

[*Translation*]

(viii) Need for steps to check erosion caused by the Gandak river near Gopalganj, Sewan and Saran districts

SHRI RAJ MANGAL MISHRA (Gopalganj): Mr. Deputy-Speaker, Sir, the Gandak river originates from Nepal and passes through Uttar Pradesh and Bihar and joins the Ganga near Sonapur. The L.R.P. Department has constructed a long bridge over this river near Dumaria Ghat. On account of the construction of this bridge the flow of this river has been obstructed although the bridge serves to link Champaran, Muzaffarpur and Samastipur. Due to the obstruction in the flow of the river there is soil erosion in Gopalganj, Sewan and Saran districts. This is causing danger to the bridge also. The soil erosion has also ruined the farmers financially.

Therefore, I request the Government to take suitable steps to check soil erosion and formulate welfare programmes for the affected farmers so that they do not face problems during the coming monsoon.

[*English*]

12.44 hrs.

GENERAL BUDGET 1990-91—GENERAL DISCUSSION;

DEMANDS FOR GRANTS ON ACCOUNT (GENERAL), (1990-91)

AND

SUPPLEMENTARY DEMANDS FOR GRANTS (GENERAL) (1989-90)—
CONTD.

MR. DEPUTY-SPEAKER: Now we will take up discussion on item Nos. 8 to 10—

General Discussion on General Budget.

SHRI INDRAJIT GUPTA (Midnapore): Mr. Deputy-Speaker, Sir, I would like to compliment my old friend and old colleague in arms on this side of the House, when we were there for many years together, Mr. Madhu Dandavate...

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): I am still colleague in arms.

SHRI INDRAJIT GUPTA: ...in the House, but not on this side.

I would like to compliment him on the first Budget which he has presented for 1990-91.

We welcome very much some of the objectives of the budgetary policies which he has, on behalf of the Government, announced in a very bold manner, I should say. Of course, those objectives cannot be realised overnight nor even in a short pace of three or four months. Their objectives which have been spelt out in terms of certain schemes and plans will take time to fructify, will take time to realise. The Government has also said that it wants to alter and change the whole perspective and outlook of planning including the emphasis on agriculture, the orientation towards providing more employment opportunities, particularly in the rural areas, lessening of the dependance on foreign loans, decentralisation of planning and various other things.

It is my duty also to point out to the Finance Minister that there were some other features of the budgetary policy during the last few years which we consider to be retrograde and I am, of course, hoping that those features also will be reversed by the present Government—though as I said, it cannot be done in one day. The process of reversion of those retrograde features should be started. For example, a very welcome factor is that he has given up the old habit which the previous Government had, of introducing steep hikes in the Centrally-ad-

ministered prices, just on the very eve of the Budget.

SHRI K.S. RAO (Machilipatnam): What about tele-communications?

SHRI INDRAJIT GUPTA: I am talking about the Budget. Tele-communication, Postal and others are separate from the main Budget. To the extent it has been done, I deplore it.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): That was done before the Parliament Session started.

SHRI INDRAJIT GUPTA: In order to avoid the Parliament, this was being done for the last two or three years on everything, on coal, iron and steel, petroleum products, cement and so many things. As far as I can make out as a general policy, that policy has been given up by the present Government, I compliment them for that.

Secondly, I must say that the trend which was being followed all these years was to rely more and more on indirect taxes and less on direct taxes. It is, in our opinion, a retrograde feature because the bulk of indirect taxes necessarily imposed a burden on the people, the community at large, while direct taxes naturally impinge upon those people who have sufficiently large incomes in order to pay direct taxes. This time I find that the total quantum of direct taxes which are to be raised remain below 20% of the total, whereas the share of indirect taxes again is nearly 78%. I think that this process has to be reversed and unless it is reversed, you have this curious spectacle where the consuming public, generally, is apprehensive and distressed by the fact that there will be inflation, cost-push, due to the type of indirect taxes which have been levied. All economists and economic journals have commented that there is no way of avoiding this cost-push which will lead to a cascading effect on inflation. On the other hand, generally speaking, the business community, with some exceptions, has welcomed this Budget. Why? The reason is that they had an appre-

hension that in the long-term fiscal policy which was adumbrated by the Rajiv Gandhi Government soon after it came to power—the long-term fiscal policy, meaning thereby something unprecedented happening—an assurance was given to the corporate sector that for the whole duration of the Seventh Plan, no new impositions would be levied on the corporate sector. This was supposed to be a novel way of providing an incentive to them for further investment and expansion on production and so on. I know the hon. Minister has removed the investment allowance which they were enjoying. He has also removed the tax on minimum profit which had been imposed. It had to be imposed because big companies, well-known companies, well-established companies, were showing zero tax liability. The previous set of tax laws were enabling them to cook up their accounts in such a way that they ended up by showing that they had no tax liability at all and, therefore, this tax on the minimum book profits was brought into existence; and that has been abolished. Why, I do not know.

Secondly, this investment allowance which has been removed, of course, will perhaps hurt the Indian domestic companies more than the foreign multi-national companies because multi-national companies operating in our country generally do not go in for large expansion at regular intervals, but domestic Indian companies try to do it. To what extent it will benefit whom, I do not know.

Before the Budget, two or three months ago, by an executive order, the Government has reduced from two years to one year, the period required for declaration of bonus shares. Previously, bonus shares could only be done once every two years. Now it has been made once every year. This means an addition to the capital of those companies which are able to float bonus shares and on the basis of that they earn higher profits, higher dividends and so on. So, I am not surprised to see that the business circles were afraid that the long-term fiscal policy was going to be scrapped. But we were not told anything about that—whether it is going to

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be scrapped or modified or retained or what is going to be done to it. So, by and large, the business community understand that the main benefits which were accruing to them by the long-term fiscal policy will continue. The only thing they are grumbling about is the removal of the investment allowance. Further, the tax rate has also been reduced on the Corporate Sector from 50 per cent to 40 per cent. So, that counter-balances the removal of the investment allowance. My point is that the hon. Minister should carefully examine whether these changes which are being brought about in the structure of Corporate Taxation do not put the foreign collaborators, the multinational corporations in a more advantageous position vis-a-vis the Indian companies. This is very important.

The other thing I want to say is that of course there has been a record increase in new taxes leaving a still large uncovered deficit of Rs. 7206 crores which I am happy to say, of course, is much less than the Rs. 11750 crores which was estimated at the end of the year owing to the previous Government's policy. He has brought it down from Rs. 11750 crores to Rs. 7206 crores. That is not a mean achievement within these two months.

SHRI JANARDHANA POOJARY (Mangalore): By borrowing more...3 per cent

SHRI INDRAJIT GUPTA: No. There is no borrowing more.

SHRI JANARDHANA POOJARY: Yes, you can see the Budget. You can see Page 2 of the Budget at a Glance... (*Interruptions*) All right, you don't want to see it. Leave it.

PROF. MADHU DANDAVATE: It cannot be said like that. I will set the record straight. I want to make one point and it will help your argument. Last year, as far as the Corporate Sector is concerned, the additional tax i.e. the additional resource mobili-

sation from Corporate Taxation was Zero. This time, it will be Rs. 800 crores.

SHRI INDRAJIT GUPTA: It is Rs. 800 crores. But that is the direct taxation. But the burden of Indirect Taxation is something like Rs. 4654 crores. I am talking about the ratio, the imbalance. I don't expect that in one year or half-year or in a quarter of a year you are going to reverse that whole trend which has been followed over the years. But still this trend continues and this ratio requires to be carefully gone into because the new tax amounts to Rs. 1790 crores. My friends are insisting on the postal tariff, telephone charges, the railway freight and fares, petroleum products particularly petrol and high-speed diesel. It will, of course, have a cascading effect on prices. There is no doubt about it. These things are quite a heavy burden. Here, I want to point out one thing. Who is the main consumer of petrol in this country? It is the Government. It is the Government, the Public Sector Undertakings, all their institutions, their officers, State Transport etc. who are the main consumers of petrol. I would like to know whether the Government has made any calculation as to who gains and who loses on this round about. You are increasing the price in order to earn more revenue. But the expenditure on petrol at the price in order to earn more revenue. But the expenditure on petrol at the higher rates, at the higher prices is mainly coming from the Government consumption. Therefore, on the balance, what is it? It is taking something out of one pocket and putting it in another or what? What is the gain or loss on the balance? We would like to know about this. I don't think there will be any reduction in petrol consumption as far as the Government is concerned or the Public Sector is concerned. I think some measures of economy should be thought about. I am glad that the Prime Minister has issued some kind of a directive to the Ministers that whenever he is leaving to a foreign country or arriving from a foreign country, the whole retinue of Ministers should not necessarily go to the Airport to see him off or receive him. This has always been done in this country. It is essential spending so much petrol to drive

to Palam and drive back from Palam? The whole fleet of Ministers and their cars go to the Airport. Why is it necessary to do so? Only the other day we went with the Prime Minister to Namibia. At Palam, I saw the same thing happening. Is it essential that all the 25 to 30 Ministers should stand in a line to see him off and then again, when he comes back? You can save quite a lot of petrol. It is one example I am giving you.

According to the Finance Minister's speech, I have just noted and I am quoting his words: "The pressure of inflation is closely linked to the fiscal imbalance." Obviously. He has also said that the management of inflation is one of the priority areas for this Government. He has also said that fiscal imbalance is the root cause of the problem of inflation and the difficult balance of payments position. All this points to the fact that we cannot get out of this situation unless we see, how this fiscal balance is to be restored or at least fiscal imbalance is to be reduced. It has to be done by constantly trying to reduce the uncovered deficit in the Budget and to raise more resources and to step up production.

Agricultural community, generally, I think, has welcomed this Budget for several reasons. One is, there are concessions given. The whole budgetary thrust is towards development of the rural sector, the agricultural sector. Of course, this is raising some corresponding apprehensions in the minds of those sections who are not concerned so much with agriculture but with industry and business. They think that it may lead to corresponding neglect of their sectors. But, anyway, generally speaking, since we are living in a country where 75 per cent of the people are dependent on agriculture for their livelihood, you see, it is quite correct that the worst poverty and the worst unemployment are in the rural areas. So, it is necessary that the Government should concentrate deployment of its resources in the rural sector in order to solve these burning problems.

As far as debt relief question is concerned and writing off of loans up to Rs.

10,000, I would kindly request the Minister, when he replies, to clarify once more, what exactly is the modality of doing this writing off because great expectations have been roused—he knows, I am sure—in various parts of the country. Everybody has taken for granted that everybody who has got a loan of up to Rs. 10,000, the whole thing will be written off as early as possible. That day, he replied to certain supplementary questions. The hon. Minister was good enough to qualify this general commitment. They cannot go back from that commitment. And we welcome that commitment. But he qualified it by saying that all loans up to Rs. 10,000 taken from (a) public sector banks and rural regional banks, and (b) those loans which are overdue up to the 2nd of October, 1989 would be written off and all the other loans taken from cooperative agencies or cooperative banks as well as those whose period was spilled over beyond 2nd October were not being written off at the moment and the main burden as far as loans from the cooperative agencies were concerned were, of the State Government. The Centre is willing to help them, to assist them. How they will assist them that he is going to discuss with the Chief Ministers of the various States. But the direct burden which the Central Government wants to bear is only in respect of public sector banks and regional rural banks those which are well overdue up to 2nd October, for which, he has now provided Rs. 1000 crores in this Budget. Nobody is clear as to what all this means. Only yesterday I was being told by some friends who are very closely connected with the rural areas that the majority of these small loans of small farmers are from cooperative banks and cooperative credit agencies.

We do not have any data; we do not have any statistical data to confirm this. But if it means that the net result, at the end, will be that the bulk of the loans which are up to Rs. 10,000, will remain uncovered by this scheme because they come from cooperative banks and agencies and only a relatively small portion, which come from the public sector banks, will be dealt with, the burden will be shouldered by the Central Govern-

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ment, then we should know clearly where do we stand—not we, but those people who have actually taken the loan.

13.00 hrs.

It is not clear to them at all as to what the actual implications of this scheme are.

While presenting the Budget the hon. Minister has made a remark—irrespective of land holdings. He said this benefit is going to all irrespective of their land holdings. Obviously it does mean and it cannot mean by the very logic of it that big land holders, those who have taken loans of much more than Rs. 10000 are going to get the benefit. Obviously they are not. How can they? It relates only loans upto Rs. 10000 even of defaulters also. People who have the capacity to repay but are not repaying, obviously should be excluded from the benefit of this scheme. But for the rest it should be made amply clear so that no doubts are left. It is no use talking about something as though it is a pie in the sky. Whatever is realistic, practicable, they should do. What they cannot do, should be explained. There is no use in keeping it vague so that people do not understand what is going on.

We welcome the Employment Guarantee Schemes for the drought prone areas and the areas with acute problem of rural unemployment. These have got to be worked out. They will fructify only in due course. I want to know about the non-resident Indians' contribution to this resource mobilisation. Is it or is to not a fact that bulk of the money which has come from the non-resident Indians abroad is not going into the productive investment at all? It is going into bank deposits only. It is not being used in productive investment. Have they got any scheme or any plan by which this money which has been earned abroad by these non-resident Indians can be utilised for productive investment in our country and is not just put away in banks in order to earn interest? I want to know what is, more or less,

the quantum of the amount which has been remitted by the non-resident Indians to our country.

Obviously the Minister himself realises that despite all good intentions there is going to be a further inflationary spurt. It cannot be controlled. That is why he has provided for additional dearness allowance to the Central Government employees in the coming year. That means there is going to be price rise; otherwise why should he provide for more dearness allowance?

SHRI KALP NATH RAI (Ghosi): Price rise has taken place.

✓ SHRI INDRAJIT GUPTA: Yes, this always goes on. I don't remember any period in which there was no price rise.

The point is that the Government had said that there should be an anti-inflationary thrust in the budget. I am afraid, I don't think that it is there to the extent which we would like to see.

For the additional dearness allowance a provision of only Rs. 100 crores has been made in the Central Budget. The remainder, if it is required, is to be absorbed by the various Ministries and Departments in their respective Budgets. I don't know whether all these Ministries and Departments are either capable or willing to do this. How will they do this?

SHRI JANARDHANA POOJARY: By cutting the Plan.

SHRI INDRAJIT GUPTA: Not by cutting the Plan. They might do it by cutting the staff also. I do not know what they will do. They may do it by carrying out various rationalisation measures in the name of economy. Has this been discussed in the Ministries and Departments and have any clear guidelines been given to them about what they should do and what they should not do while providing money from their own budgets for the purpose of additional dearness allow-

ance in the coming year? It is not clear to me at all.

I would say that there was a lot of talk about widening the tax base. It is going on every year. I rise this point every year which is a very unpopular thing. Now also it will be unpopular. That is, whether at any stage at least some section, the affluent section of the agricultural community, those who are by no means poor or needy, those who have profited a lot from the subsidised supply of fertilizers and pesticides and new varieties of seeds—we do not grudge that—are going to be taxed. A good agricultural production has been there and their earnings have gone up. At some stage at least are they not going to contribute anything to the revenues of the country? Always are they to be let out from the net of the income tax? What is your idea? You fix up some category, some gradation or some ceiling above which only some people will have to pay something. If you do not want them to pay much, let them begin to pay very little. Whenever I used to raise this—every year in the Budget, I used to raise this—the former speaker, I regret to say, used to get very angry with me and used to say you know nothing about agriculture; how can anybody, who is not a farmer, say anything. It is not possible. He cannot afford it, this and that. But, I think the country at last has now reached a stage after so many years of Independence and we are so proud of our progress in the field of agriculture. We have become self-sufficient. In the earlier years we were importing so much food from abroad which we do not have to do now. But why the prosperous section of the farmers, who have certainly got surplus in their hands should not be asked to contribute something so that the tax base got broadened? We have a very narrow tax base at the moment which impels the Government to go on imposing indirect taxes.

