approximately. Over one-third of the revenue foregone is on account of several export incentive schemes floated by the Ministry of Commerce, the misuse of which is reportedly rampant.

Lastly, I would again repeat what the Finance Minister had said during his Budget Speech. He mentioned about a very famous quotation of Swami Vivekananda. He mentioned about the wind, the sails, and the ship, but he did not mention about the tide. He mentioned about the wind. When making all these provisions for development of rural areas, for poverty alleviation programmes when a large amount of money is being provided. It is only in the policy and in the Plan. If that fails, if the person is unable to unfurl the sail and cannot catch the wind so that the ship can go, whose fault will it be? Should we say that it will be the fault of the respective State Governments? Should we say that it is the fault of the respective Departments, and the Central Government has nothing to do with it? Is the Government here to only frame the policy? My only point is, and I am

[Shri B. Mahtab]

concluding with these lines, it surely falls on the Centre to plug leakages, to plug the loopholes, to remove the abuses of budgetary grants by setting up effective intelligence machinery to monitor its usage by all the agencies concerned both in the Centre and the States. Fiscal Responsibility and Budget Management Act does not address these concerns.

With these words, I conclude.

MR. CHAIRMAN: Hon. Members, I have a long list of speakers. In this connection those who want to lay their speeches on the Table of the House can do so and they will be treated as part of the proceedings.

SHRI P.S. GADHAVI (Kutch): Mr. Chairman, Sir, I rise to oppose the Finance Bill, 2006.

It is good that there are no changes in the rates of personal income tax or corporate income tax and no new taxes are being imposed. It is also good that one-by-six scheme under the Income Tax Act obliging certain categories of persons to file returns is removed. But, the Budget of hon. Finance Minister can be very well said to be a pro-election budget keeping in mind the forthcoming Assembly elections in five States.

This might have inspired the hon. Finance Minister to quote in his Budget Speech of poet, philosopher, saint Thiruvalluvar—"The world is his who does his job with compassion". But what the Left, allies of the UPA Government, has to say about this Budget? They said: "The Union Budget has failed to address many of the vital problems of the common people, particularly peasantry". They also said:

- (a) "Budget has ignored farmers, unemployed;
- (b) Vital problems remain ignored;
- (c) It is neither pro-poor nor pro-farmer;
- (d) Directionless, visionless and burdens the poor; and
- (e) Budget fails to address the common man's woes".

I would like to submit that the hon. Finance Minister

has ignored some of the recommendations of the National Commission for Farmers which include:

- (a) Creation of price stabilization fund for agricultural commodities;
- (b) Extension of crop insurance to all farmers; and
- (c) No additional protection from imports has been provided for cultivators of raw cotton.

I would like to request the hon. Finance Minister to review the tax regime introduced in the Finance Act, 2005. In that, the new provisions had dismantled the basic framework and policy formulations inherent in the tax rebate regime including tax rebate admissible to senior citizens and women, and standard deduction admissible to salaried class. For senior citizens I may submit that this is the most nagging hangover of regime change and leave senior citizens a frustrated lot. They were entitled to tax rebate of Rs. 20,000 in 2004-05. During consideration of Finance Bill, 2005 there was a uniform plea from the House and the media to retain this rebate as a special dispensation for senior citizens and pensioners. The higher exemption limit of Rs. 1,85,000 is pretty bait for them. But they have suffered a drastic reduction of Rs. 8,000 in their tax benefit infringing on their right to subsistence and equality.

Baring tax rebate of Rs. 20,000 on their income tax limit upto Rs. 2,25,000 should have been exempt under the new tax regime. Their financial burden has further increased due to the cost of living and medical treatment. Their exemption limit may thus be raised to Rs. 2,50,000.

For the standard deduction of salaried class, I would like to submit that the salaried class have been classified as a distinct group for the purposes of tax treatment.

16.00 hrs.

They have always enjoyed, on the account, the benefit of standard deduction. I would like to refer to paragraph 147 of the then Finance Minister's speech of the 2003 Budget. In Finance Bill, 2005, it was stated that the standard deduction was being scrapped in view of the higher exemption limit of Rs. 1 lakh. Sir, the exemption limit has been raised across the board and is related to the cost of living and inflation. This cannot be the basis

for scrapping the distinct classification of the salaried class. I would request the hon. Finance Minister to kindly restore the standard deduction for them. I would like to submit that this has created more distortions in the tax regime.

Firstly, even after one year, the Government have not been able to identify the saving instruments that will come under EEE system and EET system. This raises a question. I would like to ask whether the Government could scrap the prevailing tax rebate regime, without knowing the ramifications of the new system. Obviously, the Finance Minister had jumped the gun and swapped the existing tax regime without having on hand operational modalities of the new regime.

Secondly, the tax rebate regime was based on egalitarian taxation principle. There was no tax rebate for an assessee with a total income of above Rs. 5 lakh; 15 per cent tax rebate for gross total income exceeding Rs. 1,50,000 and upto Rs. 5,00,000; and 20 per cent for those with a total income upto Rs.1,50,000. Now it has been turned upside down, allowing 30 per cent tax benefit in higher income bracket, 20 per cent tax benefit in the middle income bracket, and 10 per cent tax benefit in the lowest income bracket. This is a gross aberration.

I would like to submit about tax rebate for women. Women should also be allowed a higher exemption limit in lieu of the tax rebate under Section 88C, keeping also in view the need to promote women empowerment.

I would also like to make some suggestions—there should be a lock-in period for tax saving instruments, particularly for bank deposits, lock-in period should be fixed at three years for senior citizens. Senior citizens above 70 years face hassles in getting medical insurance. Senior citizens who are above 80 years have no medical insurance. They may be provided medical insurance without any age bar.

Now, I would like to submit about service tax. Five per cent service tax has been levied on the ATM operations. ATM is being operated by middle-class people. Rich people does not go to ATM. They send their secretaries to draw money from their bank accounts. This five per cent service tax on ATM operations will definitely be passed on to the middle-class people.

Similarly, there is a rise of service tax on advertising services. Initially, it was five per cent. Thereafter, it was increased to eight per cent. Then, the same was increased to 10 per cent. Now, the same has been moved to 12 per cent. This service tax on advertising services would ultimately be passed on to the customers. It would increase the cost of production. Hence, my only submission is that kindly consider not to increase this tax. Indirectly you are increasing all the service taxes. On the one hand, you are saying that you are not increasing the taxes. And on the other hand, this increase in the service taxes will be an over burden on the common man as the same will be passed on to them.

There is a service tax hike to the extent of 12 per cent. My hon. friends have mentioned that 15 new services are brought under this tax net.

My submission is that due to imposition of customs duty on melting scrap, the steel prices may shoot up. New industries are coming up in many parts of the country particularly in my constituency. We are having so many steel industries. They are importing the melting scrap. Now, with the imposition of five per cent customs duty on scrap will definitely increase the cost of steel. This may kindly be considered.

About the inflation rate, in August 2005, the rate of inflation was 3.3 per cent and it rose to 4.1 per cent in February 2006. It has been mentioned in the Budget as to how this should be brought down. It is a very serious and worrisome matter. The growth rate in various sectors has declined in comparison to the growth rate that prevailed during the NDA Government's regime. I would like to submit here that in electricity, in April-December 2004, this was 6.5 per cent. But it was reduced to 4.7 per cent in April-December, 2005. Similarly, in the case of petroleum and crude oil, it has been reduced from 6.4 per cent to 4.7 per cent. It is said in the Budget that the interest rate on credit to farmers has been kept at seven per cent. This will remain only as a promise as it was in the past. In the past, these promises have not been fulfilled. I hope that this may be implemented.

In this year's Budget, the Government has not included Porbandar, the birth place of Mahatma Gandhi and Gandhinagar, the capital of Gujarat under the JN National Urban Renewal Mission. This was proposed by

[Shri P.S. Gadhavi]

the Government of Gujarat. The Finance Minister had announced this in the Budget speech. Now, I would like to mention only a few points.

Cooperative banks are functioning throughout the country and these banks are lending to their members. They are not doing business as big as nationalized banks. But the exemption which they had been enjoying since 1967, has been withdrawn. Now it is apprehended that many of such cooperative banks will be compelled to close their business. The scheduled banks are not reaching the remote areas of the country, particularly in my constituency which is the third largest districts in the whole country. If you go to the remote areas, you will find that only cooperative banks are working. If the poor people want to have some credit, they go only to these cooperative banks. They do not get any credit from the schedule banks because these banks are not operating in the remote areas. These banks were enjoying these exemptions. I only request the Finance Minister to kindly consider this. Many hon. MPs have given memorandum on this subject. I would like to submit that small-scale industries are doing very good business particularly in Jamnagar and Rajkot. Even big industries get the small engineering components from these small scale industries. Up till now, they were enjoying the exemption and now they will have to pay an excise duty of eight per cent as they are not having the ISI mark. There is no doubt that the ISI mark should be there on the goods. But if these small scale industries are to get ISI mark, they have to have a laboratory which will cost Rs. 1.00 lakh. But, they are producing better parts. Even some foreigner come here to purchase the parts. A large number of pumps and other engineering products have been developed in Rajkot and Jamnagar. They are not having the ISI mark. This is a discrimination. This imposition will be a death-knell on these industries. I request the hon. Finance Minister to reconsider this and give some exemption. I may be allowed to lay the rest of my speech on the Table of the House.

\*The demand to increase the coverage of public distribution system when net per capita availability of foodgrains and cereals has gone down and starvation deaths have increased has been ignored in the Budget.

\*...This part of the speech was laid on the Table.

Instead the Finance Minister has reduced Budget spending for the food subsidy.

The National Rural Health Mission has suffered a similar fate. Its total outlay has gone up from Rs. 6,506.05 crore last year to Rs. 8,141.90 crore this year, is far below the financial requirements, required to meet the proclaimed goals of national Rural Health mission.

During the Tenth Five Year Plan, the targeted growth rate for GDP was 10% and as per the economic survey it has been achieved 7% only. It is not understood as to how this shortfall will be covered. It seems to be a day-dream to achieve the targeted growth rate of 8.1% for the forthcoming period.

In this Budget, Finance Minister has announced that small cars and imported cold-drinks like pepsu Cola care going to be cheaper, but these are in no way beneficial to the common man. But the prices of commodities useful to common viz. grains and cereals, LPG Gas etc. are going higher and higher beyond the reach of common man.

Reduction in Budget:—

(Rs. in Crore)

Sl. No.	Item	2005-06 Last year	2006-07 This year
1.	Blinding Control Programme	86	81
2.	Safdarjung Hospital's Budget	127.96	122.58
3.	Ram Manohar Lohia's Budget	84.96	79.38
4.	Budget of Indian Council of Medical Research	315 (R.E.)	274.00

The NDA government had pushed the economy levey to take off Unfortunately, after taking over from NDA, the UPA Government had to leverage from take off base set by the NDA Government, but UPA has failed to capitalize on that.

Sir, I am sorry to state that there are no efforts on the part of Government to reduce its expenditure.

Sir, non-recovery of Taxes are on alarming level which has crossed Rs. 1,11000 crore:—

Sl. No.	Detail	Amount of unrecovered Taxes (Rs. in crores)
(i)	For the year ended 2005	Rs. 42,917
(ii)	Taxes relating to earlier years	Rs. 2,843
(iii)	Taxes in dispute	Rs. 65,300
Total		Rs. 1,11,060

Sir, withdrawal of tax exemptions under Section 80(P), and not including deposits of non-scheduled Co-operative Banks for Section 80(c).

This would be a death blow to Co-operative Banks, which are providing credit particularly to their members in Rural and Semi-Urban people and farmers.

Sir, these Co-operative Banks cannot be compared with other commercial lending Institutions and Banks. The profitability of these banks are at very low level.

I, therefore, urge upon the Hon'ble Finance Minister to withdraw the proposal of levy of tax on such Co-operative Banks; and allow these banks to enjoy the benefit of exemption under section 80(P) of Income Tax Act, 1961 as they are enjoying this exemption since 1967.

Sir, I also urge upon the Hon'ble finance Minister to accede to the request for inclusion of deposits of non-scheduled Urban Co-operative Banks under Section 80(C) of the Income Tax Act.

Sir, for this purpose, number of Memorandum have been submitted to Hon'ble Finance Minister by Association of such Banks and number of M.Ps. for which I request Hon'ble Finance Minister to consider them favourably and positively.

Sir, in this finance Bill, Hon'ble Finance Minister has imposed a tax on Benami Donations to Charitable Institutions in the Budget to plug a loophole. But he has not touched to another gaping hole i.e. Benami Donations to Political Parties.

Withdrawal of Excise Exemption to Small Scale Industries, which are registered under SSI/Kutir Udyog/ and Tiny Sector but not having ISI will Face death knell.

Sir, there are thousand of such Small Scale Industries, who are manufacturing small engineering parts, will not be able to sustain their business.

I, therefore, request the Hon'ble Finance Minister to allow these Industries to enjoy the Excise Exemption, which they are enjoying since long.

Sir, normally the laws are made for common man, as UPA claims for "AAM ADMI" but provisions of Income Tax Act and Finance Bill are such jungle that even it is difficult for persons practicing in Law, to understand. For getting exemption on donation on has to refer Section 115, and thereafter, 115 BBC and Section 80 all the alphabets thereafter. My request to Hon'ble finance Minister to keep up his promise of making simple laws, which can be understood by common man "AAM ADMI".

Sir, over a million of Permanent Account Numbers (PANs) of the estimated 43 million issued, may soon deactivated on account of the revelation that individuals have received more than one Number. Both fraudulent and unintentional, there are about one million duplicate PANs have come to light after Revenue Department completed its investigation.

Sir, this certainly reflects on the functioning of finance Department. How the implementation of Finance Bill and other laws is taking place.

\*SHRIMATI TEJASWINI SEERAMESH (Kanakapura): Respected Chairperson Sir, I raise to support the Finance Bill introduced by our Finance Minister Shri P. Chidambaramji, under the guidance of our proud P.M. Dr. Manmohan Singhji and ourleader UPA Chairperson Madam Sonia Gandhiji.

I would like to congratulate whole heartily for UPA

\*Speech was laid on the Table.

[Shrimati Tejaswini Seeramesh]

Government's pro common man Budget. Specially given lot of emphasis on Girl Students. At the same time will be more happy if our Government can withdraw the proposed Tax on ATM customers particularly house wives. Can we really do something to reduce the LPG cylinder rates, which will bring smile on struggling mid class and lower mid-class women, through subsidy increase.

While admiring FM's steps to increase the Budget from Rs. 4500 crore to Rs. 7000 crore + to restoration of water bodies and recharge of underground water. I feel we need much more funds to address this water scarcity problem, where the underground water level is alarmingly going down. While appreciating the government decision to exempt the tax to PACs, I demand the tax on the District Co-operative Banks should be removed. We cannot equate these small banks to National Banks, because National Banks enjoy lot of Confidence among people due to their size and strength. Where as the Districts Co-operative Banks are small ones, where as they have to pay higher rate of interest but, they cannot charge the same higher rate of interests to the farmers loans. All PACs take loan from these Co-operative banks. Only farmers take loans from these Districts farmers. In many occasions due to National Calamities like draught, cyclone, tsunami crops will devastate and these Banks will face dilemma to collect the loans back from farmers. But still they continue to serve the poor due to their social commitments. These District Co-operative Banks are playing a revolutionary role in S.H.G. Women. Their soft attitude towards women folk really boosted the morale of women these days. SHG's honest loan returning further encouraged these District co-operative Bank. In my constituency Bangalore Rural District Rural Cooperative Bank is playing a revolutionary role by distributing crores of Rupees loan to SHG and farmers. So please exempt tax to these District co-operative Banks.

It is felt that after achieving the Green Revolution in India during 1960's, after late Pandit Nehruji's era, we have not spend more money on building dams and Reservoirs.

In Karnataka it is heartening to observe that late Prime Minister Lal Bahadur Shastriji laid down the foundation stone to the "Alamatti" dam, which serves the

water needs the farmers of North Karnataka. The hard reality is after 3 decades, the state Government completed its dam construction but due to the shortage of huge funds even today, it is unable to build canals to draw water to the Agriculture fields, from Krishna River. Unless we take the water irrigation on priority list, we cannot achieve the second green Revolution. So please allocate more funds. Our allocation of funds should match the plan outlay.

Tax the Rich Agriculturists. Who evades the huge amount of tax to the Government everybody is aware of this. Even we can Tax 5% to 10% we can use this money towards the welfare of the small and marginal farmers. If you can reduce the Agriloan to 3% interest National will solute this Government.

Rural Employment Guarantee Scheme will boost the morale of the deprived classes. I feel we must interlink the other schemes to implement effectively. For Ex: Self Help Groups are playing very vital and decisive role in educating the rural folk. If we allocate more money towards SHG, where their loan repaying is almost 98% will be a revolutionary step. Why don't we even set up a National Women Bank to strengthen their empowerment. Many schemes like Mid-Day Meal, Rural Sanitation, Drinking Water, Primary Health Centres should be handed over to these groups for their effective implementation. SHG will be a rich human resource.

Rural youth force should be given a special financial assistance to support the Rural Agricultural work force. To the application of the Modern Technology to fields, to co-operative and to co-ordinate with the Agricultural Universities for the guidance in crop pattern and seed selection, to address the deseases to the crops. We can definitely bring down the Rural unemployment. Apart from this, we must introduce Massive Collective farming to cover the farmers under Modern Agriculture, villagewise.

Empower the Panchayati Raj System with more money, where these elected institutions can take care of, fixing the stable prices to the Agricultural produces, they can decide the crop insurance during National Calamity. They can monitor Rural health situation. The moral responsibilities should be fixed on them. If we do this definitely we can reduce the migration towards cities.

If we can spend some money through special

schemes to educate Rural Children in English language they can better compete with the urban children to grab the opportunities. Of course computer education should be a compulsory need to women to students. Cant we allocate some Budget to train the farmers youth in Modern dairying, sericulture applications, textile industry designing etc. to utilise their better skills.

Rural sanitation will enrich our nature by cleanliness. It is a basic human need. This project need revolutionary attitude. Unless we address the Rural problems of 72% population we cannot take this country forward. Money is the key factor to achieve this.

At last I would like to draw the attention of the Finance Minister towards dryland development. In 1970's our late Prime Minister Indira Gandhiji distributed crores of hectares of land to the landless poor, mostly downtrodden through the Revolutionary Land Reforms Act. But unfortunately the poor don't have any resources to cultivate and to develop their lands. Their life is shrinking due to poverty.

After 3 decades of this Land Reforms Act, it is need of the hour to launch a special programme in the name of "Indira Gandhiji" to identify such land and beneficiaries, where the land has become barrain and beneficiaries are helpless. Special Budgetary support should be given to help this unfortunate poor. So that they can bring the land to use and have a decent living through cultivation.

In many cases the worst conditions forced the poor beneficiaries to sell such lands. Already in Andhra Pradesh such programmes was launched in the name of "Indira Prabha" and helping such poor people.

Once again I appeal the Government while appreciating its concern, we must spend more money to address the need of the Nation.

SHRI ARUNA KUMAR VUNDAVALLI (Rajahmundry): Mr. Chairman, Sir, before starting my speech, I would like to say one thing that there is no facility of Telugu Interpretation here. That is what I wanted to highlight. Since last one year, when the Telugu Interpreter retired, no new Telugu Interpreter has been appointed in the Secretariat. From Andhra Pradesh, we are 42 MPs. Our State is the third largest State in regard to population but still there is no Telugu Interpreter here!...*(Interruptions)* It

is a very serious matter certainly for me because I have myself been the Telugu Interpreter of Rajivji's speeches and I am still the Telugu Interpreter of Soniaji's speeches in Andhra Pradesh. Whenever any dignitary from the North India comes to Andhra Pradesh, I am doing the services of Telugu Interpretation.

16.10 hrs.

[SHRIMATI SUMITRA MAHAJAN *in the Chair*]

In fact, I wanted to speak in Telugu even on the *Matra Bhasha Divas*, but Telugu speaking MPs were not given the chance to speak in Telugu because there was no new Telugu Interpreter appointed yet. So, I am bringing it to your notice so that the Telugu Interpreter is appointed as early as possible.

[*Translation*]

SHRI MADUSUDAN MISTRY (Sabarkantha): There is no Gujarati Interpreter also here....*(Interruptions)*

SHRI ARUN KUMAR VUNDAVALLI: There was a Telugu interpreter here, he retired a year ago and till date no interpreter has been appointed to his place. *(Interruptions)*

[*English*]

MADAM CHAIRMAN: Mr. Arun Kumar, you already know that there is no Telugu Interpreter.