About black-money, concealed income and all that, I do not say anything. He is thinking of some schemes and plans. I do not know how they will be operated and how they will fructify. In the past, they have failed. But this black-money, of course, has be-

come a very dangerous parallel economy which ends up by confronting every Government with practically insoluble problems. So, I hope the Government will take steps they will get the full support, I know, of this country, if they take effective measures really to combat this menace of blackmoney. That is all I want to say.

There are huge expenditures on Defence. Of course, nobody at the moment is able to say, "it is not necessary", because of what is going on our borders. So, I believe, there is room within the Defence Budget for quite a lot of saving and pruning and wasteful expenditure being cut out—that is there Rs. 15,750 crores. There are the interest payments of Rs. 29,850 crores. I hope the Government will not go in for further borrowing, at least, external borrowings. Even if they do not borrow from the IMF, which has conditions attached to it, they should not also borrow from foreign commercial banks—private commercial banks—which may not have conditions attached, but they will charge us an exorbitant rates of interest. We are not able to service our existing debts and I do not know what will happen if we get further into this threatening debt trap. Then, of course, there are the major subsidies of Rs. 8,516 crores.

PROF. MADHU DANDAVATE: The interest on IMF loan is higher. It is 9.5%, whereas the interest on commercial loan is between 8 and 9%

SHRI INDRAJIT GUPTA: I think the rate of interest of the foreign commercial banks is much more than that.

Anyway, the point is that, now, Sir, this Budget is being opposed on the ground that it is going to push up prices. There is no doubt of the inflationary impact of any Budget which imposes indirect taxes on goods and then on the freight rates. It is not a part of your Budget, I agree. But, the railway freight rates plus the other things are certainly going to have an inflationary spiral effect on the economy. Therefore ordinary people are very much distressed. But I do not know whether

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there are any alternatives which can be suggested. We can always suggest that the taxation can be removed. But we should always suggest as to how resources are going to be raised and when you come to that part of it, our friends here would not like it...*(Interruptions)* They have already tested and tried. All these years, they have tried. Anyway, money which should be available for developmental purposes, should not be smuggled out of this country and put in banks in Switzerland and Sweden and all these places. They may be brought back also and used for developmental purposes...*(Interruptions)* I would broadly agree with what Mr. Palkiwalla has said though he is no great ideal of mine; I am no fan of Mr. Palkiwalla, nor of you, I hope—He has summed it up in his speech in Calcutta by saying, "this is not a Budget to make you deliriously happy nor a Budget to drive you to the verge of suicidal despair." It is a kind of Budget which has its positive and negative features and it is a very difficult situation in which he has framed this Budget. I wish them well in the coming days. But they must keep an eye on the people who have put them in power and we are with them on that. Therefore, I would support the Budget, despite my reservations.

[*Translation*]

SHRI MOHAN LAL JHIKRAM (Mandla): Mr. Deputy-Speaker, Sir, I rise to oppose the budget presented by the National Front Government. Sir, a discussion on the general budget has been going on since yesterday. The Opposition does criticise the budget but it has been seen that hon. Members of the ruling party as well as those belonging to parties supporting this Government are also criticising this budget. This is because this budget is not public-oriented. Our views and comments on the budget hardly make a true assessment of the budget, the real evaluation is done by the general public, in the villages and markets. An ideal in the country budget is one which provides relief to the commonman. The proposed hike in the prices

of petrol, diesel, railway fares and freight charges is bound to affect the common man as it will directly push the prices of essential items of daily use like cloth, foodgrains and grocery which are transported from one part of the country to other parts of the country. That is why the common man did not welcome this budget. The public had a high hope of the National Front Government that it would present a budget that would provide them with some relief in deference to the assurances given by them to the public but this budget has belied all their expectations. Everywhere in the country, in shops offices and streets people are saying that this budget is not in favour of the common man. This is the reason why I am opposing this budget. As was said by hon. Members who expressed their views of it prior to me, this budget was prepared by a person who has been well-known for his socialistic bent of mind all over the country. I am also among one of these who think that the hon. Minister is a thoughtful person who would never think of burdening the common man. Perhaps it is the pressure of responsibility that has made him do so and I am sure he is not very happy in taxing the people. Sir, tax hike on certain commodities has imbalanced the country's economy. Attention should be paid in this direction and the prices of diesel and petrol in particular should not be increased. As there is a lot of wasteful expenditure in the Government offices on non-productive items. According to one estimate two-third of the budget amount is spent on un-productive items and in maintaining the Government machinery. Only one-third of the budget amount is spent on developmental activities. This also has an adverse effect on the country's progress. Last year the amount of unproductive expenditure was Rs. 7337 crores and this year the figure has jumped to Rs. 11780 crores. Today a large number of people are migrating from villages to cities. This Government had announced that it would try to stop this tendency by setting up agro-based cottage industry in villages so that people living there will not feel the need to migrate to cities as they will get plenty of job opportunities these itself. But the budget does not mention how this will be achieved.

This should be clarified. The masses will have to bear an additional tax burden of Rs. 4325 crores. The budget allocates 49% of the total funds to rural development but nothing has been mentioned about how and on which item the amount will be spent. And, can the Government expect the required support from the officials who have to implement these schemes? It remains to be seen how far the Government succeeds in its objective. Inflation will affect not only the common man but also Government employees to whom the Government will have to pay a higher rate of D.A. There could well be an agitation for this and Government should be prepared for it. It was mentioned that loans upto Rs. 10,000 taken by small farmers would be waived. But it is not clear as to the category of farmers who would be covered and the type of loans that would be written off.

MR. DEPUTY-SPEAKER: Many hon. Members have already raised this point.

SHRI MOHAN LAL JHIKRAM: I apprehend that unscrupulous elements will take advantage of this scheme. Such elements will get their loans waived in connivance with Government officials depriving the people who really need the benefit of a loan waiver. This could also breed corruption. So the Government should proceed with caution in this direction. Through I have a lot more to say I shall wind up here as there is a shortage of time.

SHRI YAMUNA PRASAD SHASTRI (Rewa): Hon. Mr. Deputy-Speaker, Sir, the budget for the year 1990-91 presented by the hon. Finance Minister in very difficult circumstances is praiseworthy indeed while discharging his responsibility the hon. Finance Minister has had to work under severe constraints considering the country's internal debt of 2,00,000 crores and external debt of 90,000 crores. Of all the countries in the world which are under debt, our country's position is the worst. The previous Government put us into this debt trap and we are finding it very difficult to come out of it. The total debt burden is Rs. 2,90,000 crores. If

someone sits down to count this amount and takes one minute to count Rs. 100/- then the total time taken to count the entire amount will come to 55175 years 13days 21 hours and 20 minutes. Sir, the previous Government put the country in debt and now this Government talks of inflation. The currency of a country is bound to get devalued if its foreign debt burden is very high. Yesterday I was listening to hon. Shri Faleiro's speech. He said that the Rashtriya Morcha Government had promised to reduce the budget deficit. Then he, called it a fraud on the part of the Government as there is no reduction in the budget deficit this time. Similarly on another occasion when a discussion was held on the inclusion of the 'right to work' in the Constitution he had used the word 'fraud'. He does not even know that such words should be used here or not. Elected representatives of the people are serving the nation. The previous Government had left a deficit of 1,37,90 crores which we reduced by half to Rs. 7206 crores. This is no ordinary achievement. This is a courageous step. Higher the level of deficit financing lower would be the value of the rupee leading to a rise in prices. This budget deficit has been reduced to control prices but they say that the deficit will increase in course of time. Sir, one who doubts brings his own doom. 'Sanshayatmo Vinashyati' So you should not have doubts. This Government is determined to restrict this deficit to this limit only. Sir, expenditure on unproductive work in the past has led to this situation wherein 18% of the budget has been allocated towards payment of interest alone. Due to the sins of the previous Government we are forced to pay 2850 crores as interest on foreign debt. If all this money had been spent on productive work we could have done something for the welfare of the masses also. These are reasons for the sorry state of affairs in the country with debt-burden, budget deficit and depletion in foreign exchange reserves due to trade imbalances.

MR. DEPUTY-SPEAKER: Many hon. Members are waiting to speak. You can speak on an issue on which nobody else has spoken.

SHRI YAMUNA PRASAD SHASTRI : I was submitting that at present our country's foreign exchange reserve is Rs. 5000 crore only which is not sufficient to meet even two months' import bill of our country. When we fail to gear up our economy, the real value of our currency falls. As per my estimate, the value of one rupee has now come down to 8 paisa only. The hon. Finance Minister has laid special stress in the Budget on increasing the production so that inflation can be kept under control and the value of our currency could be raised. In order to stepping up production, a number of measures have been taken up by the hon. Finance Minister. These include concession to small scale industries, grant of subsidy for setting up industries in villages, concession in excise duty on the raw materials such as thread for the weavers, etc. used by small scale industries, all such measures will help in stepping up production. Apart from this, 49% of total budget outlay have been allocated for the agricultural sector. This has been done first time as previously not more than 15% of the budget outlay was allocated for agriculture sector. Can they not see the difference? This is certainly going to bring drastic changes in the living conditions of the small and marginal farmers. The Government has not only raised the budget allocation for rural sector, it is also going to implement waiver of loans upto Rs. 10,000 for the farmers. This is not a small achievement. When we included this in our election manifesto, persons belonging to Congress party ridiculed us as to how we would do that. But when the Janata Dal Government was formed in Haryana, it announced waiver of loans of upto 10,000 for farmers. Then not a word of praise was said by the Congress Party. Nor did they consider it a scheme to be worth adopting by them.

in fact, this scheme of waiver of loans is limited to the loans given by the Public Sector Banks and Regional Rural Banks only. Loans given by the co-operative banks do not come under this scheme as they come under the domain of the state Governments. But our hon. Finance Minister has stated in clear terms that the loans of Co-operative Banks will also be waived and in this connection he

will hold consultations with the State Governments and, it need be, also provide financial assistance for this purpose to them. With the waiver of loans pertaining to Public Sector Banks, Regional Rural Banks and Co-operative Banks, the farmers will feel liberated and work with a new found zeal to produce more and more.

Mr. Deputy Speaker, Sir, I would like to submit through you that the previous Congress Government did not provide any incentives to the farmers last year, as a result of which our agricultural production last year witnessed only a marginal increase of 1% only. Just now a member belonging to the Congress Party was saying that they made a record production of foodgrains. Sir, how can a marginal increase of mere one per cent in production of foodgrains be termed a record production? As against 1% increase in foodgrains, growth of population is 2.2%. In such circumstances, people are found to starve. They believe in talking big but in reality they did nothing for the farmers. Now the new Government is providing a lot of facilities to the farmers and I am sure agricultural production will certainly register a substantial increase over the last year.

Mr. Deputy Speaker, Sir, our hon. Finance Minister has made a mention of implementing employment guarantee scheme. This is not a small thing. Till now this scheme has been implemented only in Maharashtra in our country. But now in this budget it has been proposed to extend this scheme to all those areas which are drought or flood prone. Now these areas will be covered by the employment guarantee scheme and this is the first step in the direction of providing employment to the people. We made a promise in our election manifesto that we would make 'Right to Work' a Fundamental right so that every young man could get work. In order to achieve this and, we will have to create employment opportunities. This is a welcome step towards that direction. Another important indication that has been given by the hon. Minister in the current budget is this that the Government propose to reserve certain items to be produced exclusively by the small scale and village industries, or

cottage industries and the big industries will be debarred from producing such items. This is a very important step in the direction of providing help to small scale units. This would also result in increased employment opportunities for the farmers, artisans and youth living in rural area and will help in reducing the economic disparities in our country. The previous Government also used to talk about such measures but it never put them into practice. In the current budget, 40% tax has been imposed on the corporate sector. It will yield a revenue of Rs. 800 crores for the Government.

MR. DEPUTY SPEAKER: Shastriji, now you please conclude your speech.

SHRI YAMUNA PRASAD SHASTRI: Earlier there was no income from the Corporate Sector and still it is being said by the members of opposition that the Budget has put burden on the poor only. The previous Government has lighten the tax burden of the rich in the name of providing investment rebate on the fictitious investment. With the imposition of tax on the corporate sector, out of a total resource mobilisation of Rs. 1900 crores, as much as Rs. 800 crore will be mobilised from corporate sector alone

That would be drawn from Corporate sector. Therefore, if on one hand it would keep the level of capitalists lower, on the other hand the rural people would get work and their income would be supplemented due to the reservation in industry. Thus it is a step in the direction of socialism.

Lastly, I would like to add something more. A large part of country suffers severely from acute shortage of drinking water. In Rewa it is being sold at Rs.2 per bucket and the animals have to be taken to 50-60 miles for water and fodder. You must attend to the problems of drinking water on war footing.

The projects which had been started 10 to 20 years ago e.g. Bana Sagar project, are yet incomplete. This project should have been completed in 6 years but it is still incomplete. In 1978 when the then Prime

Minister, Mr. Morarji Desai had inaugurated it, he had said that the project would be complete within six years. Twelve years have elapsed and it is yet incomplete. If the projects are not completed in time, they cost much more due to inflation and in turn increase the inflation itself. Therefore, I would suggest that you must get all these projects completed as soon as possible.

You must remove regional imbalances otherwise nation's unity and integrity would be seriously jeopardised. With these words, I heartily welcome the present budget and the entire nation is welcoming it. With this, I conclude my speech. Thank you.

MR. SULTAN SALAUDDIN OWAISI: Mr. Deputy Speaker, Sir, I rise to speak on the budget for 1990-91. It is admitted that you have raised the income tax exemption limit from Rs. 18 thousand to Rs. 22 thousand but it would benefit only those who are near that limit. If you had increased it to Rs. 30 thousand it would have benefited many more persons.

You have increased the prices of diesel and petrol. This has resulted in price hike of many things including railway fare. I wonder how would you control the prices of commodities of daily-need. I think it would be impossible. The increased price of diesel and petrol would lead to increase in the bus fare, while the taxi and auto-rickshaws fares have already increased. You have enhanced telephone charges also. All these have increased the hardship of the people a great deal.

When you wish to end black money you could have demonetized the currency notes of Rs. 500 and Rs. 1000. This would have had the needed effect on the persons who are having black money. It seems that you are helping those who have black money and, therefore, the poor and the helpless people are facing hardship.

Just as you have fixed the rural land holding, You must fix the urban land ceiling too. The present fixation of their property is not adequate. You have provided just one

[Mr. Sultan Salauddin Owaisi]

thousand crores for the waiving of loans upto Rs. 10000, in rural sector; how would you manage it? You give facilities to rural poor, but what has prevented you from extending the same facilities to an urban poor who gets a loan of Rs. ten thousand from a bank and becomes a footpath vendor, runs a small tea shop or drives a hand-cart? You should provide some facilities for the urban poor also. Why should all facilities go to the rural poor alone and not to the urban poor? You have a proposal about land holding limit, but I think you must have a provision for land tax also which should be realised from the big landlords. Now -a- days we find a great deal of discontentment among unemployed people. Government should make necessary provision in the budget so that their discontentment is removed. If you had announced an unemployment allowance at least for those who have been unemployed and registered as such with employment exchanges for the last 10 years, this would have created more confidence among the masses. But we find no such thing in the budget.

Mr. Deputy Speaker, Sir, if you allow me two more minutes, I would be grateful. You said that I would be given about 5 or 7 minutes. Please give me some more time so that I may put before you the points which, according to me, need your immediate attention.