[*Translation*]

SHRI ARUN KUMAR VUNDAVALLI: There is no facility for Telugu translation, so I am speaking in English.

[*English*]

I am not speaking in Telugu.

Now, I am coming to the Budget. Madam, there is no doubt that it is an excellent Budget. It is targeted to bring improvements in the life styles of the poorest of the poor. But still we have a very long way to go.

If you go through the statistics, you would find that still 38 per cent of our population have no water access; 49 per cent people are without proper sheiter; and 69.5 per cent people have no suitable toilets. Our poverty line



[Shri Arun Kumar Vudavalli]

criterion is fixed as Rs. 368 in the rural areas and Rs. 559 in the urban areas, which amounts to 26 per cent of the population below poverty line. But the way our GDP is growing and if we compare it with the growth of GDP, we should fix this criterion of poverty line at Rs. 573. Even universally, whoever earns less than a dollar a day is considered below poverty line. That comes to around Rs. 1300. But we are calculating only on the basis of Rs. 368 in the rural areas and Rs. 559 in the urban areas.

Madam, the latest survey shows that a minimum of Rs. 573 is needed for food; Rs. 30 is needed for health; Rs. 17 is needed for clothing; and Rs. 55 is needed for electricity, fuel etc. So, it comes to a total of Rs. 675. If we calculate on this basis, we would find that more than 59 per cent population of India would be living below poverty line and about 76 per cent population of rural India would be living below poverty line.

Of course, this Rural Employment Guarantee Act is a great step which will change the face of our country. In the Indian history, I feel this is the only enactment, which has given the right to ask for work for the illiterate rural people, who were just migrating to cities for menial jobs. This is an excellent enactment in the history of our country. This is definitely going to bring very good results in the country. People below the poverty line now have the guarantee to have 100 days of employment, which will look after their necessities.

Madam, now, going through the other features, I come to the point of subsidies. I think, the subsidies are not being given to the people who really deserve; and most of the subsidies are being used by the rich people and upper middleclass people. Take for example, domestic gas, which all of us are using. All MPs, MLAs, Ministers and Governors are getting the subsidy on LPG. We all are getting a subsidy of Rs. 150 per cylinder, which we do not deserve. I have already suggested to the hon. Finance Minister that whichever family's income is more than Rs. 4 lakh per year, may be eliminated from bracket of getting subsidy on LPG. They should get the LPG by paying Rs. 150 more, so that it is without any subsidy.

The users of air-conditioners are considered to be rich and come in 22 per cent. The Municipalities are asked

to collect some sort of tax which can be earmarked for housing for the poorest of the poor. That will also help the poor people.

Income tax on cooperative banks' profits also to be given a second thought because the cooperative banks are useful for the poorest of the poor particularly the urban lower middle class people and rural lower middle class people.

Most of the educational loans for students are being used by the rich people and the applications of the poor people are not being accepted by the banks. I brought a couple of instances to the notice of the hon. Finance Minister. I do not know what has happened, the banker went to the houses of the applicants whose applications were earlier rejected, brought them back and gave them loans. So, the bankers are giving loans according to their whims and fancies. I request the hon. Finance Minister to see that each application is accepted by the bank and if it is rejected, it should be rejected with remarks and should be sent back to the applicant. If such a rule is formulated and communicated to the bankers, the poorest of the poor people who are brilliant and who have bright future will definitely benefit out of this.

Free software has created a very big commotion in the entire world; we hear that Linux Free Software has come, etc. Even in India, Kerala Government is using free software. The Government of India and other State Governments are also going ahead with other softwares, when free software is available. I want the Finance Minister to have a look at this too.

Finally, with regard to the loans for weaker sections, in Andhra Pradesh, our Chief Minister, Dr. Rajasekhara Reddy has introduced a scheme by which only three per cent interest is charged on loans for self-help groups or whoever pays in time. I am telling you that this has brought drastic results—99 per cent of the repayment is recorded in Andhra Pradesh and this is excellent; we have never heard like this anywhere in the world. So, I request the Finance Minister to see that weaker sections and self-help groups in other States are also given the same facilities as is in Andhra Pradesh. The interest is 25 paise, which is the lowest in the country; Andhra Pradesh should be taken as a model. If this is implemented in the entire country, this will definitely bring wonderful results.

I congratulate the hon. Finance Minister for bringing forward this pro-poor Budget and also the excellent Rural Employment Guarantee Act. Above all, we have given powers to the poorest of the poor people, right from Parliament, to Assembly, to zila parishad to municipalities, by bringing forward Right to Information Act. With this, anybody can get information. One has to just apply for it and get it. I would proudly say that we have given this courageously because we are honest and we are committed; and we wanted the poorest of the poor in this country to grow. So, we have given this entire power to the people through Right to Information Act. Definitely the coming days will be brighter; the future of India will be the brightest and India will be topmost in the world, topping all the countries in the world. The poorest of the poor people in this country will live with courage, with boldness and with commitment to see that India stands on top of the world.

**SHRI VARKALA RADHAKRISHNAN (Chirayinkil):**

Sir, while supporting the Finance Bill, I would like to point out certain matters which require urgent attention of the Government. These are matters in which thousands of workers are involved. In the Southern States, particularly in Kerala and Tamil Nadu, there is a traditional industry, hand-made soap. Thousands of workers are employed in the process of making soap.

Now this is done through hand and hundreds of workers get employment. It is easy for the manufacturers to use power. In a factory where 100 people are working, if the power is used only five workers will be enough. So, 95 workers will be thrown out of employment. Now this sector has been taxed. All these soaps like Chandrika Soaps, etc. are being manufactured by manual labour. Now manual labour is the important thing in the manufacture of soap. If they are taxed heavily, definitely it will adversely affect the industry as a whole. So, I would request the Minister to give them exemption which was there previously. Thousands of people have met me and their associations have also given representations to the Government for giving exemption to the hand made soap. Definitely, the manufacturers would welcome power being used as they would be benefited. He is prepared to give tax also. But the poor workers who are employed there will lose their jobs. So, considering this aspect, I would

request the Minister to reconsider this position and give them exemption.

In the case of fishing industry also, their exemption has been taken away. I do not want to go into the details but thousands of workers in the coastal areas are employed there. Now they have been taxed. It needs to be reconsidered.

Another small scale industry is umbrella manufacturing industry. Here also thousands of workers are employed. Now it has been taxed. With the result, they cannot meet the competition. So, I would request the hon. Minister to consider the aspect of withdrawing the tax and giving them exemptions.

Coming to cooperative sector, I would request him that we cannot treat them at par with commercial banks. Of course, there is exemption for the primary cooperative banks. But for the district and the State cooperative banks, tax exemption is not given and they are treated at par with commercial banks. The purpose of the commercial banks is to make maximum profit out of the amount invested. But the cooperative banks are functioning with a definite purpose of saving the society. They are not functioning with a profit motive. Their purpose is entirely different. They give loans to poor agriculturists, poor workers and small scale industries. Now the State and the district cooperative banks have been taxed. They are treated at par with the commercial banks like State Bank of India, State Bank of Travancore, State Bank of Mysore, etc. The end result is that cooperative sector will be adversely affected. They cannot be treated at par. So, I would request the hon. Minister to extend the exemption now granted to the primary cooperative banks to the district and the State cooperative banks also. The primary cooperative banks form the district cooperative banks and the State cooperative banks are formed through district cooperative banks. So giving exemption to the lower unit is not enough because they would also be adversely affected. So, I would request the hon. Minister to reconsider the situation and exempt the district cooperative banks as well as State cooperative banks from taxation. This is the request not only of Kerala but also of Tamil Nadu, the place from where the Finance Minister is hailing. Shri Palanimanickam is present here and he can also realise their situation. Moreover, all of us will have to

[Shri Varkala Radhakrishnan]

face the elections. When we would go there, people would ask us as to why they have been taxed. So, I would request them to be very careful and exempt these people from taxation.

About switching over to the Value Added Tax system, it is being introduced. In Kerala and Tamil Nadu, sales tax was the most important income as the revenue of the State. It has been switched over to the Value Added Tax system. The net result is, in the long run, it is a loss especially to Kerala which is a consumer State. Things are not manufactured there. All the things are sold there. It is a consumer State. So, in the long run, States like Kerala which are not manufacturing will be adversely affected due to the VAT system. I welcome this change and I have no objection in having VAT throughout the country. But all the States should not be treated alike. Income of consumer States where manufacturing process is less will be affected by the abolition of sales tax which is their only income. In Kerala, the Value Added Tax will have to be compensated and there is a promise by the Central Government to compensate it. That promise should be maintained.

In this case, the recommendation of the Finance Commission have not been fully implemented. The Tenth Finance Commission recommendations have to be implemented strictly and the State Governments which are having difficulties especially in financial matters should be looked after. The report of the previous Finance Commission was adverse to many States. So, the recommendations of the present Finance Commission should be implemented in its full form and these States must be saved from further difficulties.

Coming to the introduction of FDI in retail trade, that will also adversely affect lakhs of people living in rural areas. We see many retail shops in every village. Hundreds of retail shops are there. Now, the multinational companies will use the retailers. They may say that it is different and that may be selling goods with one trade mark but that trade mark will contain almost all items which are sold in the retail shop. So, I would request the Minister not to embark upon FDI in retail shops because lakhs of retailers and small traders will be badly affected and it will be suicidal

for the rural economy if the FDI system is introduced in the present stage.

Regarding the assurance on the constitution of the Sixth Pay Commission and recommendations, they have not been implemented. The employees are on a war path. A national strike which is imminent should be prevented. I would request the Finance Minister to give top priority in implementing the recommendations of the Sixth Pay Commission. There should be no delay and there should not be any lapse on the part of the Government in implementing its recommendations. Otherwise, workers will go on strike and they have given notice on this issue. I think the Government will take this matter seriously and do all that is possible to prevent the employees strike on an all-India basis.

Coming to tariff protection to agricultural products, Kerala, Tamil Nadu and other States are producing coconuts. The exact product is copra. That was given protection previously. After the World Trade Agreement was entered into, that protection was taken off.

The import of goods from Sri Lanka, Philippines and other countries are on the increase. Our coconut growers are facing difficulties due to fall in prices. The market is also unstable. So, to maintain a stable domestic or internal market, I would request the hon. Minister to give sufficient tariff protection to the farmers who are engaged in producing coconuts.