When our Finance Minister was in the Opposition, he with his smiling face, used to criticise most poignantly. I request him not to do the same with the poor. However, the budget presented here needs a lot of modifications so as to make it people-oriented in the real sense of the term and the poor people may get some relief. The people had great expectations from you. I hope you would fulfil the hopes and aspirations of people. As for deficit financing, you said that you would not let the deficit increase, but our experience of past 30 to 40 years shows that whenever we tried to contain deficit, it has increased. At the time of Budget, when there

is a good production, if the deficit is evaluated it can be checked to some extent but the position today is not so and this would go on increasing. On the other hand, I would also like to submit that you may be observing the international situation. Today whether it is USA or USSR they are constantly reducing their defence expenditure and we are constantly increasing it. Tell us, how long can it continue and what would be the results?

With these words, I express my gratefulness for having provided me an opportunity to make my submission.

[English]

SHRI VASANT SATHE (Wardha): Mr. Deputy Speaker, Sir, I would like to say at the outset that the hon. Finance Minister, Prof. Madhu Dandavate, has tried to do the best of the very bad bargain. This is not his fault. The situation was such that within a short time of just three months he could not have done a miracle; and he tried his best to balance the budget, make it at least appear that it is not going to harsh on the common man; and the first impact of the Budget pudding with jam and pickle and making it more palatable has been not so shocking.

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Mr. Sathe has appreciated it.

SHRI VASANT SATHE: She has actually sent to Mrs. Dandavate a whole bottle of pickle made at home.

PROF. MADHU DANDAVATE: Thank you.

SHRI VASANT SATHE: Today normal budgetary things have been discussed. I want to take this opportunity to raise certain more fundamental issues of resource mobilisation. I have noticed, whether it is our Government or whether it is this Government, that the question of fiscal exercise is not so easy. You can find enough jargons for suggesting ways and means within the existing limits of Budget to find resources; that

does not help. What we have seen during this period of 40 years since independence is this; what we have seen is that inspite of our best effort to have an egalitarian society, a democratic, socialist State, as we enshrined in the Constitution the richer are becoming richer and the poor, if not becoming poorer are remaining poor. This distortion has grown in spite of all that. I still remember Dr. Lohia's 4 annas speech in this very House. Panditji took a strong note of that and said, "I would like this to be examined." Malanobis Committees were appointed to go into this question. The phenomenon of un-accounted money growing and escaping the net of accounting and taxation, A committee after committee was appointed. Dr. Kaldor was called. So many other people were there. We found that this phenomenon had grown to such an extent that the very magnitude of it seemed to flabbergast the corridors not only in the Planning Commission but also in the Ministry of Finance. I have never seen uptill- now that any serious exercise has been made either in the planning process or in the budgetary process which could really attack this phenomenon and come to grip with this phenomenon.

Kindly see. The Government's own committees that were appointed the latest being of the Institute of Public Finance. A committee appointed under the Chairmanship of Dr. Raja Chellaiah on the entire assessment made till 1983-84 gave its report in 1985. Their estimate was- and although people keep on constantly saying "Oh, well what to do? This is a guesstimate"- call it by whatever a name, guesstimate, estimate, but all those who have made this exercise have come to the conclusion-World Bank, the International people, our own people have come to the conclusion- that the amount estimated on the figures of assessment for 1983-84 was Rs. 37,000 crores per year. that is annually.

PROF. MADHU DANDAVATE: Excluding smuggling.

SHRI VASANT SATHE: That is excluding smuggling. Smuggling is also an outgo

which comes to the tune of about five to ten thousand crores. That is different. Today if you make that just mathematical progression, and nothing more, in 1990 that amount of unaccounted money would come easily to Rs. 60,000 crores. Sixty thousand crores is a very big ocean of resource generated in an area, if you take today the assessed incomes of those whose income assessed to income-tax is more than one lakh are less than 30,000. I do not know if the figure has changed. It might about 40,000. That is, whose assessed income is more than Rs. 10 lakhs in the entire population of 80 crores people the assessed income is more than ten lakhs are less than 50,000. What are we talking? Imagine this source. These people, whether corporate or individual, it is they who control this fifty to sixty thousand crores generated annually. What exercise can you make, Mr. Finance Minister if you cannot take this resource and this money is not put in lockers? It is all in circulation. Either it is put outside India in Swiss banks or wherever it is or it is in circulation in this country. Whom can it not corrupt? If fifty thousand people can control Rs. 50,000 crores, Imagine the influence this whole resource will have in the economy. And, therefore, can we not tackle it? If you try by the methods that have been suggested up till now what have we seen? You do not touch even the fringe. If you try to raise through bonds, they are still suspicious. Nothing comes. They take the bonds and the bonds are later on sold. No real gain. If you try to get it by the form of raids you only succeed ultimately in making the capital in the market shy, and creating a scare and those very people who are trying to help the growth go against it. That also does not work well. How much have we got ultimately? From All these raids etc., I do not think it is even more than thousand crores.

So, let us quietly and boldly think of how to do it and is there any distinction between unaccounted or what is called back money or white money? Is there any difference in the two hundred rupee notes? Is there a mark to distinguish the two. Therefore, how will this resource become available for growth? That is the essence.

[Sh. Vasant Sathe]

My humble submission to you is that the major area where resource is to be generated and mobilised will be where we have invested the maximum. Now, more than Rs. 80 thousand crores have been invested in the public sector alone in the country. What is the resource generated from there? Your own CAG's report that was placed here today has said it, and with your permission, Sir, I would like to quote from it.

"That its report on commercial companies of 1989 laid in Parliament today, the CAG said that 90 companies in which capital employed was Rs. 13,213.74 crore incurred losses of Rs.1,524.09 crore."

The cumulative loss - it is a strange thing. I quote:

"The report said 56 companies had accumulated losses exceeding their paid-up capital. The cumulative losses is Rs. 6,712.98 crore of these 56 companies worked up to 219 per cent of their paid-up capital of Rs. 3,065.79 crore."

Is it not strange?

We talk of profit. You also say that they are showing good things and profit is being generated. It is fine, Let us see this para. Again I quote:

"Dealing at length on the corporations of the Government, the report observed that out of 8 statutory corporations, seven corporations in which capital employed was Rs. 13,461.61 crore earned profit of Rs. 2,534.91 crore. Of this ONGC alone earned a profit of Rs. 2,294.30 crore in which capital employed was Rs. 5,782.65 crore. The remaining six corporations in which capital employed was Rs.7,678.96 crore earned profit of Rs. 240.61 crore."

What are we talking Sir- always the admini-

stered prices are deliberately increased. Again you have increased it. This will show the profit. There is a profit of Rs.2000/ in petroleum alone. Are we not deceiving ourselves that public sector is earning profit? Six companies have earned only Rs. 240 crore. What I am trying to submit is that this is not a party matter. Some day, you and we, all of us, will have to seriously apply our mind on this. If this big resource of public money put in public sector is not going to efficient sector, then all these labelling public sector and private sector has lost its meaning. What is important today is efficient sector and inefficient sector. You must treat all economic activity as a national activity. And it must become efficient. It must generate resources. This must be our objective. For that, I will make some concrete suggestions. Criticism is all right. I am making bold suggestions. You restructure our economic activity, mainly begin with public sector where investment is the highest and make it result-oriented and accountable. I would suggest a formula. I call it the ACA factor-authority, continuity, accountability. If you introduce this, you will find a revolutionary change. Have a participatory work culture introduced. Consider it for developmental and growth oriented sectors. Please examine it. Unless you have have a participatory work culture with accountability and authority, you will not get results. We can begin with public sector. You will find a lot of changes. You have estimated in this Budget that you are going to generate 21,984 crore total internal and extra budgetary resources of public enterprises. Out of which, I believe, you are hoping to have Rs. 13,000 crore raised as internal resource from the public sector. Uptill now we have never achieved it. If you are not able to achieve it, then all this will add to your deficit. And this deficit of Rs. 7000 crores will automatically be more if you do not get resource. So it will only be illusory. My submission is that some very strong, bold, courageous and determined measures are necessary to revamp, re-orient our economic activity. I make another bold suggestion. If you want to remove the distinction of accounted and unaccounted money, then do away with income-tax. It might appear that I

am suggesting something which is populist. You may say, how can you do this; this is paying a premium on default etc. I am simultaneously suggesting to introduce expenditure tax on very high and ostentatious expenditure because expenditure is identifiable whether it is five-star hotel, whether it is in the form of buying real estate or having marble tiles or whatever it is. I have a feeling that if the people in this country know that hereafter nobody is going to be treated as a thief, nobody has this odium on him of having deceived or having avoided income-tax or defaulted, you will get lot of money by way of investment in banks as fixed deposit, etc. Then you will also be able to suggest that it can be diverted to some constructive areas. You can then simultaneously say that if this money is used for building bridges, roads, railways, power houses, steel plants or if they invest in backward areas or whatever developmental works you name, you will give further concession. If you do this, I have a feeling that you will get Rs. 50,000 crores. Even if you get Rs. 25,000 crores, people might feel encouraged. Instead of keeping their money in Swiss banks and then get losing it when they die, they will bring it to India and you will be benefited by that. Let us think courageously on this. There is no populism about it. This is a realistic proposal how to divert this big ocean of resources for growth proposes, for development purposes. Development alone will generate employment. Employment cannot be generated merely by promising jobs because those jobs have to be productive jobs. In other fields jobs can be given but that will not help production. Increasing services does not help. Therefore, I beg of you to consider this. As a confirmed and well known socialist, please take the initiative of calling some people from all sides and even outsiders and seriously think of long-term and positive measures to generate resources because ultimately that is the real key. What is inflation? More money supply and no commensurate goods. More goods must get produced and particularly of interest to common man. Unless that happens, all your hopes of containing inflation will be belied because you will be forced to pay D.A. That you

cannot stop. Organised sector will be pressurising you. You will not be able to resist it. No Government has been able to resist it. Money supply will grow if more goods are not produced. Simultaneously inflation is bound to take place. Therefore, let us have a growth oriented approach, result oriented approach, My humble submission is that there is no soft option left but to re-structure your economy. Holistic re-structuring even of political and other things may be essential. This is what Gorbachev is doing there. In our system, we need to do similar things because the need here is greater as our problems are greater. I hope, our progressive Finance Minister will take some initiative in this direction.

14.00 hrs.

[Translation]

SHRI CHAND RAM (Hardoi) : Mr. Deputy Speaker, Sir, as regards what Shri Sathe has stated today, which is a fact, it would have been better if he could have got it implemented when he was in power. I was paying attention to his submission very carefully. I am not indulging in any criticism whatsoever. I am supporting him but I would like that these principles should find place in the Budget which is to be presented. On the one hand, whereas I would like to congratulate our socialist Minister of Finance, I cannot resist submitting that he has not taken a good measure by enhancing the prices of petrol and diesel. If instead restrictions had been imposed on vehicles of high officials and Ministers, there could have been curtailment in the consumption of petrol and diesel to a large extent. But I cannot comprehend one point that when we were students at Lahore University, we were taught by our professors that the Budget is kind of medium through which redistribution of wealth and income is made possible and whereby imbalances are removed. But I cannot understand why these principles of economists such as Prof. Dyson and Dr. Marshall have not been realised so far in the world and it is particularly true in case of India. I can recall and it still rings in my ears what Dr. Marshall had stated:-

[Sh. Chand Ram]

[*English*]

"Poverty is the greatest degradation of mankind."

[*Translation*]

When we agree now that during the past 42 years the rich have grown richer and the poor, poorer why these principles have not been kept in view while preparing the budget. It is true that some relief has been provided to the farmers but a beginning in this direction was made by Ch. Devi Lal in Haryana. At that time we had a Congress Chief Minister, who used to say that had it been possible to write off loans worth Rs. 10,000, he would have not handed over this job. to Ch. Devi Lal. But this measure was taken in Haryana. Besides, the policy of granting old age pension worth Rs. 100 was adopted and the old people are getting it today. This was included in the manifesto of the Janata Dal and it was adopted and I am happy that it is being implemented at the national level. But along with it, I would also like to submit that on the one hand where loans worth rupees ten thousand have been waived, on the other, by increasing the price of petrol and diesel a burden has been imposed on the farmers. Farming is done with the help of engines and engines are run by diesel. I would like to point out to the hon. Dy. Prime Minister that whereas they have waived the loans on one hand, on the other they have put extra burden on them by increasing the prices of petrol. There has been a increase in their diesel expenses by 54 paisa per litre. Was this the only available option before the hon. Finance Minister? I think that the hon. Minister of finance should travel in different part of the country and in different wholesale market of foodgrains and vegetables after the Budget has been laid to get the information about the prices today. If the hon. Minister is unable to pay a visit, his wife should do this work so that the price situation become evident and as to how much increase there has been in the prices. To expect that there is no need to pay attention to the rising prices

in spite of the Budget being the maiden Budget of the Janata Dal and which has given rise of inflation, i think that it is not right. As such there has been different reactions in several newspapers about the Budget and there have been various suggestions, but while preparing the Budget the Finance Ministry, the Finance Secretary and other top officers should have considered that instead of levying taxes on the aforementioned items, more taxes should have been levied on the luxury goods. There would have been no difficulty if taxes were imposed on shoes costing more than rupees two hundred, refrigerators cars and such other luxury items. If tax worth Rs. 4 thousand was imposed it would have fetched a revenue of Rs.4 thousand crores. I would not like to go into the figures because of my age. I have studied economics but my knowledge of the subject is limited. However, I have been born in a poor family and the extent to which I have studied the subject is enough for me. Apart from this, there were many other luxury items the taxes on which could have been enhanced. I am aware that the hon. Minister of Finance never usually retraces his step but if there is a viable alternative there should never have been any hesitation in altering the stand. As such there are welcome feature in the Budget for example. The policy of allocating 49 percent of the Budget for the development of rural areas. The credit in this regard goes to Shri Devi Lal. He constantly hammered the fact that maximum funds should be allotted for agriculture. Will 49 per cent of the Budget allocation earmarked for agriculture suffice. Today we ask our farmers to increase the production. But we shall have to look at their income. Have we provided them with irrigation facilities. Is the Government not aware that only 28 to 30 per cent of the agriculture area has been covered by irrigation so far. Is the Government not aware that our many rivers such as Ganges, Yamuna, Kaveri Narmada and rivulets tend to overflow during the monsoons and all that water get wasted. We are going to construct multi purpose Dam on the river Narmada. Similarly if water reservoirs were to be constructed near each river and rivulet and arrangements made to store rain

water at a distance of every 15 to 20 kms. water could be supplied for irrigation purposes wherever it was necessary. I can recall that at the time when demands were being made for a separate state of Haryana, it used to be said that the state would not be viable but today it is the second in number. It is so because every village of the State has been provided with roads and 200 to 300 tubewells have been installed in each village. The people themselves installed the tubewells first and thereafter tubewells were installed by the Government after power reached the rural areas of the state. Today in Haryana power supply remains for 16 to 17 hours daily. But today instead of looking at these points, the Meham case gets more publicity and similar examples of other places are cited but no one bothers to realise that the Opposition had a hand at Meham. Some leaders in the Opposition are not able to appreciate the achievement made in Haryana. No one is impressed by the positive work undertaken in Haryana. A lot of work has been done for farmers, labourers, poor etc. I am not submitting these points because of Shri Devi Lal's presence but it is a fact that every scheduled caste woman is granted Rs. 300 by the Government at the time of childbirth so that she can eat ghee. When a small state can take such steps, why cannot Bihar, Uttar Pradesh or some other state do the same. In Haryana we have merely provided water, power, seeds and fertilizer to every field. Every village has been provided with roads, power and the farmers have been made to stand on their legs. I have been elected from Hardoi District in U.P. In that state about 3 lakh acres of land lying barren. Similarly crores of acres of land is lying barren in the country. Some provision should be made in the Budget to make this land fertile. The only solution here is to put primary emphasis on agriculture. As such we advise the farmers to enhance the yield. At the same time, our primary duty would be to ensure that every field gets adequate water supply and arrangements are made for supply of power. I am able to recall that in 1922 or 1923 the great Lenin had raised the slogan 'Power-Power' for the whole world or in other words he wanted

electrification to be undertaken. What percentage of our country has been electrified so far? Today the situation is that it is necessary to pay bribe for getting electricity connection. Mr. Deputy Speaker, Sir, I do not want to take much of your time and therefore, I would like to offer some suggestions to the Government. I do not want to blame anyone here. First I had said that taxes on all luxury items should be enhanced and from cars alone you can earn a revenue of Rs. 4 thousand crore. Similarly, taxes on cigarettes could be increased. As such it is written on the cigarette Packet that cigarette smoking is "injurious to health". When it is harmful, why do people smoke it. It would not matter if the price of a cigarette packet is increased by Rs. 2 or Rs.4. I know that I am a student of that Professor who used to teach that a Budget which proposes levy of direct taxes is a good one and a Budget which proposes levy of indirect taxes is not a good Budget. In this Budget, tax has been imposed on diesel of petrol and this Budget is faulty because it affects the people in the form of indirect taxes. Petrol and diesel are mostly spent by Government departments and when the Government expenditure increases, it will affect the citizens of the country.

Mr. Deputy Speaker, Sir, when I was the Transport Minister. We had formulated a plan to construct over-bridges and under bridges above railway level crossing and road crossings because when gates are closed at railway crossings, the vehicles remain with their engines on as a result of which a lot of petrol is wasted. Similarly, when there is a red signal (stop signal) at the road crossings, the vehicles stand with their engines on, a result of which a lot of petrol is spent. We can reduce the consumption of this petrol, by constructing overbridges and underbridges. Due to the increase in the price of petrol, the fares of taxis and three wheelers have been hiked from today. Had the tax been imposed on the vehicles instead of on petrol, it would not have made much difference, as it has made in the case of petrol. Similarly, taxes have been imposed on V.C.R., V.C.P. and other elec-

[Sh. Chand Ram]

tronic appliances. What was the harm in imposing fare on high class liquor? Similarly, there are many other items which need to be taxed.

Mr. Deputy Speaker, Sir, it is sad that the Pound which we got for Rs 13 in 1977 is today available for Rs. 27 and the Dollar, which we got for rupees 6-7 is today available for rupees 17-18. You say that, there is a general rise in prices through out the world, but the increase in prices is a bit too high in our country.

Mr. Deputy Speaker, Sir, I would like to give some suggestions-there should not be any increase in the prices of diesel and petrol, on the country taxes on luxury items should be increased. As you have said unproductive expenditure has increased

MR. DEPUTY SPEAKER: Shri Chand Ram, you please conclude your speech now. I have got with me the names of many members. Everyone should be given the opportunity to speak. Therefore, you please conclude you speech now.

SHRI CHAND RAM: Mr. Deputy Speaker, I will take my seat, after giving some suggestions and I would not give you another opportunity to ask me to sit down. I am talking about the need to develop barren lands (wastelands) and provide them with irrigation facilities. Barren lands on riverbanks should be provided with water by constructing small dams along the rivers. Water should be provided to the land by constructing reservoirs and dams along the course of the rivers. Today, we are capable of exporting things to the world. Why is there an imbalance in our international trade balance? When will that imbalance be removed? This imbalance can be removed only when we start exporting agricultural commodities. We should export rice, grain and other agricultural products. We are exporting tea and garments. If more cotton is produced, we would be able to increase the export of garments. Garment exports to U.S.S.R. alone

is worth 200 crore rupees.

Mr. Deputy Speaker, Sir, the third thing, I want to say is that we had great expectations from the cottage industries, the handloom/ handicraft industry. Shri Yamuna Prasad Shastri was right when he said that we would made some reservations for such industries, but I fail to understand the harm in closing down the Bata shoe factories. Why are you increasing the burden on the Government treasury by declaring the big mills of the Birla Group as sick and by providing them with subsidy? Please tell me, what is the harm in closing down their cloth mills or in giving them orders to make up for their losses through exports and by going to the international market. Today, the cobblers and the weavers, who are in a majority in the villages occupy a second position there and they have not been provided with any relief. No one cares for the pattern of living in the villages and nobody is aware of what is happening there. Slums are mushrooming in Delhi. Why are people forced to come to Delhi? There is no one to look into it and think about it. There was a demand for running special trains from Bihar for the movement of labour from Punjab and Haryana. I feel grieved. What a matter of shame it is ? It is a matter of great regret and shame that we are not able to provide even digging work to people within their states and they have to migrate to other States in search of work. Labour comes to Delhi from Maharashtra, Rajasthan and Orissa, so it is not possible for us to make the same arrangement there? Then, what will happen to that planning?

It is a matter of regret that no person belonging to the Scheduled Caste and no person belonging to any backward community is there in the Planning Commission. Only those who suffer, can be aware of the actual State of things. In this regard , I have written a letter also to the Prime Minister yesterday. You please do some effort in this direction. Dr. Ambedkar even tendered this resignation, when he was not included once in some plan. He wanted to present his point of view on the plan. I insist you to take some steps for the progress of the weaker sections

of the society. I understand that they would not be able to move ahead with the 51 crore rupees provision. You have made for this purpose. 5000 crore rupees would be spent on the plan alone. A large section of the population is living in poverty. Under the Poona pact, Dr. Ambedkar had reached an agreement with the people of India. He wanted to raise the living standards of the poor people, especially those belonging to weaker sections. I insist upon you to immediately get implemented the Mandal Commission Report. We would not feel jealous, if reservations, like the one provided to Scheduled castes are made available to the poor, whether they be Brahmins, Rajputs, Sikhs or Muslims. Rather, this would be a good step.

Though I have a lot of things to say, there is very little time. I am thankful to you for giving me time and I hope that you would reduce the prices of petrol and Diesel. If, in order to compensate for it, you have to impose tax on luxury items, then you should certainly do it. With these words, I thank you.

MR. DEPUTY SPEAKER: Shri Santosh Kumar Gangwar. Only ten Minutes are left with the B.J.P. You please start your speech, keeping that in mind.

SHRI SANTOSH KUMAR GANGWAR (Bareilly): Mr. Deputy Speaker, Sir, I want to thank you providing me the opportunity to speak for the first time, in this Lok Sabha. A lot of discussion has taken place on the Budget. For this reason, I do not want to go into what has already been said. During 40 years since independence, all the discussions that has taken place on the Budget, has been centered on the farmers. The result is that while the number of doctors attending, went on increasing, the condition of the patient also went on deteriorating and the situation has come to such a past that the patient is breathing his last.

There is a ray of hope in the Budget presented by the hon. Finance Minister. It would benefit the farmers. It is easy to say that a picture (painting) be kept on the road and let it be asked that, what are the short-

comings in this picture, but in the evening one would find the whole picture (painting) spoiled. However, if people are asked to paint a better picture, rarely would people raise their hands. Without saying more, I would like to say only this much that we have to take loans even to pay back the interests of the loan, we had taken earlier. In such adverse circumstances, is it possible to run the affairs of this country, without imposing taxes or without bringing forward such proposals? We are living in a country where half of the population lives below the poverty line. Our country is included in the list of very poor nations of the world.

In such a situation our policies should be framed in accordance with the problems facing the country Dr. Lohia and Pandit Deen Dayal Upadhyay were people who did a lot of thinking on the country's economic situation. Accordingly we should try to take concrete steps towards uplifting the poorest of the poor in the country. I would like to give some suggestions regarding the country's rural areas.

The Jawahar Rozgar Yojana which was introduced by the previous Government has taken care of village Pradhans but has neglected the other villagers. The Government should take steps to see that the common man in our villages stands to gain in the complementation of this Yojana.

Apart from this, there are 5 crore unemployed youth registered in the country's employment exchanges and almost equal number of youth are such who are not even registered. If we do not generate job opportunities for these unemployed youth, the country's problems will keep multiplying.

A fertilizer plant costing Rs 1000 crores has been set up in my home district. But employment opportunities have been generated for barely 1000 people. The Government should consider this aspect if the country's problems are to be solved.

So far as education is concerned the present education system in the country is

[Sh. Santosh Kumar Gangwar]

such that at every level there are 4-5 varieties of syllabi for the same course. Families in villages cannot afford to spend even one rupee on fees for the education of their children and there are parents spending as much as Rs. 1 lakh on the education of their children. I suggest that disparities in the syllabi be removed by making a common syllabus that would be applicable all over the country. There is an old proverb which says that true socialism is one in which "the children of the queen and the children of the sweepers sit together and study in the same classroom." So we must take steps in this direction.

So far as health is concerned, it is our misfortune that even 40 years after Independence, we have to indirectly depend on foreign countries for the supply of drinking water in our country. Only when we get Financial aid from foreign countries are we able to install taps in rural areas for the supply of drinking water. So, our efforts have been concentrating all these years on drinking water alone, leave apart facilities like roads, schools and hospitals etc. I would also like to draw your attention towards India's pitiable position in the field of sports and games. Today India has 1/6 th of the world's population, but barring a few exceptions our performance in this field has been rather shameful. It seems that budget provisions in this field have been made keeping in mind the needs of cities like Delhi, Calcutta and Bombay only. It should be seen that budget provisions are made keeping in view the needs of rural areas in the matter of sports so that rural youth could be encouraged to participate in sports and games.

I want to raise a point about Harijans. The previous Government may have done something tangible for Harijans like constructing dwelling units for them but these houses were located very far away from villages. I suggest that the Government should take steps to bring Harijans closer to the people of other castes. A lot has been said about the Mandal Commission Report.

I want that a decision should be taken in this session itself as to when the recommendations of the Mandal Commission are going to be implemented.

For the development of villages it is necessary that rural banks be set up in rural areas. As time is short I shall briefly touch upon 2-3 points related to my constituency. I want the Government to solve the problems being faced by the side industry in Uttar Pradesh.

MR. DEPUTY SPEAKER: This matter is related to the State Government.

SHRI SANTOSH KUMAR GANGWAR: The problems of the rice industry are related to the Central Government since it is a question of disparity in the matter of levy on rice. Besides, priority should be given for the Completion of the Tehri and Unpradhi Projects. Bareilly is the centre of the catchu industry. The Government should safeguard the interests of this industry by stopping the import of 'gambier' which is an item used by the industry for the the past 10 years, my constituency was represented by the former first lady of India who tried to pay attention to these problems but no solution could be found. Therefore I want that the Government should pay attention to these problems.

Since Bareilly has been declared a counter-magnet city, a provision of at least one thousand crores should be made for this city Bareilly should be linked by Vayudoot service. In view of the demand Sugar mills should be set up in Mirganj and Nawabganj in Bareilly. The Central Government should announced 25% concession to industries in Bareilly

There should be more facilities for tourists who visit the fort of Pandavas in Bareilly and the famous Jain temple at Ramnagar. There is a Zari industry in Bareilly collegium produced here is exported to foreign countries. Kite-flying material is also exported in large quantities to foreign countries. In the matter of export these industries should be accorded priority.

Sir, in the end I want to give an important suggestion. Currency notes of the denomination of Re.1 Rs 2/-, Rs. 5/- and Rs10/- are not accepted even by bankers if they happen to get mutilated. This causes a lot of inconvenience to the public. The Government should do some thing in this direction like introducing coins of these denominations, Now I shall list give things which should be the objectives of this Government

MR. DEPUTY SPEAKER: Not now please. I have allowed you to continue as you are speaking for the first time.

SHRI SANTOSH KUMAR GANGWAR: Upliftment of Harijans, respect for women, debt-free farmers check on price use employment opportunities for the unemployed and Lord Rama's temple in Ayodhya. These should be our objectives.

[*English*]

DR. DEBIPROSAD PAL (Calcutta North West): Mr. Deputy Speaker, Sir, we were expecting that the present hon. Finance Minister, who is a confirmed socialist, would present a new direction and a new thrust to the present budget. A budget is not merely an income and expenditure account but it represents the economic programme and policy of the Government in power. From that angle, this budget has disappointed all classes of people. It has no direction. It has no thrust for the people although lofty phrases and tall expressions appeared in the budget speech. There has been a total increase of revenue by more than Rs. 19,000/- crores. A sum of Rs. 800 crores is sought to be realised from the Corporate Sector. Rs. 839 crores are sought to be realised from Customs, of which the increase in the duty on petroleum products accounts for Rs. 400 crores. We have got the Excise duty of more than Rs. 390 crores. Out of the total revenue, Rs. 250 crores have been given by way of relief to the Commonman by way of income-tax reduction. But out of Rs. 250 crores, the States will lose a share of Rs. 170 crores. Out of the total revenue of Rs. 19000 crores, the States will get only Rs. 3 crores because

the increase in the revenue has been made from the Corporate sector, from the excise and customs duties where the States are not to share the fiscal realisations. In the earlier budget, Rs. 287 crores were the total revenue and the States were given Rs. 390 crores. In spite of that, there was a big tumult, there was uproar saying that the States were being deprived of their share of the Central revenue. What is the position today? Today, out of the revenue of Rs. 19000 and odd crores, the States are to get only Rs. 3 crores, thus the States have been deprived of Rs. 170 crores by way of giving income-tax reduction to the common man. The taxes which have been realised are not to be by the States. The present Government is very kind and generous towards the States. In particular, the Left Front Government in West Bengal is clamouring that their aim is to get increased revenue from this sector. But now there is no feeble voice of protest even in spite of the fact that out of the Rs. 19000 crores only Rs. 3 crores are to be distributed among the States. The hon. Finance Minister has raised revenue from Corporate Sector to the extent of Rs. 800 crores. There is no impetus to the capital development, to the industrial growth of this country. They have emphasised very much that the rural sector of the population is to be given better attention. I will immediately show to this House that neither the rural sector nor the industrial sector has been benefited. We were told that Section 115 (J) of the Income-Tax Act, which in the earlier years imposed rate of tax on 30 per cent of the book profits has been abolished. But that does not give any relief at all because the major relief which is provided to the corporate sector is the investment allowance. Big industries which are capital-based are given 20 per cent or 25 per cent of the relief by the investment allowance on the programme of capital development and that will be carried forward for several years. Now this has been totally abolished. Relief of 20 per cent on capital investment account has been totally abolished. Once this relief has been abolished, Section 115(J) necessarily has to be abolished because the difference between the book profit and the taxable profit arises

[Dr. Debi Prasad Pal]

because of the relief which was allowed to capital-based industry and that relief has been taken away. Therefore, no benefit is sought to be given to the corporate sector. Otherwise, how could the Finance Minister expect to raise Rs. 800 crores from the corporate sector? The investment allowance has been granted for several years for capital expansion, for modernisation of plant and machinery. As a result of withdrawal of this investment allowance, the big industries which are capital based, will be sharply affected: Take for example the Haldia Petrochemicals, the industry which will be investing Rs. 1500 crores for the expansion of capital growth, they would have got near-about Rs. 500 crores by way of investment allowance. If that has been taken away, the internal generation of capital will be seriously affected. There will be a total disincentive to the growth of capital formation, modernisation of plant and machinery in this country.