Coming to rubber, I would say that the State of Kerala is producing ninety per cent of the total natural rubber produced in the country. But import is the order of the day and our home-grown rubber has become the target. The net result is that the rubber market is quite unstable and the poor rubber growers are put to starvation. There are lakhs and lakhs of small poor rubbers in my State. All of them are put to difficulties. I would request the hon. Minister to take immediate steps so that rubber growers of the State of Kerala can be saved from further economic crisis....(Interruptions)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): Now, it is stable.

SHRI VARKALA RADHAKRISHNAN: But that stability may disappear in no time.

We are not in a position to give employment to all the unemployed youth in our country. So, many people from the Southern States as well as from other States go abroad for employment. Middle-East is one of the foremost places where thousands and lakhs of Indians are employed. Due to their earnings, the situation in our State Kerala is more or less maintained. So, they must be given some protection. The interest rate now proclaimed by the Government will not be conducive for NRI investment in the country. They will invest only in foreign banks where they get better interest. The interest rate that was available with the Indian banks has been made less. The net result is that the NRIs who have earned foreign exchange have no inducement to deposit the money in the Indian banks. The Government may consider this aspect in order to give encouragement to the NRIs who are working abroad, especially those who are working in the Gulf countries. I think our hon. Minister of State for Finance, Shri Palanimanickam is very much aware of it. The Government must take serious note of the matter and see that those people who are employed in the Gulf countries get adequate protection and encouragement.

We are proud of having the largest Mid-Day Meal Scheme. The amount that has been set apart now for this is not enough to meet the entire expenses. So, I would request the hon. Minister to enhance the amount that has not been allocated towards the Mid-Day Meal Scheme throughout the country.

Regarding higher education, I would like to say that poor students who are capable of doing higher studies are not getting admission because almost all the higher educational institutions are run by the private management. The Government should concentrate its attention towards enhancing the higher education in the country. We are duty bound to give encouragement to the poor students who have made progress in their studies and not getting admission.

We have the debt trap. We know that thousands and thousands of peasants are committing suicide in our country. So, the Government must think of debt relief for the farmers. Those people who cannot pay the debt taken from the cooperative banks as well as the commercial banks may be helped. The Government must write off

the debt or the revenue recovery proceedings launched against the poor farmers should be written off. If the loan is taken from cooperative banks, the cooperative banks should be compensated by the Government. The Government must give full relief to the agriculturists. So, in this aspect also, the Government must write off all the debts for which some coercive steps have been taken. I repeat again that the debts of the farmers must be written off. The Government must save the poor farmers from further starvation and death.

With these words, I support the Bill. I think the Government will give a serious consideration to all the points which I have made.

*[Translation]*

SHRIMATI JAYABEN B. THAKKAR (Vadodara): Madam, while reviewing the Budget 2006-07, my mind was filled with two thoughts, which I would like to express.

When the Budget is presented, it is natural that the thrust, while incorporating the economic policies, is on the all round development of the country. Bringing handloom industry within the purview of zero per cent duty is really commendable. Like others, we too appreciate it. However, there is a need to pay more attention to the small scale industries all over the country. Various types of power driven pumps such as submersible pumps, turbine pumps, axle flow and mixed flow vertical pumps are made in Gujarat. These are used by the farmers in several states. Eight per cent excise duty has been imposed on the manufacturers of such pumps, which do not have ISI mark. ISI mark pumps are very expensive. It also must be kept in mind that the after sales service of ISI mark pumps is also very expensive. Pumps manufactured in Gujarat are used all over the country, so there is a need to take care of this sector. The imposition of duty on this sector is sure to threaten the persons engaged in this industry. Although the small scale entrepreneurs are few in number but they provide employment to a large number of people. In contrast, this is not the case with large companies making ISI mark pumps. This fact must be borne in mind.

The second thing I would like to say is regarding the 123 nation conference on the scarcity of water throughout the world being held now at Mexico, I feel, India is blessed

[Shrimati Jayaben B. Thakkar]

with abundant natural sources of water. During monsoon, the rainfall is also adequate. This causes floods, necessitating flood management measures. The NDA government had initiated a programme to link all major rivers of the country. It is my request to the UPA government to take this forward. In Gujarat, Shri Narendra Modi has done a good work by constructing 40,000 check dams in Gujarat which has resulted in creation of water resources and rise in water table. The wells and ponds now have abundant water. But the budgetary allocation for this has been drastically reduced. It needs to be enhanced to do away with the water crisis facing the country.

Madam Chairman, there are various co-operative banks and institutions in Gujarat and the country. Tax exemption on profits under section 80P has been withdrawn. I demand its restoration because co-operative banks and institutions are run by the people who have a stake in them through which they earn profits.

Madam Chairman, the Finance Minister spoke about gender budgeting. Alongwith gender budgeting, he has made a provision for gender auditing also. He has promised to identify the sectors where gender budgeting is essential and all the Ministries would also make a provision for gender budgeting. This budget has also takes care of problems faced by women. In my view, there is a need to pay more attention to women and their problems.

With these words I conclude.

**PROF. CHANDER KUMAR (Kangra):** Madam Chairman, I am obliged to you for giving me the opportunity to speak on the Finance Bill, 2006. This is the third Finance Bill of the UPA government. The press, the people, the poor farmers and the workers consider this budget to be a growth-oriented budget. The Finance Bill details the various taxes imposed by various departments.

The respected Finance Minister has made several amendments in indirect taxes and given several concessions such as reducing customs duty on agricultural products from 15 per cent to 12.5 per cent and on non-ferrous metals from 10 per cent to 7.5 per cent. Similarly, duty on ore has been brought down to 2 per cent from 5 per cent. On plastic items it is now 5 per cent instead of 10 per cent. Duty on life saving drugs, such as those for

cancer and AIDS has been lowered to 5 per cent. Eighty per cent duty has been imposed on vanaspati to encourage setting up of vanaspati industries in our country. It is very commendable. Food processing industry has also been given tax relief in the range of 5 per cent to 15 per cent.

The duty on yarn, where in thousands of people have been employed, has been reduced from 15% to 8%. When Meerut Industry was set up, it was envisaged to produce a car between the price range of Rs. 20,000 to 25,000 which every family could afford. It is a matter of pride that the Finance Minister has reduced the excise duty on small cars to 16 per cent to achieve the above mentioned aim. Excise duty has also been reduced on several food items and leather goods, where a large number of people are engaged. Similarly, duty on writing and printing paper has also been brought down, specially those used in education. Other taxes have also been lowered considerably.

Service taxes constitute 54 per cent of the GDP. The tax proposals mooted by the Finance Minister this time is highly comendable. The farmers, workers and poor have been spared.

I would like to mention some tax proposals. Only those persons would maintain an ATM card who have surplus funds. Similarly, maintenance of the management, registrars, share transfer agents, bankers, sale of space or time, print media for advertiserment etc. are all associated with business tycoons and industrialists. Farmers and workers are not at all concerned with these things. Similarly, sponsorship of events and international air travels are being sponsored. Those traveling by executive class are being taxed, whereas economy class is not being taxed. Container Services, Business Support Services, Auctionary, Recovery Agents, Ship Management Services, Public Relations Management Services are being taxed. I would like to congratulate Mr. Chidambaram that this time he has not imposed any direct tax. Service class people have particularly been taken care of. The 1/6 scheme of Income Tax Act, due to which people were bound to file return, has been completely abolished. Minimum alternative tax was 7.5% which has been raised to 10 per cent. Similarly, infrastructure development in section 88(C) of Income Tax used for industrial parking which was valid upto March, 2006 has been extended

upto 2009. Some states showing industrial growth are provided with tax holiday. That tax holiday was there upto 2007. Himachal Pradesh, the state from where I hail, was being provided with five point tax holiday. Owing to it, various industries have come there. In this a sizeable relaxation was given on sales tax, excise tax. This relaxation is valid only upto 2007. I would like to request Mr. Chidambaram that more tax holidays should be provided upto 2010, specially to our hilly states, which are backward, so that anyone coming there to set up an industry atleast feels assured that he will get all benefits.

Similarly, we have co-operative banks, rural banks, primary agriculture societies. It has been just said that they were not supposed to pay income tax under 88(C). However, now they will have to pay income tax. I would like to draw the attention of the Minister to the fact that on one hand he intends to provide loans to agriculture sector, co-operative sector or other sectors at the rate of 7 per cent, but then how are there losses going to be compensated. Tax has been imposed also on profit earning co-operative banks. Hence, I request the hon. Minister not to impose any tax on them. Similarly, a provision has been made to impose tax on few anonymous and pseudonymous donations for charitable institutions. But educational institutions and hospitals are being tax-exempted. Fringe benefit tax which were imposed last time, have also been lowered down. This will provide greater field to our hotel industry, tourism industry.

Madam Chairman, there was talk on gender budgeting. Himachal Pradesh is first such state where gender budgeting has begun. Those Panchayats which will maintain equal ratio of men and female, will be paid a special grant of rupees five lakh for their development by the Government. Similarly, if a family has only girl child, our Government has deposited rupees 25 thousand in bank for that family. When the girl will attain marriageable age that money can be withdrawn by it. I am very happy that this time Mr. Chidambaram has given outcome budget and performance budget. I was looking at our BIMARU states Uttar Pradesh, Bihar, Madhya Pradesh. If entire data relating to these states, as given by Ninth Finance Commission, Tenth Finance Commission and Eleventh Finance Commission are seen, we will find that money given for agriculture, electricity, road etc. sectors has not been fully utilized. We had also reviewed them, then we

have reviewed them in electricity department. Our various schemes of APDP were started there. These states have spent 20-25 per cent of their budget. Hence, I wish that there should be some such monitoring system which can look look over the ninth, tenth and eleventh finance commission (which is yet to begin work), and the reasons as to why the states which take money, do not spend it in a year's time. What are the reasons for that? In this regard our UPA Chairperson Smt. Sonai Gandhi has said that we have a monitoring system, whose details should be sent about money requirement, before we release money in first quarter.

**MADAM CHAIRMAN:** Now you please finish your speech.

**PROF. CHANDER KUMAR:** We have many such states, which have their own resources, but the Government do not agree to impose any tax on them. Himachal Pradesh is one such state where there should be permission of imposing generation tax, water cess because we have complete monitoring over forests and there is no selling. For saving forest we have to ensure that the concerned state is compensated. I find that big parts of Chhattisgarh, Bihar, Uttar Pradesh and Madhya Pradesh are having mineral wealth and this mineral wealth is carried to far-flung areas but still these people are living in hunger and deprivation. Atleast some cess should be imposed there. Some tax provision should be made for them so that the same money can be utilised for their development work, drinking water, social security and infrastructural development.