Come to the rural sector. The rural sector has been given an allotment of Rs. 2.100 crores. That is exactly the same regarding the rural development in the earlier years budget. So, how has the rural sector been more benefited by the present Budget? This has been on the same footing as was allowed in the earlier year. The common man has been given, we are told, some doles of relief from Rs. 18,000 to Rs. 22,000 at their marginal rate of exemption limit. But compared to the inflation rate at seven to eight per cent, the common man cannot get any relief excepting a satisfaction that the exemption limit has been raised from Rs. 18,000 to Rs. 22,000. Compared to this high price, which will definitely to be further increased as a result of increase in the prices of petrol, as a result of increase in the price of aluminium, because aluminium is the major raw material on the basis of which all the capital-based industries have to grow. Compared to this, the railway freights and also the railway fares which have increased the prices, are bound to have a cumulative effect upon the rise in prices. Even now when the Budget is

being debated before the House, you will find in Delhi, how much taxi fares and the scooter fares have been increased. It has been increased from Rs. 17 to Rs. 30. So, it will have a cumulative effect upon the total rise in prices and the little dose of relief which has been provided to the common man will be completely eaten away, obliterated by the increase in the rise in prices. Compared to this, the Finance Minister has observed in his preparatory speech in paragraph 13 that the fiscal imbalance are the major causes of inflation and the balance of payment. Little attempt has been made for curbing this inflation. We were told that as a result of this write off of loans to the farmers up to Rs. 10,000, he has made a provision for only Rs. 1,000 crores. But even from the modest estimate, it will appear that if the debt relief is to be allowed to the extent of Rs. 10,000 for each farmer, they will require at least Rs. 2,842 crores. If only Rs. 1000 crores have been provided for in the budget, the deficit of Rs. 7000 crores and odd which has been shown will be an illusory one. It does not disclose the real picture of deficit. Therefore we are apprehending that in the course of the year, in the supplementary budget more doses of deficit expenditure will have to be introduced if the scheme in which farmers are to be given debt relief, irrespective of their financial capacity, irrespective of the fact whether the farmers are big *Jotdars* or not, is to be implemented. Because if you give relief to the extent of Rs. 10000 to all the farmers whether they are in a position to pay off the loan or not, that will also lead to evasion and complacency among the farmers. Which will breed inefficiency.

The Finance Minister has made a provision of Rs. 100 crores for additional DA to the Central Government employees. The Additional DA undoubtedly will be for further increase in the cost of living. Even on a modest estimate for such additional DA the provision has to be not less than Rs. 400 crores. Therefore this budget does not represent the real deficit which will have to be ultimately shown for the current year. We were told that in the earlier year the budget deficit for the entire year was Rs. 13000

crores. But here the beginning is only about Rs.7000 crores. In the earlier budget also the beginning was not more than that. Now if the real expenditures which will lead to further deficit have not been disclosed the picture of deficit will not be a real one.

The Finance Minister has said that the subsidies in this year are to be narrowed down and curtailed. But if you look at the figure of subsidies for this year compared to the earlier year, they are almost the same. If you look at the Plan expenditure and the Non-Plan expenditure, the Plan expenditure has been reduced to a size of 18.5%; whereas the Non-Plan expenditure has been increased much more than what it was in the earlier year. The increase in the Non-Plan expenditure will lead to further inflation and the curtailment of Plan expenditure will result in economic stagnation. There will be no growth in the capital formation and also for the modernisation of the industry.

You cannot give employment by giving only a tall expression that right to work will be enshrined in the chapter on fundamental rights. Right to work, even if it is to be incorporated in the chapter on fundamental rights, against whom it has to be enforced? Either the State Government or the Central Government or the Public undertakings which are sometimes treated as States will have to bear it. Unless you increase the growth potential, unless you increase the development of industries it will not lead to increase in employment in this country. For the rural employment scheme which has been referred to in the budget, there is no provision. If real implementation of the rural employment scheme is to be made, there has to be a further expenditure to the extent of several thousand crores of rupees. The budget does not disclose as to what will be the estimated expenditure on the rural development schemes. On the other hand Rs. 2100 crores have been provided—exactly the same figure which has been provided in the earlier year—for the rural employment schemes.

The Finance Minister has trodden the beaten track, that is by increasing the deficit

he wants to meet the expenditure. But by raising the revenue he has completely ignored the industrial growth and the expansion of the country. The common man cannot profit unless the country is on the path of industrialisation. In this respect the budgetary estimate for power and for telecommunication is really disappointing. The quantum of expenditure which is provided for in the earlier year is the same that has been provided for in the earlier year also for power and tele-communication.

In the rate of inflation is taken at 7 to 8 per cent, in that event, the allotment of expenditure for power and telecommunication will be much less than the earlier year. In a country which has to make strides upon industrial expansion, the power problem has become an acute one. We had expected that larger amount of money would be provided for power and tele-communication. The budgetary deficit, we are told, has been because of the balance of payments. I would invite the attention of the hon. Finance Minister to the fact that the external payments have no relation to the excess of import over the export. If you look at the figures—although imports have exceeded the exports—the external payment is much more than the excess of the imports over the exports. In that event, it clearly shows that the external payments have not been meant simply for the use of meeting the import deficits. It has been mis-utilised. Therefore one has got to take a serious view of how the balance of payments have to be met. In this regard, I would like to give one suggestion to the hon. Finance Minister.

MR. DEPUTY SPEAKER: You are making very good points. But, please wind up soon.

DR. DEBIPROSAD PAL: When there is dearth of finances, when the country is passing through the economic and financial paucity, why should we not take a bold decision, not merely following the beaten track? There are public sector undertakings; there are at least 30 companies which are showing huge profits. The Government, by

[Dr. Debi Prosad Pal]

retaining 51% control over them, can invite the contribution from the public at large and thereby fleet the shares in the public and in this way if the shares are floated on subscription from the public, it will raise, at least, an amount of more than Rs. 10 thousand crores. We shall be happy if we meet the financial problems by raising shares in this way, although the Government will be retaining the full control. In England, that has been done.

MR. DEPUTY SPEAKER: You shall have to wind up now.

DR. DEBI PROSAD PAL: Yes. I am winding up. I am giving a suggestion to the hon. Minister. I will try to be brief.

In England also, there has been an increase of revenue by floating the shares of the public sector undertaking in this fashion—the Government retaining the control over the companies.

Lastly, I would like to point out to the hon. Finance Minister that when we are making this sort of a Budget, we have to see whether we are really thinking of the commonman or not. The commonman will be completely eclipsed by the rocket high inflation which is bound to rise because of the increase in the prices. It is here that we expected the Finance Minister to give a new direction and a new thrust. But, unfortunately we have been sadly disappointed.

SHRI INDER JIT (Darjeeling): Mr. Deputy Speaker, Sir, I have great pleasure in complimenting Prof. Madhu Dandavate for having come forward with a Budget in which he has taken some bold realistic steps. Nevertheless, I must also confess my great disappointment. Much of what was needed to be done has not been done. Prof. Madhu Dandavate gave us a very interesting picture of the economic health of our country. Yet, for someone like me, who is non-aligned between the Government and the Opposition benches, I find myself in a rather difficult situation. The picture given by Prof. Madhu

Dandavate has been strongly repudiated by Shri Poojary, a former Minister of state in this House.

PROF. MADHU DANDAVATE: There is also a third category. There are non-aligned, aligned and maligned.

SHRI INDER JIT: Well, I shall not malign you.

We also face a situation in which the former Finance Minister, Mr. S.B. Chavan, has accused Prof. Madhu Dandavate of juggling with figures and has in fact, almost suggested as though a fraud has been perpetrated on the people of this country by the kind of picture which Prof. Dandavate has put forward. In my opinion, this raises a basic question — the basic issue of the right of our people to get reliable, credible information. However this problem has not arisen today. We had this problem in 1977 too when the Janata Government first came to power. They then accused the previous Government of having brought the country's economy to sack and ruin. When Mrs. Gandhi returned to power in 1980, she used exactly and precisely the same language. The Janata Government, she said had reduced the country's economy to sack and ruin. We have now an identical situation. The previous Government is stated to have played havoc with the economy with all huge deficit financing and so on. So, my basic appeal, at the moment, to the Finance Minister is that he should give this country an institution which can inform the people honestly, credibly and reliably. We should be able to know what is the truth and what is not, rather than leave it to successive Governments to put across claims, which may or may not be relied upon. This is my first point. In fact, I recall that one or two years ago, I found in one meeting three Ministers of the previous Government giving us different figures in regard to the number of people below the poverty line. Within one hour—I shall not mention the names—one Minister gave us the figure of 30 per cent, another 40 per cent and a third 55 per cent. When I remonstrated with all the three, they separately turned

around and said: " Well, these are my figures. Take them or leave them."

I think the time has come, Mr. Finance Minister, when there is a need to set up an institution which could be relied upon to give us facts and information which we all deserve. At one stage, the Reserve Bank was rendering this service. But unfortunately, I am sorry to say its credibility has come to suffer somewhat over the years. Therefore, I would like the Finance Minister and other Members of the Government to devote time and attention to this basic issue the right to reliable public opinion which we face in our country.

As I said earlier, there was need for much to be done and this has not been done. My greatest disappointment on this score is the absence of any specific measure to fight corruption and the malady of black money. Nothing has been said about how we are going to tackle the scourge of black money and corruption which continues to play havoc with our country and its economy and morality.

I regret to say that the Government of the day has not even carried out some of the solemn undertakings and commitments that it made prior to the election and on assuming office. Specifically, it had been announced that all Ministers would, on assumption of office, make a declaration of their assets and that these declarations would be made available to Parliament. To this day, there has not been a single such declaration.

Likewise it was stated by the Government leaders that they come forward with legislation requiring all Members of Parliament to make declarations of their assets. The basic philosophy behind this was, what our first President Dr. Rajendra Prasad advocated repeatedly. *Yatha raja, tatha praja*. I made both these points in the course of the debate on the President's Address. I was glad to see the Prime Minister, in his reply, accept my suggestion that there was need for legislation regarding MPs and said, something would be done. But he was totally

silent on the question of declaration of assets by Ministers. I think we have to set the pace and do what needs to be done. We really have to go by what Rajen Babu emphasised repeatedly.

The third thing I would like to draw the attention of the Finance Minister to the wholly inadequate reference in his budget to some aspects of resource mobilisation. I am glad that the Finance Minister has talked in terms of mobilising Rs. 21,000 crore from the public sector. Mr. Chavan, in the other House, doubted whether it is possible. Well, I earnestly hope that the Finance Minister will be able to mobilise the resources from the public sector. The truth is that we have not done enough and we have not acted strongly enough to ensure that the public sector gives us the kind of return which it ought to give. In this context, I would like to draw the attention of this House to how some of the socialist countries like Yugoslavia and Tunisia have tackled the matter.

It was my privilege in 1968, I had accompanied Dr. Zakir Hussain to Yugoslavia. I was present during one conversation between our President and President Tito. Dr. Zakir Hussain then asked President Tito about the secret of the success of their public sector. President Tito replied that they regarded their investment in the public sector as a trust on behalf of the people. They therefore insisted on a minimum return. If that return did not come, heads rolled. He also told us that on one occasion, in a particular undertaking, the trade union had created a major problem. It insisted on the employment of a certain number of people in not withstanding the resultant losses. President Tito went on record to say that he then sent for the people in-charge and told them. "If the undertaking does not yield the minimum return, we shall be forced to close it." The same Trade union President Tito said soon proposed that they shed the surplus labour. For desired results. The surplus labour was shed and the undertakings became profitable.

In other words, Mr. Deputy Speaker Sir,

[Sh. Inderjit]

what is needed is a demand from every public sector undertaking for a minimum return on investment, which has to be treated as a trust on behalf of the people. This money does not belong to the Government. It belongs to the people. When the Government invests it on their behalf, the people have a right to demand a minimum return. Let heads roll. In this computer age, it should not be difficult for various undertakings to tell us what exactly they need to make the undertakings profitable.

I have much else to say but will try to make a few points quickly. I do not think that enough attention has been given to another area of resource mobilisation, namely, tourism. This country, our great country, has almost everything to offer to the world at large. But it merely earns Rs. 2000 crores annually from tourism. Even small countries like Singapore and Thailand earn infinitely more. We can surely earn not merely double the present amount but many times more than those countries if we are prepared to make the kind of investment which is necessary, in terms of the infrastructure. Not long ago, the Government set up a National Tourism Committee. This Committee made several good suggestions. The Committee's Report was accepted. But it has not been implemented. Therefore, without going into the details, I would say that there is a need for much greater attention to tourism. As the representative of Darjeeling, I am tempted to say much that can be done in my constituency. But I do not want to take the time of the House now in that regard.

I would like to make two or three more points. The First is in regard to the tax on petrol and diesel. I think the proposed tax is very unfair. I would therefore like to make a specific suggestion in this regard. My suggestion is beyond what was as hinted by the Prime Minister. There is need to take a good look at the possibility of introducing rationing in fact I say we should go in for a twin system, i.e. both rationing and free sale namely a twin pricing system in which a certain amount

of petrol and diesel should be available on ration cards at a given price and we can also have free sale of petrol at a much higher price. This morning, before coming to Parliament, I talked to the man from where I take my petrol. I was told that the hike in price of ordinary petrol had not made any difference in the last week. But it had made a difference in regard to the uptake of octane. In the case of octane, the white petrol, the price had been pushed up from Rs. 8.56 to Rs. 11.98 and the fall in consumption is almost 40 per cent. In this context, I would like to suggest to the Finance Minister that we should also go in for a twin pricing policy in regard to the sale of ordinary petrol. Rationed petrol could be sold at Rs. 8 per litre, a lesser price than that prevalent before the Budget. The free sale of petrol could be at the rate of Rs. 12 per litre. But this by itself will not be enough. Much of the consumption is by the Government. I think it is time that the Government really moves towards some austerity measures. Having lived in Delhi all along, I remember the time when the Home Secretary of the Government of India would drive to his office in his own car and use the office car only for official purposes. Now, Ministers and each Ministry have fleets of Government cars. These are being used by Ministers and senior Government officers and are kept running virtually for twenty-four hours. There is no limit on consumption of petrol. Something has to be done.

Much has been proposed in regard to the field of agriculture. I am happy that the Government is going to come forward with a resolution on agriculture policy. I am also glad that much greater attention is to be paid to the agricultural sector, but the decision taken by the Finance Minister to raise about Rs. 4 crores from the food processing industry is likely to prove counter-productive. Some time ago there was a report—Swaminathan Committee Report—which said that the post harvest losses of vegetables and fruits so far as the farmers were concerned added up to something like Rs. 3000 crores. What are we trying to do about that? We are now taxing the food processing industry at every stage. The industry has a total invest-

ment of Rs. 250 crores. We are going to earn only Rs. 4 crores from the taxes proposed. The net result would be that while, you would be helping the agriculturists in one sphere, in this particular sphere you would add to their woes and the tyranny from which the farmers are suffering.

Just one more concluding remark about the exemption limit on income. You are perpetrating a hoax on the people by merely raising the exemption unit for income tax from Rs. 18,000 to Rs. 22,000. I do think that in real terms, it means nothing if you really go by the fact that, the value of one rupee today is not even ten paise by old standards. Therefore, I think the least the Finance Minister must do is to raise the exemption limit to Rs. 30,000, otherwise it would be a fraud and a hoax on the people.

I have much else to say. But because of the paucity of time, I now conclude. I am grateful to you Mr. Deputy Speaker for giving me, even this brief opportunity to participate in the discussion.

SHRI RAM DHAN (Lalganj): Hon. Mr. Deputy-Speaker Sir, I am on a point of order. This House has had a tradition of calling independent Members and Members of small parties in the end. I am an old Member of this House. Today I see that independent Members and Members of smaller parties are being called first and being given more time to speak whereas this should have been the privilege of Members belonging to larger parties.

SHRI G. M. BANATWALLA: According to what he says, my name should have been first on the list.

AN HON. MEMBER: Are we untouchables?

MR. DEPUTY SPEAKER: Please sit down. In this House every Party is allotted some time. Within that stipulated time limit, hon. Members of every party have been given an opportunity to speak. But independent Members should also get an oppor-

tunity to speak. Who should be given and who should not be given this opportunity is something that the Presiding Officer of this House has to decide. Every effort will be made to let as many hon. Members as possible express their views. The same thing will apply to independent Members also.

15.00 hrs.

SHRI CHHAVIRAM ARGAL (Morena): Mr Deputy-Speaker, Sir several hon. Members would like to express their views on this matter (*Interruptions*)

MR. DEPUTY SPEAKER: So far as time limit is concerned, yesterday also we sat upto 9.00 p.m. We could have done the same to day also. Time is posing a problem for us because the Appropriation Bill after being passed by this House has to go to the upper House. This is the reason why we want to give limited time to each Member. Otherwise we could have sat upto 10.00 p.m. or even beyond that.

[*English*]

SHRI G. M. BANATWALLA (Ponnani): Mr. Deputy Speaker, Sir, the Budget for 1990-91 is indeed a harsh Budget. The Budget may not be as harsh as it was generally feared because of all the talk about empty coffers and so on and so forth. Nevertheless, that does not detract from the harshness and that too avoidable harshness of the Budget that we are discussing.

Sir, I need not reiterate and emphasise that this increase in the prices of petroleum products, rise in the railway freight and fares, rise in charges of postal articles and so on and so forth will have a chain effect and a devastating effect upon our economy. The common man will have to bear the brunt of all these increases.

Sir, I must say that the Budget represents a missed opportunity-an opportunity missed-for the purposes of restructuring of our finances. We find the same old tradition continuing which we have been objecting to-

[Sh. G.M. Banatwalla]

both he, the Finance Minister and ourselves in the earlier Lok Sabha. Sir, we find that the non-plan expenditure continues to rise. The non-plan expenditure as a percentage of total expenditure has been steadily rising every year. It was around 65 per cent 2 years ago. It is now nearly 68% to 70% per cent. The Centre's revenue expenditure was also 72 per cent a few years back, just 2 years back, which has now been hiked to 75 per cent.

Sir, the same unhappy features continue. The net increase in capital expenditure is merely Rs. 560 crores, i.e. from Rs. 23006 crores to only Rs. 23565 crores. I must say that the Budget is an unimaginative Budget. For example much is being made about the Gift Tax. Now, it is the donee who comes into the picture. But, Sir, this innovation also does not lead us anywhere because while going through various figures I found that the receipts from the gift tax would remain almost the same instead of this innovation. On the contrary there would be several lacunae and opportunities for evasion. Now, a person instead of giving a gift to one person may give gifts to more than one person and has only to take care that this gift is restricted to Rs. 20,000 each in order that the gift tax does not come into play.

PROF. MADHU DANDAVATE: Only once a girl gets married.

SHRI G.M. BANATWALLA: It is not a question of mere marriage; I am talking of a Gift Tax, Sir.

The Budget has been launched with a great fanfare about the rural orientation. I submit that this rural orientation is not to the extent to which it is being made out in the Budget. Things are not what they seem and the rural orientation is more apparent than real. It is more illusory than being concrete in terms. In the limited time that I have I may only illustrate this particular point with just a few examples.

Take for example the allocation for rural development. The allocation for rural development is increased from Rs. 3083 crores to only Rs. 3115 crores. In other words, though much is being said about the pro-rural bias of our Budget, the allocation for rural development increased by only one per cent. That is the situation. Take for example the question of rural employment. I must point out that for rural employment, the Budget provides for the next year, exactly the same amount as was the revised estimates of the current year, namely, Rs. 2100 crores. The revised Budget estimate for the current year for rural employment is Rs. 2100 crores. In the next Budget also the thing remains the same. Not only that. But with the inflation rate of 7 per cent to 8 per cent in real terms, the allocations for rural employment is much less than what it was in the revised Budget estimates of the current year.

We talk about debt relief. But then the debt relief is hedged with several conditionalities which will make its management extremely delicate, extremely difficult. Moreover the amount is hardly Rs. 1000 crores and that too is brought about by the reduction in food and fertilizer subsidies. So, I must say it is a jugglery.

The co-operative societies are also to be left to the various streets.

I must emphasise that in order to be pro-rural, you need not necessarily be anti-industry. If industries suffer, where will our rural youth go for the purposes of employment? The Budget has several anti-industry features which are regrettable. We are being told about the reduction in the Corporate Taxes. But despite the reduction in the Corporate Taxes, the revenue from Corporation Taxes will be increased by 28 per cent in a year, because of abolition of investment allowances and investment deposit accounts. This will adversely affect new industries as also the modernisation of the existing industries. Not only that. This reduction in the Corporation Tax will benefit the multi-nationals more than our own domestic industries. The hon. Member Shri Indrajit Gupta had

dealt with only one aspect of it. In view of the constraint of time, I will not repeat that aspect, but please remember that when the Corporation Tax is reduced, then our multi-nationals, the foreign firms, have a new opportunity for repatriation of dividends. And there will be a greater outflow of foreign exchange; and the balance of payments position is difficult. With this reduction, those multi-nationals will be declaring more and more dividends, and repatriating that dividend, as a result of which there will be a greater outflow of foreign exchange.

Yes; there is one more point, viz. that this reduction in the corporation tax may lead to promotion of labour-intensive industries, as against capital-intensive industries. That may be a good orientation to the Budget. But, at the same time, one must remember the harsh realities of the situation, viz. That there are certain industries which, by their very nature, are capital-intensive industries; and we cannot totally ignore that particular fact in our economy.

Look at the allocations; and we find that the allocation for Power and Telecommunications which are a crucial infrastructure for our industries, have really been reduced. In the last five years, the allocation for Central Power sector had increased by 120%. The Budget cuts this allocation for Power by 2.4%. The crucial infra-structure for our industries will, therefore, suffer. The allocations for Telecommunications in the last five years had increased by 23%; but in this Budget, the increase is nominal, viz. 4.3%.

To sum up, I must say that given the inflation rate of 7% to 8%, the outlay in real terms is reduced in the case of the Power sector by about 10% and in the case of Telecommunications sector, by about 5%. This, as I was submitting, is a particular problem and will hit our industrial growth further.

Our Finance Minister has been very unkind to the States. When he was here with us in the Opposition benches, he was always forward; and several others who are today

sitting on the Treasury benches were very vocal to protect the interests of the States. But here, we find that in the mobilization of additional revenues, such sources have been tackled where the share of the States does not come into the picture, or the States do not get much. The nature of taxation proposals is such that the States' share suffers very much. For example, there is this increase in the prices of petroleum products. We have an increase in the prices of petroleum products, and not an increase in the Excise duty on petroleum products. Had there been an increase in the Excise duty on petroleum products, -I do not advocate that—had you taken that particular method instead of the increase in prices, then at least the States would have come to share in the additional mobilization of revenues.

The Centre is expected to mobilize an additional Rs. 1400 crores through increase in administered prices. If the same amount had been mobilized through increase in Excise duties, the States would have got a 45% share, amounting to Rs. 630 crores.

Therefore, I am taking a serious objection also to the method, to the various instruments for the mobilization of additional resources. The total additional tax revenue mobilised in 1990-91 would be Rs. 1790 crore, but the States would receive only Rs. 3 crore. Though the additional mobilisation will bring revenue to the extent of Rs. 1790 crore, our States could get a share of only Rs. 3 crore. Compared this with the earlier Budget, in 1989-90 Budget, the States received 30 per cent receipts of new tax. At the same proportion today, from Rs. 1790 crore of additional mobilisation, the States ought to have received Rs. 540 crore but the States are being robbed; they are being deprived; and instead, we find that such nature of taxes have been used which would give to the States hardly Rs. 3 crore.

Now I will refer to the problem in Kerala. The central investment in Kerala is continuously failing. In 1974, it was 3.27 per cent of the total central investment in the country; now it is even less than 1.58 per cent while

[Sh. G.M. Banatwalla]

the population there is 4 per cent; at least looking to all India population level, more justice is wanted for Kerala. Therefore, I must emphasise upon the Government that greater Central investment he made in Kerala.

Take the question of foreign exchange tax. People going for *haj* have been exempted from the foreign exchange tax. Very good, but not thank you. I thank the earlier Government, but then an anomaly remains.

PROF. MADHU DANDAVATE: You thank for not having removed it.

SHRIG. M. BANATWALLA: The anomaly remains in that particular tax structure; and that is that only those who go on the *Haj* permit, their foreign exchange tax is exempted. But there are others who go for the same *haj* and *ziarah* on the international passport, same purpose, same objective even if you look at the passport you will find that it is stamped only for *haj* and *ziarah* - but then they do not get that particular exemption from foreign exchange. That lacuna should be removed. Similarly, in the case of *Umrao*, those going for *umrao*, on the same lines, there also foreign exchange tax was not applied.

With these words, I conclude by emphasising upon the Government to raise exemption limit for income tax to at least Rs. 30,000 to withdraw postal hike and hike in the petroleum products. Some attention is needed for the common man and the common man is looking upto Madhuji. His aspect of Dandavate is over. But let that aspect of Madhu at least now flow. The greatest achievement of the Finance Minister is that a Budget of a confirmed socialist has received an applause even from Mr. Palkhivala which even the earlier Government could not get. Thank you.

SHRI MAHENDRA SINGH MEWAR (Chittorgarh): Hon. Deputy-Speaker, Sir, I thank you forgiving me this first opportunity

to make my first speech in my first term as a member of this august House.

First of all, we have to examine the influences that have gone into the formulation of the financial exercise. The efforts towards those below or close to the poverty line is the barometer. I am very happy that the hon'ble Prime Minister has made it clear that the social rights of the people are a matter of their right and not a question of charity. While this sets the goal for our financial exercise, we are certain that we will achieve a growth that we have not seen so far despite the problems that might have been inherited by the present Finance Minister. There are many theories and theorists, Trickle-down Benefits, New Classical Economics, Supply Side Economics, Keynesian Multiplier and many others. But ultimately each exercise has brought in a small section of privileged people, leaving the vast majority of people helpless in the face of Government and its laws. I would perhaps describe it as a variation on the balloon scene. We can imagine the shape of a balloon. If we push one part of it, the entire shape changes. If we pull another part, the entire shape changes. The exercise here does not depend on one theory, but it will be a cumulative effect of every single item that we have under consideration. The past result show that the deficits have been higher than budgeted. the deficit in 1985-86 was Rs. 5315 crores and it rose upto Rs. 8,240 crores in 1989-90. the estimated deficit in 1990-91 is Rs. 7,206 crores.

15.21 hrs.

[SHRI VAKKOM PURUSHOTHAMAN *in
the Chair*]

I think we have all noted that there has been a transfer of Rs. 5,826 crores from the capital account. The Seventh Plan period is virtually over and the Eight Plan period is also in the stage of finalisation. We are all aware that printing more notes or raising taxes has not been the answer and deficit financing can only be just so as long as inflation is not aggravated.

The Budget that has been presented, to me, reflects a confidence of the National Front Ministry after the Vidhan Sabha results in various States because of the fact that right policies and not populist policies have been followed, even to the extent that I have on my hand a postcard received from my constituency, which objects to the fact of raising of postal rates.

The major problems facing our nation might appear as a hydra headed monster, but they can be broken down into four important aspects.

The first aspect is this; are we a solvent nation? The revenue account deficit and the balance of payment position are rather acute. The NRI repatriable amount is a multiple of our foreign exchange reserve and one fifths of our national expenditure is for interest payments. Are we going to curb our non production expenditure?

The second aspect reflected in our Budget is our relations with our neighbouring countries and the possibility of a nuclear bomb, its delivery system, and insurgent activities have found its place in the Budget Defence Expenditure.

The third is our ability to cope with our internal problems at the earliest.

We are aware that the public confidence is in inverse ratio to the time taken to contain this. Along with this is the fact of our electorate's confidence. The hon'ble Prime Minister deserves full compliments on the statement he had made that he shall consider the poll situation whether it is in Meham, Amethi or any where else in the same light.

Sir, the hon'ble Finance Minister deserves congratulations for having shifted the emphasis to the rural sector. We presume that the effectivity in stopping leakages will become an actuality.

Just as it was categorically admitted that the Gold Control Order was not successful and therefore it is being put an end to,

there might be other similar steps that need to be taken. We look forward to them. The corner stone of our exercise here is the self-employed sector. The self-employment opportunities are in urban, rural, industrial and agricultural sectors. I have the comments from the apex body of the Government of India, Indian Council of Small Industries, which feels that the Finance Ministry has been hypnotised by the large scale sector and has ignored small scale industrial production which is one-fourth of the total production. The jobs in that sector are far more numerous and the export potential is enormous. But the fact is that it is keeping the small sector back is the non-availability of finance and it must be rectified in order to increase its capacity utilisation.

In the present situation I draw your attention to some specific points in the Budget. For example, in para 83 of the hon. Finance Minister's speech it has been pointed out that a person with a salary income of Rs. 42,000 per year who saves Rs. 8000 per year in provident fund, etc. Will not have to pay any tax at all. As opposed to that, let us consider the case of a self-employed person who has the same income and puts the same amount into savings, he will have to pay a tax of Rs. 3600. If he wants to reach the no-tax position, he shall have to invest Rs. 18,000 plus Rs. 8000. He will have a sum of Rs. 16,000 left to look after himself and his family. This would certainly put him to a great disadvantage. This needs rectification.

There are a few more examples. Status quo has been maintained in the matter of inclusion of agricultural income for rate purposes only under the Income Tax Act. Similarly, in the wealth tax, in case the wealth has gone beyond a level, a similar has not been considered.

There are more points to be raised. But since you have rung the bell, I shall raise them as and when opportunity comes.

I would request that all the matters be thought of collectively on a national basis for we have the blessings of nature's bounty by

[Sh. Mahendra Singh Mewar]

way of natural resources, our man power and we have the collective brain power. I hope, that the Budget is going to give us an accelerated growth for the economy.

[*Translation*]

SHRI SARJU PRASAD SAROJ (Mohanlalganj): Mr. Chairman, Sir, first of all I would like to thank you for giving me an opportunity to speak. I would like to congratulate hon. Minister of Finance on presenting a balanced budget. He deserves felicitations for this.

Mr. Chairman, Sir, in a democratic system Government should be changed in a democratic manner. This is very important. It is very significant to bring about a change in the entire system after the Government has changed. And the most important thing is to make the policies reach the common man once the system has changed. The budget for 1990-91 has a proposal to waive the loans upto Rs. 10,000/- and hon. Minister of Finance has made a provision of rupees ten thousand crores for this purpose, and has directed the State Government to waive such loans and relieve the farmers from their burden and the State Governments have to arrange for a sum of rupees one thousand eight hundred crores. Nearly 70% of poor farmers, artisans and weavers who had taken loans upto rupees ten thousand will be benefited from this scheme. I would like to request hon. Minister that our election manifesto has raised high hopes among the people. We had promised to change the entire system as soon as the Government is changed. There has, of course, been certain anomalies in the schemes of the previous Government. The previous Government had formulated some policies and also arranged funds for the weaker sections. We have some knowledge about the economic, social and geographical conditions of rural areas since we belong to villages only. Previous Government did provide some funds to villages but did not pay proper attention to it. They drew up some policies also but their

intentions were not good. The administrative system of previous Government was not oriented towards development of the exploited class. I remember two lines "Moojhko Kya Dariya, Agar Labraij Maikhane mai hai, Mai to itna janata hoon jitana paimana Mai hai, Gar Koi poochhega jannat ka rasta humse to raheghar harijan bataige hame ahle-vatan, ahle-vatan, ahle-vatan. The hon. Minister is a known socialist and has devoted whole life to the nation. As a common citizen, I would say that we are familiar with the problems prevalent in rural areas. When we listen to the members of ruling as well as Opposition parties here in this House we find that every Member speaks for the poor classes. But why is it that the poor people of villages do not get any benefit of our developmental schemes. Our Constitution is socialist, economic policies capitalist and social system feudalist. When such a system is prevailing, then no economic and social differences can ever be ironed out. And as a consequence, we are facing problems in Punjab and Kashmir. If the problem of inequality is not dealt with soon, then it can give rise to question of national identity in our nation. The draft of Eighth Five Year Plan is before you. I would like to state that water level is very low in our country. We are receiving complaints from various villages the wells are drying up. My constituency is Mohanlalganj which is in the country-side of Lucknow. We are receiving complaints from three legislative Assembly constituencies—Mohanlalganj, Sarojini Nagar and Malihabad in Lucknow and two legislative constituencies Hasanganj and Ppoorave in Unnao district that the level of water is going down in the wells very fast. I would like to suggest that a proposal of constructing tanks in the fallow land of villages should be included in the draft of eighth five year plan. In one acre of land, if we have pond in half acre and start pisciculture in the remaining half we can earn approximately rupees one and a half crore every year and the income will be as high as rupees seven and a half crore if we do it on five acres of land. It will provide employment to fifteen harijan families and improve their standard of living. In this way our promise of providing employment by

changing the system will be fulfilled. Lucknow district is an undeveloped area in terms of industries. Even today there are no industries or any other means of providing employment to its inhabitants. Therefore, a sugar mill should be established there. There are a large number of unskilled labour and retired defence personnel who flee to places such as Bombay and Calcutta to earn their bread due to scarcity of resources in the district. I wish that a sugar mill should be established there and tubewells should be set up. Weaker sections Housing scheme and Harijan Component Scheme were drawn up by the previous Government but it did not intend to implement them. The shops constructed by previous Government were not utilised. Poor people did not receive any benefits from various housing schemes. Therefore, a scheme that does not prove useful should not be formulated. Schemes should be drawn up with honest intentions. The grants provided by the Government should be utilised properly and a strict watch should be kept on its expenditure. Policies should be formulated to help the farmers and harijans of villages to rise above the poverty line and join the national mainstream. With these words, I support the budget.