In the end, I thank you with these words that you gave me an opportunity to speak.

*[English]*

**\*SHRI FRANCIS FANTHOME (Nominated):** I rise to speak in support of the Finance Bill, 2006 presented by the Finance Minister to the House in the context to raise the GDP growth from 8.1% to about 10%. This is possible by addressing the growth of the rural economy.

In this scenario the Finance Bill, proposes to reduce duty in organic chemicals and raw materials from 15 to 10% and on certain chemicals to 5%. Cotton Textile

---

\*Speech was laid on the Table.

[Shri Francis Fanthome]

Industry has also been the beneficiary of reduced exercise duty. Likewise rural based products like milk products, packaged foods and footwear have reduction in duty from 16 to 8%. These proposals are welcome as they impact the 'common man'. The Finance Minister is happy that mobilization of Revenue is growing at about 20% this is indicative of greater efficiency of the concerned departments. The real concern is whether utilization of the revenue is also exhibiting similar growth. The common perception is that while the earnings increase the deliveries do not exhibit compensatory growth of quality deliveries. While one knows there should be expansion of services and product base, but in the final analysis the enormous resources available to the central pool, does not exhibit compensatory solutions. For the general good of the nation, be it in the quality of health care, sanitation, nutrition, roads, electricity, drinking water, improvement of services or accountability of those involved in the solutions process. Take for example the great enthusiasm expressed in introducing 2% cess for funding primary education, and the World Bank borrowing to augment the Sarva Shiksha Abhiyan. The added revenue generated over 10,000 crore has not resulted in improvement of the quality of primary education. It is also well known that the quality of food given to children in schools is extremely poor. What the nation expects is that the enthusiasm in revenue mobilization must exhibit a similar mood in delivering consequent services/benefits.

I will also like to draw the attention of the Finance Minister to some of the promises made in the Budget 2005-06, eg.

1. Setting up of Kasturba Gandhi Balika Vidyalyas and Angadwadis in minority dominated blocks and villages;
2. The appointment of Urdu languages teachers;
3. The setting up of coaching centres for minorities;
4. The augmentation and access of the National Minority Development and Finance Corporation to all minorities; and
5. The present Budget provides for 20,000

scholarships for minorities to pursue higher studies.

While these are extremely important steps addressing 'quality' and 'outcome'. It needs to be assured that the delivery mechanisms are in place to ensure that provisions are not teasing illusions and purposeful intents but provisions of practices that would make 'real differences' in the lives of our people.

The Finance Bill needs to simplify Income Tax return procedures. While several attempts at simplification have been stated the Income Tax assesses are at the mercy of the Tax Authorities and their benevolence. The system creates a culture of deception and not transparency. Rather than attempt to justify the creation of a parallel financial flow mechanism there is need to create a system that enhances financial accountability. There is need for a comprehensive mechanism for payment of Income Tax so that much of the learning is not spent in monitoring and generating returns. The people need to be participants and feel to be a part of an inclusive process towards nation building.

There is also a proposal that donations made to religious' bodies would be exempt from tax. This would only complicate matters as religious bodies are involved in many social sector areas, like: education, healthcare and nutrition. Societies and Trust not 'religious' doing similar service would be paying taxes while the 'religious' bodies would be exempt. The Finance Minister needs to comprehensively address the consequent complexities.

In the context that enormous finances donated to religious bodies are used to finance big business. There needs to prevail provisions that address issues so that the good work of Charitable Societies and Trusts, are enabled and not hindered.

May I also mention that while certain professionals are under the Tax provisions for some reason 'legal' professionals are not paying taxes. There is no need to include a section of agriculturists and lawyers under the tax provisions as is applicable to medical professionals, Chartered Accountants and Information Technology specialists. In his address, the Finance Minister alluded to the 'wind' that enables vessels with unfurled masts to sail the seas. He absolved the wind of social

responsibilities in the case of furled sails. What is the destiny of vessels without sails? The U.P.A. Government is in the process of enabling the development of skills and capabilities that would enable common people to acquire economic power. In this context positioned as the 'Aam Aadmi' in the nation, we have to provide the 'sails' as well as the 'wind' that will set vessels in motion, towards their rightful destiny.

In conclusion I compliment the Finance Minister and the Government for their foresightful planning and support the Finance Bill, 2006.

SHRI T.K. HAMZA (Manjeri): Madam Chairperson, first of all I thank you for giving me this opportunity to speak on the Finance Bill, 2006. I want to stress only one point regarding the roofing tile industry in our country.

The representatives of both manufacturers and employees of the tile industry in our State have brought to my notice that the Central excise duty is imposed on roofing tiles—not the tiles that are used on the ground but the roofing tiles—and allied products at eight per cent and two per cent as educational cess in this Budget which hitherto was exempted from Central excise duty. So far, it was exempted for the last ten years.

The tile industry is over 150 years old and is almost a traditional one. They are already under the threat of closure due to concrete construction boom and I am afraid that with the introduction of the Central excise duty in this Budget, the industry will have further difficulty and face an inevitable closure. It is needless to mention that it will result in throwing thousands of families out of job.

Altogether, in my State, 410 tile factories were there out of which only 185 are working now and all the others are closed due to non-viability over the years. At present the industry employs one lakh people directly and indirectly. The main product—the Mangalore tile—has remained the primary choice for roofing in India for time immemorial among the weaker sections of the society in particular. That also is going to be closed now if this Central excise duty is imposed.

16.58 hrs.

[SHRI VARKALA RADHAKRISHNAN *in the Chair*]

I would like to bring to your kind notice that the Central excise duty was introduced in the Union Budgets of the years 1996 and 2002. This was later withdrawn by the then Governments on having convinced about the existing condition of the industry.

I would, therefore, request the Government to kindly reconsider the proposal to introduce the Central excise duty on roofing tiles and the allied products and maintain *status quo* thus saving the industry from what would be a total disaster.

17.00 hrs.

[*Translation*]

SHRIMATI KIRAN MAHESHWARI (Udaipur): Sir, I would like to say about Budget and Finance Bill of year 2006-07 that the area I belong to, that is Rajasthan, is known in world for marble mining and out of total marble mining in the country, 90 per cent share comes from Rajasthan. Rajsamund and Udaipur belonging to my constituency have 70 per cent mining area. Hence, I would like to say that in the present budget, you have imposed central excise duty on marble mining, which is an impractical step. It is not a production but it is mining, hence mining should not be counted as production. It is understood that any production attracts excise duty, but considering marble mining as part of production and to impose excised duty on it is very impractical. Today there is lot of competition in marble business due to tiles, tiles of cooking stone and mosaic tiles. In such circumstances imposing excise duty on marble mining will not allow this business to face competition and marble traders and marble mining will be in big trouble. Hence, I would like to request the Government that by amendment in this Finance Bill and production excise code, the provision of including marble mining in the production procedure should be removed.

Other issue is regarding co-operative banks. The proposal which has been made regarding termination of exemption given to co-operative banks under section 80(P) of Income Tax Act, will weaken them and it will be similar tantamount to a blow on co-operative movement. Due to this it will be difficult for co-operative banks to face competition. As there are citizen co-operative banks in cities, permission should be given for establishing rural



[Shrimati Kiran Maheshwari]

development co-operative banks in rural areas. The initial capital of these banks should be fixed at Rs. 5 lakh. Presently the commercial banks which are functioning in rural areas neglect small entrepreneurs and when rural people approach them, they do not get required loan. Hence, if such banks are established and they are given the name as Rural Development Co-operative Bank then these small businessmen, traders will be able to get loan and it will be convenient for them to work.

Sir, I demand that minimum ceiling of one lakh thirty five thousand taxable income in respect of women should be raised to two lakh rupees so that participation of women in industry, business and service sector can be increased. The manner in which the service tax levied on the services provided by the Company Secretaries and Chartered Accountants also suggest that we have not taken any practical decision since no tax has been levied on the service of lawyers. Therefore, it is not advisable to impose service tax on the services of the Company Secretaries and Chartered Accounts. It shall be taken as a discriminatory steps. I, therefore, urge the Government to withdraw the Service Tax levied on the Services of the Company Secretaries and Chartered Accountants. There are several units in our countries which face financial crisis and ask their Banks to reschedule payment plan of their loan amount and the interest due thereon. The rebate given on the amount of interest so rescheduled was treated as payment expenditure under section 43(B), but in the present Bill it has been proposed to treat that amount as taxable income. In this way the practice continuing for a long time has been discontinued and the deduction has been stopped. It completely impractical. Consequent upon this, such units which are already facing financial crisis will have to face more hardships. Therefore, I suggest that the old system which was in vogue under section 43(B) should be introduced again. The hon. Minister of Finance should take steps to give some relief to such commercial units which are already facing several hardships. The Government have increased the duty on computers from 8 per cent to 12 per cent. It has shattered the dream of common man who dreamt of buying a computer. On the one hand, it is claimed that the Government is with the common man and on the other hand duty on computers has been increased even when

computer has become a necessity nowadays. I, therefore, urge that the duty should not be increased from eight per cent to 12 per cent and let it remain unchanged at eight per cent. Besides, the Government have also increased the duty on software used in the computer and it is a regressive step. Software has a very prominent role in our country and it is exported too. The government should review its decision regarding increasing the duty on software.

I would like to submit one more point. The Government have also levied excise duty on the cold rolling machines which are used by the manufacturers for making sheets of stainless steel. I urge the hon'ble Ministers of Finance to consider withdrawing it.

Service Tax was introduced in the Country in 1994. It is a matter of regret that no separate code has been evolved or law has been enacted in this regard. The provisions of Service Tax are still based on the Finance Bill, 1994. Keeping in view the expanding area of Service Tax a separate code has become mandatory. The hon. Minister of Finance has announced to introduce uniform sales tax and service tax regime by the year 2010. On the pretext of this, the rate of service tax is being increased from 10 per cent to 12 per cent. This Government immediately on coming to power had increased the rate of Service Tax from eight per cent to 10 per cent and now it is further being increased to 12 per cent. This will put a burden of Rs. 11,500 crore on the common man. Therefore, I would like to urge upon the Hon. Minister of Finance to consider about reducing the rate and the scope of Service Tax as it is unfair and attention should be paid over this issue.

Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak.

[English]

MR. CHAIRMAN: Madam, have you concluded your speech? Do you wish to say anything more on this issue.

SHRIMATI KIRAN MAHESHWARI: Sir, are you ready to listen to me?

MR. CHAIRMAN: Yes, you can speak if you want to do so.

SHRIMATI KIRAN MAHESHWARI: Sir, thank you. I would like to draw your kind attention towards the abnormal increase in the compound levy of excise duty on cold rolling machines used by the manufacturers of stainless steel *patta/patti* in the Union Budget presented by the hon. Finance Minister for the year 2006-2007. The compounded levy on cold rolling machines is increase from Rs. 15,000 per machine per month to Rs. 30,000 per machine per month. The duty so increased is just double than before. So, I would like to draw your attention towards this aspect. I am sure, and do not have any hesitation to say that if the increase in compounded levy of excise duty is not withdrawn immediately, then most of the units will reach the verge of closure. It will, in turn, affect the overall economy of western Rajasthan also.

If the industrial health suffers adversely, then it is bound to have its impact not only on production, but also on the overall employment of the drought-affected population of this area. I would, therefore, humbly request the hon. Finance Minister to reduce the said duty from Rs. 30,000 per machine per month to Rs. 5,000 per machine per month. This is a humble request, through you, to our hon. Finance Minister. I once again thank you for giving me time to speak.

SHRI KHARABELA SWAIN (Balasore): Sir, we are really grateful to you that you are now encouraging our speakers instead of stopping them.

[Translation]

SHRI JIVABHAI A. PATEL (Mehsana): Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak on Finance Bill for the year 2006-07. I support the Finance Bill presented by the hon. Minister of Finance. However, I would like to draw his attention toward few short comings in this Finance Bill. Fabricis manufactured in the entire country from man made Fibre. No customs duty is charged from big companies at first stage and at second stage there is hundred per cent customs duty. There is texturisation of polyester in the final stage. There has been an investment of Rs. 2000 crore in the medium and small scale industries of polyster. Around 7000 people have been employed in these industries directly or indirectly. The weakers use texturised polyester for weaving. Polyester chips are used in medium and small scale industries but twelve and a half per cent customs

duty and sixteen per cent excise duty has been levied on them in the current budget. It is not refunded due to non application of CENVAT rule. The production of polyester yarn in medium and small scale industries is likely to be shut down because of the higher cost of production. If this thing happens then production of fabric might come down. Different policy in vogue of several stages of the production of fabric should be abolished and a uniform policy may be adopted at all the stages.

Mr. Chairman, Sir, I would like to submit one more thing that in the entire country there is only one composite unit which manufactures from petroleum products. The Nafta, PTA and Chips are extracted from Crude Oil, Parazylene and MEG respectively and POI is prepared from chips. There is only one composite unit where POI is prepared from chips for the small industries of entire country. It is my request that 16 per cent duty on the polyester made from chips and 8 per cent duty on POI which are prepared by the small industries must be abolished. If these duties are continued, these industries will be ruined. I made request to the hon. Minister of Finace, the hon. Minister of State, the Finance Secretary, Adviser of Finance Minister, Shri Somji, Revenue Secretary Shri Chandrashekharji, Chairman of Customs and Central Excise and PRO Shri Gautam Reddy, but no one supported my contention. If excise duty is not rationalized then I think the small scale industries will be ruined and all the people employed there will become jobless and an state of anarchy will be created.

I would like to urge, on behalf of the composite unit, that no such industrial unit should be closed down. I am laying a statement in this regard and urge the Government to reduce the excise duty on polyester chips from 16 per cent to 8 per cent and the customs duty which is currently charged at the rate of twelve and a half per cent should be lowered to five per cent and CENVAT should be amended in such a way that it can be refunded in case of its non-utilization.

[English]

\*Sir, the Small Scale POY Manufactures Association represents a group of 30 manufacturers, who use Polyester Chips as their raw material. These constitute

---

\*...\*This part of Speech was laid on the Table.

[Shri Jivabhai A. Patel]

80% of all manufacturers of Polyester POY in the country by number and 40% of the total production by quantity.

In the present budget, the Government has reduced the Excise Duty on Polyester POY from 16% to 18%, whereas the Excise Duty on the raw material i.e. Polyester Chips has remained unchanged at 16%, which is 100% more than the Excise on their finished goods. As the value addition from raw material to finished goods is 15% only, leading to a huge amount of unutilised CENVAT credit, which is an increase in the cost of manufacturing for these 30 units as compared to other big composite units, whose raw material is Napatha and they have a value addition in excess of 100%, hence can absorb full cenvat credit paid on their raw material.

Sir, we are sure that this change in the Excise structure has taken place unwittingly and that the intend of the Government is not to create a monopolistic conditions in any industry and kill the small manufacturers thereby leading to unemployment and loss of capital.

Similarly, on the Customs side, the Customs Duty on the raw material i.e. Polyester Chips is 12.5%, whereas on the finished products i.e. Polyester POY is 10% leading to negative protection for the industry.

Hence, it is our humble request that for the survival of these small scale units in line with the policy of our Government to suggest small scale units and give them additional benefits rather than disadvantages. We are sure that your goodself will do the needful to resolve this chronic problem by:—

1. Reducing Excise Duty on Polyester Chips from 16% to 8% (Ch. 3907.60)
2. Reducing Custom Duty on Polyester Chips from 12.5% to 5% under Chapter 3907.60.

[Translation]

SHRI ALOK KUMAR MEHTA (Samastipur): Mr. Speaker, Sir, thank you for giving me an opportunity to speak. I support the Budget 2006-07. On behalf of my party I wholeheartedly support this budget and I would like to make a few suggestions in this regard. Hon'ble

Minister of State in the Ministry of Finance is present here. Through you, I would like to convey him as my colleagues have also mentioned that the grass-root level problem regarding loans in the Finance sector are considered on commercial basis. It has become a trend that those who seldom require loans, get it easily or those who have too many sources of availing loan, get it quite easily from the banks and those who have hardly any resources and whose productivity can be increased by extending financial help to them, their small scale industries or small trade centers, can be increased by giving them loan but loans are not being provided to them because of one or other reason. There are several cases.

About two years ago when the UPA Government had presented its budget, at that time the Hon'ble Minister gave an assurance while replying to a question regarding rural industries that such industries would be set up in Bihar and other backward states where rural industrialisation has not taken place so far inspite of potential over there. The states like Bihar have a potential for Agro-based industries, if Agro-based industries are set up there then I do not think that Bihar can lag behind and such motivations are not required at all. Therefore, I would like to request you that such a provision should be made in the Budget to conduct a survey in Bihar and states like Bihar to know about allocation of funds for industridisation as compared to national average in the country. What is the amount allocated to Bihar and Orissa? What provisions have been made or likely to be made in the coming years to meet this gap. This aspect should be kept in mind as it cannot be done in a day or two. KVIC was providing loans. When small entrepreneurs were selected there by district industries centre or KVIC and after that he required loan and contacted Bank. The bank refused to give him loan even when it is refinanced by KVIC.

I would like to mention about an incident, I talked to a bank manager at least five times and asked him to tell the reasons for not sanctioning loan. I asked him if there certain terms and conditions are not fulfilled then the concerned person would fulfill those also. But at last the manager has stated categorically that it is his discretion to sanction loan or not. One cannot do anything in this regard. I want to know whether the Government have formulated or is contemplating to formulate any scheme

for such entrepreneurs under which it can be ensured that interested entrepreneurs get loan. Several such cases are lying pending. Several cases are lying pending on the pretext of viability and non-refunding and a tendency is there to declare a case as NPA before it actually becomes a non-performing asset. A big amount is deposited from Bihar in the banks. The small and affluent farmers, labourers and traders make contribution in it. Take the national average of CD ratio is around 65 per cent whereas for the last many years in Bihar it is 30% only. Therefore, through you, I would like to ask the hon'ble Minister as to what steps are the Government likely to take to bring CD ratio in Bihar equivalent to National average. This is a major issue. It should not be considered merely as statistics. In Bihar the CD ratio of 30 per cent means that Bihar and smaller states like Bihar where there are not much industries, if a poor person deposits his earnings then his investment remains merely 30 rupees. Whether this injustice should be meted to states like Bihar and other such states? The Government should think over it.

The states like Bihar where industries are not sufficient and which is known as a backward state for the last several years. It is a backward state but it is not to that extent as is said. I would like to say that the Union Government should provide tax holiday to Bihar for its development as it is provided to other states also. Recently we met the Agriculture Minister and told him that in Samastipur, which is a big sugarcane producer area, the sugar mill of corporation is lying closed for the last 10-15 year. Therefore, the workers have been rendered jobless. The farmers have stopped producing sugarcane. The hon'ble Agriculture Minister has given his consent for revival of that mill. I would like to state that in that area a lot of work can be done for the development of other industries also. I would to draw your attention towards a backward area, where agriculture is normally affected by floods. The soil is so fertile over there that sugarcane and jute are produce at a large scale. Jute industry should be set up in Purnea, Katihar and Kishanganj. Motihari, Samastipur and Maroheda are sugarcane producing areas. In Betia upto Nepal border Jaggery is produced. As sugar mills could not earn profit, these remain as sick industries of corporation. The sugar

mills should be set up in such areas and the hon'ble Finance Minister should give priority to this area for providing financial support.

The hon. Minister have taken several revolutionary steps in the field of Agriculture and made provisions to provide loan to the farmers at the rate of seven per cent. Earlier Banks used to provide housing loans at the rate of 7 per cent. Then the farmers used to think that rich and affluents are being given loans at the rate of 7 per cent where they have to pay 12-14 per cent rate of interest.

I have already said that cooperative sectors is based on the principles of socialism. The cooperative sector was developed in the country on the basis of socialist ideology. It is said that there should be participation of farmers and labourers to promote cooperatives in every sphere. The welfare considerations are implied in it. Through Mr. Chairman, I would like to request that such sectors should be encouraged which are potential in spite of reduction in subsidy or questioning of viability of a sector. It should be kept in mind that socialist ideology may not remain as ideology. If there are certain shortcomings or there is some mess, or discrepancy that should be checked. But the tendency to close it is not good. The RBI has more control over the small banks. The smaller groups of people have set up their banks and they are not ask to fulfill norms and opt to close down at initial stages. I mean to say that again poor people have to go to those big banks. Today, vendors, rickshaw pullers and Taxi drivers etc. have set up these small banks. Is the Government paying attention towards these small banks and credit societies? I would like to request the hon'ble Minister that he should pay attention towards these institutions also. I have a firm belief that the banks and credit societies in these areas will function properly as several credit societies in Bihar are working wonderfully. These societies have done miracles in the field of kisan credit cards and banking system. Our area is an example in this field. The Government should look into these areas and help and guide them for their development. I request the hon'ble Minister that such sectors should be developed.