[English]

DR. BIPLAB DASGUPTA (Calcutta South): Mr. Chairman, Sir, at the very outset, let me dissociate myself from those sitting on my right side, who have been criticism the budget from their own standpoint. I find their speeches confusing, self-contradictory and adopting 'holier than thou attitude' which is totally unwarranted by their own past records. I will give you a few examples. Shri Ajit Kumar Panja who spoke first on the Congress side, said that the debt relief scheme was meant for the 'kulaks'. But, then, he himself argued for more money to the 'kulaks' and was unhappy that only one thousand crore rupees have been allocated to them and no more. The rest of his speech was meant for the West Bengal State Assembly. Then, we heard the speech of Shri Eduardo Faleiro. He started by saying that if the Government fail to maintain the deficit at the

estimated level mentioned in the budget, that would amount to a breach of trust. Then he said in the same breath that all the former Finance Ministers, in the past, had done exactly the same thing, that is, committed the same breach of trust.

MR. CHAIRMAN: Mr. Dasgupta, I have no objection to your answering all those criticisms. But your time is restricted. Please make your points.

DR. BIPLAB DASGUPTA: Sir, when I speak on the budget, I would like to bring to the notice of the hon. Finance Minister a few points. While on the one hand I support the budget, on the other I have some serious reservations about some of the proposals made in the budget. I would like the Finance Minister to consider the budget once again in the light of these comments. Some hon. Members have mentioned in this House about the mobilisation of resources. I feel that not enough has been done, for example, in the case of Corporation Tax. It is true that Rs. 800 crores of additional Corporation tax have been proposed. But if you take its contribution as percentage of total tax revenue, there has been no increase. In fact, yield from Corporation tax as percentage of the total revenue, has remained the same. If you look at some of the other taxes which should have been imposed like wealth-tax on agriculture, I would like to ask the hon. Finance Minister why this wealth-tax has not been reimposed, although this tax was withdrawn in 1982 by the previous Government. Or, for example, the agricultural income -tax which has been discussed for such a long time, why this was not imposed? Or, for example, the Estate Duty which was abolished in 1985. The question is, why this Duty was not-re-introduced. Or, for example the point that has been mentioned about Expenditure Tax by our hon. Member from the other side, Mr. Sathe. The Expenditure Tax was introduced in the Fifties in response to the recommendations made by Nicholas Kaldor. Unfortunately that expenditure tax was withdrawn later on, the ground that it was not effective. I would like to know why more thought has not been given to the

[Sh. Biplab Dasgupta]

expenditure tax.

Taking all this into account we find that the direct taxes have been increased only by one per cent. That is not sufficient. On the other hand, even in the Western developed capitalist countries for instance in U K we find that the direct taxes, taxes on profit, taxes on income and assets, account for more than 40 per cent of the total tax revenue. In the United States even, these taxes account for more than 50 per cent of the revenue. I would like to know what stops this Government from imposing these taxes in order to increase the share of the direct taxes. I would very much like the Finance Minister to listen to me. Dandavateji, I would very much like you to listen to me, not to talk to him. You don't mind. I have some important things to say.

So, the direct taxes could have been increased and it was not done.

I have a feeling that no structural change has been brought about. Even now this heavy dependence on indirect taxes leads to two types of problems. First of all, inflationary pressure about which we have all talked, but it is also inequitable because indirect taxes are more burdensome on the poor. It is also necessary to make the budget more equitable and to make it clear that the Government is committed to fighting inequality both in the rural and the urban areas.

I find from the *Economic Survey* that industries have expanded by something like 8 per cent or so over the past few years, but the single biggest (growth among the) items covered by industry of 22% has been in the case of consumer durable- items which are mainly consumed by the urban rich. What is going to be done to bring down urban inequality by taxing those people? Similarly, coming to the rural areas, there has been a tremendous increase in rural inequality. For example, the agricultural census for 1980-81 has mentioned that something like 11.5 per cent of those operational holdings hav-

ing more than 10 acres of land account for 52.5 per cent of the land. On the other hand 74.5 per cent with less than five acres of land operate only 26.3 per cent of the land. This is the measure rural of inequality, on the one hand more and more land accumulating in the hands of some people and on the other hand some other people becoming landless and losing their land. In that situation, what would this loan concession do? The question has been raised by others and in the report also I find that Dandavateji said that wilful defaulters will not be allowed to get the advantage of this concession. Let us find out who is the wilful defaulter. If somebody having 20 acres of land has not repaid the loan, should we not assume that he is a wilful defaulter? If we linked it with agricultural holdings in some ways, that would have taken care of the problem of wilful defaulters. Unfortunately that has not been done. As a consequence, there is a possibility that a good part of the benefit would go not to the poorer rural masses, but to the richer section of the rural society. In fact, what I find is this, because the link with holdings has not been established, in the case of Punjab for example, we find that about four-fifths of the total loan given by the banks goes to the farmers with more than 10 acres of land who account for something like 13 per cent of the total holdings. The question is: Are we going to benefit those people or should we not impose certain restrictions to ensure that this concession is not taken advantage of by the the richer section of the rural society? I find that apart from the loan concession which could have been given to the people who are affected by the floods, affected by the drought, to the very poor who are not in a position to repay the debt, the agricultural labourers, the landless farmers, if we make it general for everybody, there is a risk that those who will be getting the benefits would be the ones who should not have been given the benefit.

MR. CHAIRMAN: Mr Dasgupta, the time written against your name here in the list is over now, but I do agree that your Party has got more time. So, if you want to help the Finance Minister to answer to the debate in

time, you please conclude quickly.

DR. BIPLAB DASGUPTA: Sir, I will conclude in just five minutes. I would have suggested to extend the banking system to the poor which has not been done. For example, the Debt and Investment Survey conducted by the National Sample Survey shows that those having more than Rs. One lakh of assets account for 7.95 per cent of the households and 36.2 per cent of the loans disbursed. We find that a large number of people depend upon the non-banking sources for funding despite everything which has been done for improving the banking system. In six States, i.e. Bihar, Rajasthan, Tamil Nadu, Andhra Pradesh, Jammu and Kashmir and Assam, more than half of the total debt is accounted for, not by the banking sources but by other sources. I find in three other States, i.e. Haryana, Uttar Pradesh and Punjab more than half of the household people depend more on non-banking sources than the banking sources and only in six States i.e. Kerala, Maharashtra, Gujarat, Orissa, Madhya Pradesh and Himachal Pradesh, banks account for both more than half of the debts and more than half of the households. This is the problem which should also have been taken into account in the Budget, but it has not been done. I would also like to raise the question of foreign assistance and trade deficits. A few days back, when Mr. Arun Nehru was here, I asked him this question. Why the share of India in the world trade is declining? Why the share of world trade in India today is half per cent? In a country like Singapore which is no more than a dot on the world map, the export is double the size of India's export and in countries like Hong Kong and South Korea, it is four times than that of India. Why is it that India's export is not expanding? Mr. Arun Nehru gave me the answer that the percentage is not 0.5, but it is 0.6. For a country of India's size, this is no good. He appears to be happy with India's progress in the field of exports. I don't know why. Apart from that, we have a trade deficit which is enormous. Almost 40 per cent of it is covered by invisible income, i.e. the income of the Indians who are in Gulf coun-

tries. That accounts for Rs. 3,000 crores which compensate partly for the deficit. But, this is an unstable source of foreign income. Tomorrow, if we demolish the mosque and build the temple which we are talking about, that money will disappear in thin air. What will happen then? So, this is an unstable source of income from foreign sources which has to be taken into account. Then, I feel that there is a serious question, i.e. about oil which has not been handled properly in the budget document. According to predictions, in the next few years, the oil prices would increase very steeply. Further, the oil production is declining in our country. In Bombay, High offshore oil production is going down. This is a serious problem, which I would like the Finance Minister to consider carefully. I would like to discuss one more point and that is about the balance between the Plan and the Non-Plan expenditure which has been raised by some of the Members. The balance between the Plan and the Non-Plan expenditure was about 40 per cent to 60 per cent in 1982-83 and today it is 31.88 per cent to 68.12 per cent. That means there is a steep decline in the share of Plan expenditure. There are commitments like commitment for subsidies, commitment for defence etc. These are all very important non-plan expenditures. The question is how to solve this problem? Most of the money which is spent by the Government is not going for the development of the people. So, something has to be done in this regard. I do not see any plan in the Budget to handle this situation about restoring the balance. This has to be done either by cutting down the wasteful expenditure or by increasing in the income in various ways. Something has got to be done. Previously, we did not do anything. Something has got to be done now. Unfortunately that has not been done.

Sir, I come from Calcutta. Now we have a complaint, not only on behalf of Calcutta but also on behalf of other metropolitan cities like Bombay and Madras. The National Commission on Urbanisation in their interim report produced four chapters and one of the chapters was on national cities. They made the point that these national cities play a very

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important role in our Indian socio-economic life. If the national cities collapse, than the whole economy of India would collapse and there is a vital need to protect these national cities. They also made the point that the national cities cannot be protected-their needs cannot be satisfied by the State budgets alone. The State Budget is insufficient for this purpose because you are dealing with thousands of crores of rupees which the state budget does not have. So, they made three specific recommendations. They said, these cities-not only Delhi, as Delhi gets a lot of money in various ways-but also Calcutta, Bombay and Madras should also be accorded recognition as national cities.

Number two, the financial responsibility for these major cities should be taken up by the Centre, not by the States. It is because, it is not possible for the State Budget to satisfy their need. Thirdly, they suggested that the Central Government should set up a fund of something like Rs. One thousand crores out of which the needs of the cities should be satisfied. That was there in their interim report. Unfortunately after 14 months, when the final report came up, none of these recommendations appeared in the final report. Some political manipulations took place for that side and all the interim recommendations were not accepted in the final report. My point is, what the Government is going to do about this.

In the same report of the National Commission on Urbanisation, there is a recommendation that the proportion of expenditure spent on urban areas should be increased. It is now a little less than about 1%. It should be increased to 2% to 4%. Now my question is, some people try to argue as if there is dichotomy between urban and rural areas, as if there is a fight between the "India" and the "Bharat". I think, that is a false dichotomy, Even for the development of rural areas, development of the towns is important. Rural prosperity is correlated with the development of towns. So, you cannot have this false dichotomy. You need to have

certain amount of funding for the urban development, too without that you cannot have the rural development, because for the development of rural areas, you require urbanisation pattern which conforms to the need of the rural society and which is hierarchically, properly organised and uniformly distributed throughout the country.

Thank you, very much, Mr. Chairman, for giving me this opportunity.

[*Translation*]

SHRI CHIRANJI LAL SHARMA (Karnal): Mr. Chairman, Sir, in those days when Madhuji used to be in the opposition, if any executive order or any other order of that kind was issued by the Government just before the budget, then Madhuji alongwith his party colleagues and entire opposition used to oppose it vehemently in the words that the Democracy was being throttled; but Mr. Chairman Sir, now you might have noticed that just only three or four days before the budget, the Ministry of Communication has increased telephone and postal rates. The entire House is seized of it.

Dear Sir, the House is discussing the increase in the prices of petrol, diesel and mobile oil. The railway fare and postal rates have also been enhanced. No doubt we are opposing this increase, but all those parties who have been supporting this Government, I means the parties like B.J.P. C.P.I. and C.P.M. have also opposed this move. I think that an increase in the prices of the aforesaid items would hit the common man. In this sense this budget is nothing but a force. In fact the price of Petrol has gone up by Rs. 1.25 per litre. It will also make its impact on the common man.

When you increase the rate of D.A. to Government employees, it has its impact on the entire Country as it creates a feeling that such an increase in fact reflects the increase in prices. Therefore the allocation made for that purpose in the Budget should be withdrawn by the Finance Minister. Just as the Railway Minister has brought down the price

of platform ticket from the proposed Rs. 2 to Rs. 1.50 and also the rate of passenger fare in certain cases. You may also follow suit in this regard and reduce the prices likewise.

The Minister of Finance have raised the income tax exemption limit from Rs. 18 thousand to Rs. 22 thousand. It may be raised further upto Rs. 25 thousand. I was listening quite attentively to the honourable Member Mr. Chand Ram who also referred to the Meham elections. Mr. Chairman, Sir, I know what has happened in Meham as it falls in my district. There they had throttled democracy. The Meham election is an ugly blot on the democracy itself. At least 22 police personnel have been killed there.

(Interruptions)

Please maintain decorum in the House and listen to me attentively. Just now when I was coming from my constituency Karnal, on my way to Delhi I saw near H.A.P. complex a crowd of 300-400 people consisting of men and women who were asking about the fate of their bread winners who had been recruited as the police personnel after a payment of Rs. 30 thousand for the same.

SHRILAXMINARAYAN PANDEYA. Mr. Chairman, Sir, I am on a point of order. Presently we are having a discussion on the Budget. Hence no other point should be allowed to be raised during the discussion.

[English]

MR. CHAIRMAN: There is no point of order. You kindly read the rules when you can raise the point of order. This has no relevance to point of order. There is absolutely no point.

[Translation]

SHRI CHIRANJI LAL SHARMA: Honourable Mr. Chand Ram had referred to the elections and in case I keep silent on that point, it would not let me feel contented. Mr. Chairman, Sir, I know what had happened there in Meham. A lot of hue and cry is being

raised on this issue in the entire country and they are demanding the dismissal of the present Government. It is there that police personnel have been recruited after a payment of Rs. 30 thousand for the same. I have been saying these things with a responsibility. There was a Police revolt in Rohtak. Eight thousand policemen shouted slogans against the Chief Minister and the D.I.G., and it led to a situation where control of the law and order in ten areas had to be handed over to the B.S.F. & the C.R.P.F. and troops had to be called in from Hissar. This is Democracy! I would like to let you know about my own constituency. I fought the election. *(Interruptions)*

[English]

Election comes under it. Don't try to interrupt. Try to learn the Parliamentary etiquette.

[Translation]

They are new to the House and do not know how to speak in the House!

16.00 hrs.