With these words, I conclude and support this Finance Bill.

[English]

SHRI LONAPPAN NAMBADAN (Mukundapuram): Mr. Chairman, Sir, I rise to bring to the notice of the Minister of Finance the situation arising out of the proposed imposition of 16 per cent central excise duty on umbrella.

The umbrella industry is seasonal, giving employment to a large section of society including unskilled labourers and women. This industry neither requires power nor infrastructure like factories. The levy of Central Excise Duty on umbrellas will affect the umbrella industry, its workers, their families and above all the common man. The umbrella industry is treated as a tiny and cottage industry in the unrecognised or unorganised sector. The raw materials for making umbrellas are already under excise net.

In view of the above and the fact that umbrellas are essentially used by common man, workers, farmers, school children, bus travellers and train commuters of lower and middle class citizens in cities as well as rural areas for protection from rain especially in coastal States and also from extreme sun rays in summer, I would request the Government to kindly reconsider the matter and withdraw the proposed levy of central excise of 16 per cent on umbrellas.

In 1996 and 2002, eight per cent excise duty was imposed on roof tiles. Subsequently, it was withdrawn because of bad condition of roof tiles industry. Excise duty is also imposed on hand-made soaps. I would request that the exemption may be granted and the *status quo* given may be maintained.

SHRI K.S. RAO (Eluru): Mr. Chairman, Sir, I thank you very much for giving me an opportunity to speak. I support this Finance Bill. The reason for this is that allocation for the farming sector is substantially high. As I have been telling in the earlier discussions and also at the time of General Discussion, it is the UPA Government that thinks of the poor man and the farmers.

It was never the case in the case of the NDA. They never thought about them. Even if they were to say a few words about them, either to incorporate in the speech or in the Bills or in the Budget, it was only for name's sake, and allocations never used to be there. That is how, the UPA has no comparison with the NDA and their thinking.

But still by virtue of their sitting in the opposition, naturally they think that they have to criticise the Government and it is their duty to criticise. So, they criticise. But in what manner they are criticising? When the NDA was there in power, they could never think in terms of poor and the farming community. But now, when they are in the Opposition side, they are saying that 'the allocation is less, it should have been much more, it should have done in a bigger way', and all other things.

Similar is the case with previous State Government of Andhra Pradesh. When they were in power, they never thought of poor people; they never thought of the farming community; and they never thought of the rural sector and the villages at all. They were taking pride in getting popular outside Andhra Pradesh and outside India. That was the image they used to have, and they concentrated only in the urban areas. In spite of their own party men telling their leader at that time, he never opened his eyes. The net effect is that when the election came, people had voted them out and they gave mandate to the Congress party in a very unexpected way.

Why I am telling this is that similar is the case here. There is no difference at all. But still, I support my friends in the opposition in their criticism that more and more allocations are to be made. I am for it. Though I belong to the Congress party, to this side of the Government, I still say that I am of the opinion that we could have done something more. In this respect, I would deal with one aspect after the other.

Sir, it is a fact that they have made an allocation of Rs. 200 per month to the poor, unfortunate people who spend all their lifetime from the age of 10 to the age of 65. If you were to go to the villages, to the habitations where poor people live, you would find that they are living like orphans because their own children are not in a position to take care of them. So, it is most appropriate for this Government to think of those unfortunate people who are living like orphans, who are living below poverty line, to make them feel that it is the responsibility of the Government to take care of them.

When we could think in terms of giving pensions to all those people including those Government servants who are earning lakh of rupees every month, we must think of these poor people also. They should take care of not

only the Government servants, or even us as Members of Parliament but those poor people also. Even if we happen to be the Members of Parliament for just one term, we have been claiming that we must get the pension throughout life, privileges of free travels in trains, the health treatments for life time through CGHS and all other things. In fact, many of us had taken the privilege to say that even if the Lok Sabha was for one and half years, which did not last its full term, they should get all the privileges including pensions. So, when by just serving for one and half years or just one term in the Lok Sabha, we think that we deserve the pensions throughout the life time, what would be the position of the poor people who have been working from the age of 10 to 65 and living like orphans?

I am very happy that this Government could think of these poor people, even without their asking, in terms of providing Rs. 200 per month directly sent through the banks or post offices. I definitely feel proud of this, and in this context I wanted to bring it to the knowledge of the hon. Finance Minister and also the hon. Leader of the House, Shri Pranab Mukherjee to please think in terms of giving free health insurance to all those poor people below poverty line. I am saying so because when these poor people go to the Government hospitals, nobody cares for them; they cannot get any treatment at all. They have no finance to go to a corporate sector. Then, where do they get the treatment? Obviously, over a period of time, they would have natural death even at the early age because there is no other way! So, it is time for us to think of them and without their asking to provide them with free health insurance. Maybe, we can ask the State Government to share 50 per cent of the premium. Now, insurance is in the private sector and they are ready to do it. The only thing is who will bear the premium? The premium will not be substantial in case if we were to make it a universal health insurance, to everybody, irrespective of whether one is rich or poor. If we were to bring in a legislation that every citizen in this country must get himself insured, both health and life, then it may not be expensive. Every company, private or Government, will come forward and insure and in the process, we can provide free insurance for health and life, to all those people who are below the poverty line, without their asking for it. So, I request both of them, the Finance Minister

and the Prime Minister to think in terms of providing free health insurance.

The other problem is this. At the moment, none of the doctors who did their medicine, MBBS or post-graduation, are prepared to go to villages. Even if the Government is prepared to pay Rs. 15,000-Rs.20,000 per month, they prefer to work in an urban area for Rs. 5,000 per month, but not prepared to go to a rural hospital. So, even if the Government is prepared to spend thousands of crores of rupees on providing primary health centres, hospitals and sub-centres, etc., they will be without a doctor. So, what is the use? Our Government has started a National Rural Health Mission. It is excellent. We are providing something like Rs. 8,000-Rs.9,000 crore on that, but if there is no doctor, what kind of health we can give to the poor people? So, my humble request to the Finance Minister is that he should think in terms of allocating some money to provide health insurance to those people who live below the poverty line. That would not cost even half of that amount. Then, naturally the doctors would find that they would get their money, if they go to the villages and then, they will even go and start their own nursing homes in the villages automatically. We do not have to press them. If necessary, we can bring a legislation saying that no doctor will get his degree certificate unless one works at least for three years in a rural area. Automatically, we can cover the poor people living in the rural areas and we can provide rural health to them and support all those people living in the rural areas.

Similarly, let me come to education. This Government has provided so much money, which the NDA could not think of. But my only humble request to the Government is this. We have reduced dropouts in the middle class level, the primary education level. It should next be upto the high school level and it must be extended to the higher education also. Now, we are providing funds to Sarva Siksha Abhiyan, which caters only upto 5th or 6th class level. It must be extended to high school education also so that poor people will still continue to be there upto 12th class without any dropouts. Now, the dropouts are many that by the time they come to the higher education level, only six students out of 100 remain and the rest 94 dropout. That is not good for the nation.

The second aspect is that we must go into the

[Shri K.S. Rao]

details as to why there are so many dropouts. I have been observing very keenly in the rural areas. The poor people felt a couple of years back that education is the best instrument to go up in life and not to sweat all the time because for centuries they sweat from morning to evening and they could not get even a shelter for them. They were not able to save even Rs. 1,000 to purchase one acre of land. They thought that this situation will continue for another 100 years if they do not educate their children. So, they realised it and started educating their children. So, a poor man's son became a graduate and the father felt proud that his son became a graduate. He thought that his son would get some good employment, but there was no employment to him. At the same time, the father does not want his son to soil his clothes like him. So, the father goes and works relentlessly; he does not want his educated son to come to the fields. So, the net effect is that the son became a liability to the family. He cannot go to the field and he could not get employment either. So, he is spending time in a useless manner. Naturally there is problem—the youth is there without employment, in the poor family in the village. Now, the father realised that even if he educates his boy, there is no use and so, he thinks of putting him on wages. If he takes his child to the field at the age of 10 years, a wage would come and he thinks that it will be an extra income for the poor man. So, the net effect is drop out. Now we realised this and we allocated more funds. So, I am very happy about it. But I wanted to add that the present system of education is irrelevant to the country's needs. Unless we bring some drastic change, there is no solution for this country. Mere spending once again and stopping dropouts, does not make them competent to live on their own. It does not infuse any self-confidence in their skills. So, naturally, we must provide that kind of education which provides them skills. By the time they come out from the institutions, they must feel that they are very competent and that they can live on their own. They need not be a liability to their parents. He does not need to go to the local MLA or MP in search of a job. He can think that with the skills he has, he can live on his own in the society. That must be the kind of confidence a student must secure by coming out of the institute. It is not there now. For the first time in this House I felt elated in 1985 when the then Prime Minister, late Rajiv Gandhi changed the name of the

Ministry of Education to the Ministry of Human Resources Development. It means that the importance of developing human resources in the country was thought by Rajiv Gandhi. It is a right thing because if we do not develop these human resources, the rich man will become richer. Then we concentrate only on that. We will not give value to human beings. We will try to get human beings at very cheap rates. If we give Rs. 2000 or Rs. 3000 to a graduate, how will he come up in his life time? He can never come up in his lifetime. Today, if he becomes a skilled person he gets double the pay or four times the pay. How did a small country like South Korea come up in such a short time? It came up because of the skills that they imparted to their citizens. Similarly, a tiny country like Japan became a force in the world. It is because of the skills that they acquired in those years. So, the Government must think in terms of bringing a total change in the type of education and make it relevant to the Indian needs. Then only even the poor people will go for the education without any dropout.

Another point I want to mention here is that a boy from 8th class depending upon his aptitude, if he were to go for a subject in which he has got interest, then he acquires skills in that and he becomes self-sufficient and self-confident. Then after working for five years or 10 years or 15 years depending upon his ability if he thinks that he must improve his social status or his income, then he must be allowed to go to any university and secure a degree. The doors of the institutions must be opened to him throughout his life. I would humbly request the hon. Prime Minister and Shrimati Sonia Gandhi to bring vital changes in the type of education.

The second aspect is that I am happy the Finance Minister said that there is an increase of revenue by more than 20 per cent every year. It is an achievement more particularly because it is without increasing the tax rates. It is done by widening the tax base and by reducing the exemptions. Now everybody is asking why all the top companies in India were not paying any tax. While that is not the case else where. So, we must find some solution. There is nothing wrong in levying tax on the corporate sector. Now you have increased the MAT from 10 per cent to 12.5 per cent or from 7.5 per cent to 10 per cent. That is a good thing. It can be increased a little more also. There is nothing wrong in increasing this. The corporate

sector will make a hue and cry that it has been increased. But there is nothing wrong if the corporate sector which is earning money is asked to pay tax. A share worth Rs. 10 becomes Rs. 3000 overnight. When they are earning so much what is the difficulty in paying some tax for the poor man in the country. There is nothing wrong in it. When you have done like that without increasing the taxes, I appreciate it.

About allocation of funds, why should the Ministry of Petroleum and Natural Gas be given budgetary support? Why should the Ministry of Railways, Ministry of Civil Aviation and Ministry of Telecommunications be given budgetary support? When a private sector company like the Airtel is investing money, paying licence fee to the Government and making profit, why not BSNL do it? When a private sector company is earning money with reduced fares in airlines, then why not the Indian Airlines and the Air India do it? Why do they need budgetary support? I agree with the budgetary support for Ministry of Rural Development, the Ministry of Human Resources Development, the Ministry of Welfare and Ministry of Panchayati Raj but not the economic Ministries. There must be some change in our thinking in allocation of funds. All of us must think over it.

We have given more than Rs. 5 lakh crores worth of assets to the Ministry of Railways. What more do they want? When you want a lorry owner to pay back the loan with the interest and taxes, then why not the Railways do it when so much of assets are given to them? If they want money to expand their railway lines, let them borrow from financial institutions not only in the country but outside also. Plenty of money at low interest rate is available. Let them borrow Rs. 10,000 crore and then repay it. Why should they take from the revenue which is meant for the poor man? So, all this revenue must be allocated to Ministries like Human Resources Development, Rural Development, Welfare, Health and Tribals Affairs and not to the economic Ministries. There must be a change in our thinking of allocation.

Similarly, let us not take pride only in generating wealth. It is a great thing, of course. Unless we generate wealth, we cannot think of distribution. But distribution is equally important as generation of wealth. We are concentrating only on generation of wealth. Today we are

very happy that our industrial sector is booming. We are proud of it but we must also take care of proper distribution. Money should go to the poor man. And if disparities are too high, then the situation will be the same as it is in rich countries. Today, none of the rich countries are happy. In spite of the material wealth, they are looking at us and wondering how Indians are living happily in spite of less wealth. So, let us see that there is proper distribution and rural masses are taken care of at least in their minimum needs.

What is it they are asking for after all? When we go to the village, the people there are not asking for lakhs of rupees or a bungalow or a car. They are only asking for subsidized food on time, a shelter to live in, education for their children and health care facilities. What is wrong in it? Is it not genuine for them to ask such needs? Is it not the responsibility of the Government to give these minimum needs to those people? So, the attitude of the Government must be changed in allocating money only to these areas.

Coming to the interest rates, the basic point is interest rates are killing the economy of the country. Even if it is 20 per cent interest, the industrialists are loading it on their product. But where will the farmers load it? He is not getting the right price for his produce and he has to pay exorbitant interest. How will he come out of it? And why will he not commit suicide in such a situation? Definitely, there will be suicide cases. There is no point in showing only lip sympathy and leaving them like that. A day must come to provide them loan with no interest or you must fix the prices of agricultural products on the same principle as you decide for industrial goods. When it is said, then everybody is scared of it. The Finance Minister says that if we increase the prices of essential commodities, there will be inflation. If you think like that, then why do you fix the price of manufactured goods? So, Sir, the same principle as that of manufactured goods must be applied on agricultural produce.

Coming to crop insurance, I am happy that the Minister of Agriculture has assured that they will change it from mandal level to village level. But it should be changed to individual farmer's level. When a trader and industrialist is paid total compensation for any natural calamity like fire accident or drought or flood, then why



[Shri K.S. Rao]

not the farmer be treated the same way? What crime has he committed? When he worked round the clock, when the crop is ready and when he is so happy to receive the crop, suddenly cyclone comes and the entire thing is washed off. Who will go to his rescue? The crop insurance must be implemented so individual farmer basis. We must go to his rescue. It is not only ethical but also legal. So, we must provide crop insurance to all these people also on individual basis.

Then, let me come to foreign exchange reserves, which would be my last point. We take pride in saying that our foreign exchange reserves have crossed 140 billion dollars. But most of this money had come as loan and it is not our earning. The trade balance is not in our favour. On these foreign exchange reserves we are paying more interest to those people who have given it to us and we are getting less interest by putting this money in the American treasury. We are losing money on these reserves. So, there is no point in taking pride that we have got to much of foreign exchange reserves.

I would request that at least part of these reserves must be utilised by giving it to the corporate sector in order to help them to invest it outside the country. For example, on the other day I was saying that we can give it to the ONGC or Oil India or ONGC Videsh. They can earn money. It is the best opportunity for them to earn money. They can invest that money outside the country, either in Africa or in other Asian countries to earn real foreign exchange and improve our situation. So, I would request the Government to think in terms of utilising these foreign exchange reserves for earning real foreign exchange reserves.

Mr. Chairman, Sir, I thank you very much for having given me this opportunity. I support the Finance Bill 2006-07. May be I have spoken more. But they are not criticisms. I made these suggestions with an open heart. We must go to the rescue of the farmers and we must make efforts towards proper distribution.

SHRI KHARABELA SWAIN (Balasore): He has already thanked him saying that the revenue collection has been increasing at the rate of twenty per cent for the last three years. That means in the last year of the NDA

Government also it increased at the rate of twenty per cent. It is very natural that you will put it in your credit. But what is the meaning in saying all the time that we have put more money? From that point of view, we had also put more money than the United Front Government in which Shri P. Chidambaram was the Finance Minister and Dr. Raghuvansh Prasad Singh was the other Minister.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): Here after we will include the achievements of the past Government also.

DR. K.S. MANOJ (Alleppey): Mr. Chairman, Sir, thank you very much for giving me this opportunity to participate in the discussion on the Finance Bill 2006-07. I rise to support the Finance Bill 2006-07 with some suggestions of my own for your consideration.

I come from a coastal village where majority of the population is involved in fishing occupation. Now, there is some degree of modernisation in the traditional fishing sector. Traditional fishermen are using outboard engines for their boats for fishing. Parts of these outboard engines are still imported from Japan, especially from Yamaha and Suzuki. We have exempted the agriculture tractors from excise duty. But on the outboard engines, customs and excise duties are still being levied. I would request the hon. Minister to exempt these outboard engines from customs and excise duties.

They have to pay road cess for diesel and kerosene which are being used in the traditional fishing sector. But they are not using road for their occupation. So, I would urge upon the Minister that the diesel used by the traditional fishing sector should be exempted from the road cess. We are giving a subsidy of Rs. 1.50 for diesel and kerosene used by the fishing sector. The road cess is also equivalent to that. A sum of Rs. 1.50 is levied. So, I would request the hon. Minister to exempt this road cess on diesel used by the traditional fishing sector.

There is another point. Our coastal area was affected by Tsunami last year. Even though we have done a lot of things for the rehabilitation by way of constructing houses and providing other infrastructures, yet we have not occupationally rehabilitated the fishing folk. So, they are not having their livelihood. Many of the banks are not

providing loans to the people in the Tsunami-affected area. So, the hon. Minister should look into the matter. Until they are occupationally rehabilitated, the banks should give loans and other financial assistance to the people living there.

My place, Alleppey, is famous for the tourism industry. House-boat tourism is evolving to some extent. Now, the State Government is imposing the luxury tax on the house-boats. This is a small-scale house-hold industry. Many people are having one or two house-boats. The State Government is imposing the luxury tax on these house-boat holders. Under the Service Tax regime, again, they have to pay the Service Tax. In addition to the Luxury tax, they have to pay the Service Tax too. So, they should be exempted from either of the two. Either the luxury tax or the Service Tax should be exempted for these service providers.

Another thing is regarding educational loan. The hon. Finance Minister has reduced the rate of interest on agricultural loans to 7 per cent. It should be reduced to four or five per cent. Also, the interest rate on educational loans should be brought down to a lesser rate. That will be very much helpful to the students hailing from the lower strata of the community so that they can go for professional courses and that will be very much helpful to them.

There is another thing. Already, Mr. Chairman, Sir, you have raised the matter regarding the umbrella

industry. My place is famous for two famous umbrellas, the Popy and the Johns. They are produced in my place. This is actually a seasonal industry. Many women are involved in this industry. In the Budget proposal, excise duty has been increased to 16 per cent. This will be detrimental to the umbrella industry. So, the hon. Minister should reconsider it and try to reduce the excise duty on the umbrellas.

Next, the hon. Minister has been kind enough to reduce the tax on anti-cancer and anti-AIDS drugs to five per cent. My opinion is that the duty on anti-cancer and anti-AIDS should be reduced to "nil" so that many of the AIDS patients as well as the cancer patients will get benefited. Cancer and AIDS are more in the country. If it is done, a good number of AIDS patients and cancer patients will be benefited.

With these few words, I support the Finance Bill.

MR. CHAIRMAN: The discussion will be continued on Mondya.

The House stands adjourned to meet on Monday, the 20th March, 2006 at 11 a.m.

17.59 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, 20th March, 2006/Phalgun 29, 1927 (Saka).*

---

## **INTERNET**

The Original version of Lok Sabha proceedings is available on Parliament of India Website at the following address :

<http://www.parliamentofindia.nic.in>

## **LIVE TELECAST OF PROCEEDINGS OF LOK SABHA**

Lok Sabha proceedings are being telecast live on the dedicated channel of Doordarshan, viz. DD-Lok Sabha. Live telecast begins at 11 A.M. on everyday the Lok Sabha sits, till the adjournment of the House.

## **LOK SABHA DEBATES ON SALE**

Printed copies of Lok Sabha Debates of English and Hindi Versions and other Parliamentary Publications are available for sale at the Sales Counter, Parliament House, New Delhi-110001.

---

---

**© 2006 By Lok Sabha Secretariat**

**Published under Rules 379 and 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition)  
and Printed by Chaudhary Mudran Kendra, 12/3, Sri Ram Marg, South Mauj Pur, Delhi-110 053**

---

---