I know it fully well that at the time of elections in my constituency when the work of counting was almost over and the returning officer was under the sword of Democles as the then Chief Minister Honourable Mr. Chaudhary Devi Lal who is now the Deputy Prime Minister of the country had ordered him to hold a fresh counting in any case, to which I had objected and asked under what rules he was doing it. So, the Hon'ble Chairman, Sir, it was on that account that the result of election was not announced till 5.30 in the morning. The then Chief Minister said that I had got the result declared at gun point. This makes me recall a couplet:

"Ya Rab Nigahe Naz par licence kyon nahin,
Yah bhi to katl karte hain, talwar ke tarah."

At this the Khuda (Allah) relied:

[Sh. Chiranji Lal Sharma]

"Ae ashiq nigahe naz par licence yonz
nahin,
katl to karte hain, magar zahira nahin.

So quite contrary to Mr. Devi Lal said that Chiranji Lal has got the result declared in his favour at gun point. But I wielded no pistol. Instead my words did that work for me. So this was a matter of shame for the Government which was represented thereby its Deputy Commissioner, Superintendent of Police and Executive magistrate who could withhold the result for four and a half hours at the behest of the Chief Minister and Chautala Sahib; it should die of shame. It was only an account of my boldness that I could get the result declared. It was the tenth elections I had contested in my life.

The foundation stone of refinery in Karnal was laid by the then Prime Minister, Mr. Rajiv Gandhi. This project has been set up in Russian collaboration at the cost of Rs. 1500 crore... (*Interruptions*)

[*English*]

MR. CHAIRMAN: This is quite unfair. Everybody will get the turn to speak. Then you can speak. Please don't interrupt. Please order. (*Interruptions*)

[*Translation*]

SHRI CHIRANJI LAL SHARMA: They will be given an opportunity to reply. This interruption is not going to distract me. What I want to say is that it is being unnecessarily delayed. And I would like to request the Government, through you, to commence the work on that project as soon as possible. After a long struggle, the work of four-laning of road on Shershah Suri Marg, National Highway No. 1, was initiated. Initially, the work was done upto fifty kilometres only. A loan of Rs. 53 crores, was received from the World Bank for this purpose. No sooner had the work begun than the contractors were at loggerheads as a result of which the work

was left incomplete. That work should have been completed by the end of the current year. I would like to draw the attention of the Government, through you, to the fact that the difficulties of the people have increased on this account. What to talk of converting it into four lanning, the existing double lanning poses great traffic impediments because of the heaps of sand etc. lying at places.

Chowdhary Chand Ram said that Rs. 300 each were paid to Harijan women during post delivery confinement to take ghee for nourishment, this was what he said while speaking on the Budget. But this is as untruthful and unfounded as the claim of writing off loans upto Rs 10,000. I belong to Haryana. With great regard, I would, like to caution the hon. Finance Minister not to follow the footsteps of the former Chief Minister of Haryana, and presently the Deputy Prime Minister in giving assurances to the people. He says that 49 per cent is being spent on agriculture. 44 per cent has been spent in 1989-90 on agriculture and I am glad that an increase of 5 per cent has been made in the budget by the hon. Finance Minister. But the question is that there is a provision of Rs. 1000 crore. Now take the provisions of debt-relief on writing off loans. Ample scope has been left in the exercise of discretion. A person may be exempted from it on the grounds that he was not in a position to repay and another person may be deprived of the exemption saying that he did so deliberately. Who will decide it? With whom does the discretion rest? It is the Banking authorities alone. There is a proposal to give relief to peasants, but it is not being implemented in the real sense. I do not think the provision of Rs. 1000 crore is enough. The hon. Finance Minister might have made an assessment as to how many people in the country have taken loans of Rs. 10,000 or less. Has the provision in the budget been made keeping in view that assessment? Secondly, when the relief is being given to poor peasants, the poor labourers, harokers, cobblers and the down trodden in the urban areas should also be given the same relief so that they could earn a living. With these words, I support the Budget and conclude.

16.07 hrs.

[DR. THAMBI DURAI *in the Chair*]

[English]

SHRI R. MUTHIAH (Periyakulam): Mr. Chairman, Sir, thank you very much for providing me an opportunity to speak on this General Budget.

Sir, this Government has a penchant for the word "Change." Even our hon. Prime Minister, in his address to the nation, soon after he assumed office, has categorically told that his Government is for a change. Now to my dismay, I find only the change of the budgetary year and the name of the Minister who has presented the Budget to the House. The speech of our hon. Finance Minister is packed with words and lack concrete commitment to the nation. Since this being a maiden Budget of this National Front Government, people have naturally expected some agenda for the implementation of their manifesto in the last elections. In the last elections, in their manifesto, they have categorically told the poor farmers that loans up to Rs 10,000 for small, marginal and landless cultivators and artisans, as on 2nd October, 1989 will be written off. That is all they have plainly told like this. To fulfil this assurance, our Finance Minister Prof. Madhu Dandavate has said in his speech that we are now ready with the scheme for implementations of debt relief to fulfil the promise and redeem the pledge given to the kisans and artisans. Then it can be said in a single sentence that as on 2nd October, 1989, all the loans will be written off. Is it like that? In their manifesto, it is very clear. But when it comes for action, it is painful to note that even in single sentence or in a single word we can tell the people that their promises will be fulfilled. For that, he has taken some four paragraphs in his speech. That is the trouble.

Another promise in the manifesto is that not less than fifty per cent of the investible resources will be deployed for the develop-

ment of rural economy. To implement this promise, our Finance Minister in his budget speech, in paragraph 27 says:

"We are committed to ensuring that fifty per cent of the investible resources are deployed for the development of agriculture and rural development."

In their manifesto they are straightaway saying that 50% of the resources will be made available for the development of rural economy. But in the budget they are telling that for the development of agriculture and rural development they are allotting 50% of their investible resources. The Finance Minister in his budget speech says that 50% of the investible resources are deployed for the development of agriculture and rural development. However, the figures are mystifying.

Nowhere in the speech he has made a clear-cut demarcation of allocation of resources between the agriculture and rural development and other services. For all these only 49% budgetary support in the Central Plan has been allocated. Out of 49% allocation also, that is, out of Rs. 17344 crores provided as budgetary support, Rs. 905 crores is proposed for the agricultural department and cooperation. That is okay. Then again Rs. 155 crores for agricultural research and education has been provided under this head. I wish to request our hon. Finance Minister to enlighten me whether this Rs. 155 crores is meant for the rural upliftment as mentioned in their manifesto. Will any portion of this amount be utilised for the development of the rural economy? Almost all this Rs. 155 crores will go for your seminars, meetings workshops and giving stipend to the research scholars and so on. Not a single paisa from this Rs. 155 crores will be utilised for the upliftment of the poor agriculturists.

In your speech you are stating that in all the programmes of the health and family welfare services special attention will be paid to the needs of the rural people. I am

[Sh. R. Muthiah]

doubtful about this. A major portion of Rs. 950 crores which is proposed for the Ministry of Health and Family Welfare will directly benefit the urban masses and not the rural people.

To unearth the black money you have so categorically stated in your manifesto that effective administrative and economic measures will be taken to curb tax evasion etc. But here in your budget speech instead of unearthing the black money you are going to give some social status for the black money. What is your proposal to unearth the black money?

Instead of punishing the black-money holders, they are going to be provided with a packet of relief. Hon. Minister has suggested in his Budget that the money of the black-money holders will be used for slum clearance, for buildings and for small scale industries. This would definitely encourage black-money. This will encourage the generation of black-money and therefore you regularise it by contribution, in any way in which the Government wants. If your proposal is to unearth the black-money, please adopt some stringent measures to curb the black-money from the country.

Then, I will come to the areas which you have referred to in your Budget speech. In your Budget speech, in some two or three pages, you have dealt with the problems faced by the textile industries. In Tamilnadu, we have got some 15 sick textile industries which have been closed for the last two or three years. The State Government has promised, as soon as they assumed Office in our State, that within three months we will reopen those sick mills. But now they are saying that they are approaching the Centre to take up the case of those mills, through NDC. Here, I regret to point out that there is no mention, in your Budget speech, about the sick mills. Like this, if you go through the speech point by point you will find that you are just going away from the manifesto. I want to tell that this Budget is not only a

betrayal of the people, but a betrayal of your own manifesto. Thank you.

MR. CHAIRMAN: You should be brief. There are three more speakers, before the hon. Finance Minister replies.

SHRI A.K. ROY (Dhanbad): Mr. Chairman, Sir, you are very kind enough to nation my time. It is, in a way, helping me also, because everything has been said by many hon. Members about the Budget. I would only make some comments. I am here, neither to support the Budget nor to oppose the Budget, but to expose the Budget.

When I read Prof. Dandavate's document, I am reminded of one observation of late Shri Ashok Mehta, which he made in his book, 'Democratic Socialism'. He described Socialism, in this way:

"We come by the turn of the century to the Fabians, all very gentlemanly, all dressed in top hats, frock coats, striped trousers, grey hairs very respectable old moderates, modest. Why did this transformation come about? Partly because most of the protagonist had grown old. Fabian tortoise believes that by its slow, yet persistent movement, it would win against the marxist-here."

When you read this Budget, it does not contain a single word like socialism. There is no mention against multi-nationals. There is no mention also, regarding how to tackle the rural rich and how to tackle the monopolists in the country. It is this budget which we are discussing. Many Members complain that this budget is very harsh. But my complaint is that the budget is selectively soft to certain sections and otherwise harsh to other sections. It has been said that this budget will help in restructuring our industrial scene. But there is no word about the wind of change with which the budget has started in the beginning. (Interruptions) There are certain draining point in the Indian economy, namely, subsidy, defence, interest payments and imbalance in our trade. We can understand

the necessity about defence because of our political compulsions. Regarding the interest payments, I would like to propose that there should be strict adherence to self-reliance. I would like to suggest to the Finance Minister that he should call a meeting of all the scientists and technologists of this country and discuss whether this country can be industrialised with the help of our own know-how and talent.

Regarding our subsidy, we must increase efficiency. It is no good giving subsidy on the things which are having low productivity and are only aiming at easy profit-making.

So far as balance of trade is concerned, we must follow austerity. This is a harsh option which should be pronounced in the House itself that we must go in for austerity.

Lastly, I must say that we should have a model regarding economic development before us. I propose that model should be announced in the House. All these things should have been indicated in the speech of the President. We must resurrect and follow very scrupulously the Mahalanobis model. That is the only model by which industry and agriculture can have a balanced growth and we can usher in a new society.

MR. CHAIRMAN: Now, Mr. Piyare Lal Handoo. Please be very brief.

SHRI PIYARE LAL HANDOO (Anantnag): Mr. Chairman, at the very outset, I must thank you for having noticed this small group of three Members. We have been waiting anxiously for the last two days to make some submissions about the budget during the general discussion. Somehow the procedure is such that we have to keep waiting and ultimately are called at a point of time when we are told that we should be brief as possible. I would try to take as short a time as possible.

I have a slight difference with my friend who spoke before me and said that The Word socialism does not exist in the budget.

Prof. Dandavate has been fair to himself by having used the word of non-doctrinaire socialist with his perceptions to grapple with the economic difficulties faced by the country.

Fortunately enough, we are so placed in the House as to find that the non-doctrinaire socialists have got the maximum support for whatever is in the Budget even is from dogmatic socialists as well. I want to make one or two submissions about the Budget. Two very important sectors need a re-look at Prof. Madhu Dandavate. I would not have made this appeal if he would not have been the Finance Minister. In a single sentence, he has dealt with a very important problem, that is, land relations in the country and said they should be subject to discussion in this House. This is one important problem which he has not disposed off. The Second important problem in which he has postponed the decision is regarding the dealing with the parallel economy run by blackmoney holders. Prof. Dandavate says that there should be a debate about this matter in the Parliament and later on, we would find ways and means to deal with such an important subject, particularly, with the kind of resources constraint that we have. I would appeal to Prof. Madhu Dandavate to give greater thought to these two matters, namely, land relations in the country which he disposed of in a single sentence in his Budget speech and how to deal with the current problem of blackmoney development in the country. These two things, if well done, will certainly see us taking steps towards an alternative model of Government which formed, not only the manifesto, but the Prime Minister's first policy speech in the country. But these things remain unattended to. Whichever words you may use, you will be walking on the beaten track, the track that has been followed for the last forty years. In addition to this, I want to make a mention about the State of Jammu and Kashmir. Prof. Madhu Dandavate knows that the State of Jammu and Kashmir is under the Governor's Rule. He also knows that under the kind of dispensation of the Constitution of the country or the Constitution of the State, there is no

[Sh. Piyare Lal Handoo]

forum during Governor's Rule which can consider the Budgetary proposals of the State of Jammu and Kashmir. All that is required to be done for the Governor is to sit in his office and conduct the bureaucratic exercise and frame the Budget proposals. He has not to come before the Parliament as in the case of the rest of the country. I would make an appeal to him to constitute a committee of Members of Parliament from the State of Jammu and Kashmir, and bring the Budget proposals made by the Government before that committee and then take a decision which needs to be taken. This is necessary to be done in the absence of a provision for Budget proposals if the State of Jammu and Kashmir which is under the Governor's Rule do not come before Parliament. My second submission about Jammu and Kashmir is that there should be a little bit of re-thinking about Kashmir as a special category State. During the course of the Second Five Year Plan, you have rightly placed some States as a special category States. Somehow, Kashmir has been neglected in this regard. The method of dispensation of Central finance has been 70 per cent as loan and 30 per cent as grant. In the case of other States which belong to special category States, the case is the reverse. It is 30 per cent loan and 70 per cent grant. The ratio of 90 and 10 is also available in certain cases.

I request the Finance Minister to have this aspect reconsidered in the light of what the Finance Commission has said about this. Two more matters require the attention of the Minister. One is about the lack of public investment in the State of Jammu and Kashmir. Our friend from Kerala has complained that it was below four per cent. I have not come to complain. But I want to bring an important fact to your notice and consideration. In case of Kashmir it was less than 0.5 per cent. It was 0.6 per cent some time back but now it has gone down to less than 0.4 per cent.

Another important factor which should have been taken care of and dealt with

greater emphasis is about the problem of unemployed youth in the country particularly the unemployed youth in the State of Jammu and Kashmir. We that making an experiment and testing the results thereof will show the relevance of economic perception. I fully agree with you. But what needs to be done is that besides setting up vocational centres, kindly extend the employment guarantee scheme, which you have suggested for the drought-prone areas, to the State of Jammu and Kashmir. We have only one district which is characterised as drought-prone. Can we extend this scheme to desert development areas also? Two very important districts of Jammu and Kashmir, that is, Ladakh and Kargil require much development. If you can assure full employment or nearly full employment in these districts, many problems of Jammu and Kashmir can be solved. I would again request you to constitute a committee of MPs from Jammu and Kashmir and bring the Budget proposals before it. The method that the Governor, Shri Jagmohan, follows at the time of passing of the Budget is to go to All India Radio and speak from there. This time perhaps he may not be able to do it from Srinagar. If today's developments do not stop him, I am told, he is coming to Delhi to record his speech at the All India Radio and relay it from the Srinagar station and say that the Budget is thus being passed. That very kindly may not be followed.

[*Translation*]

SHRI RAM DHAN (Lalganj): Mr. Chairman, Sir, I thank you for giving me an opportunity to speak, though quite late. I had thought that the Budget, as presented by the socialist Minister, would reflect his political thought and philosophy; but it seems that the traditional bureaucracy of the Ministry of Finance has formulated the Budget on the lines of the previous year's Budget. There can be no two opinions about the proposals incorporated in the budget leading to inflation. I would like to say that we have succeeded in bringing about a change of Government and on that basis we have made our entry into the House. At the time of elections,

we had promised the people of this country that we would eradicate corruption. For eradication of corruption from our society, the transfer of power took place and we promised to the people that we would not only change the persons in power but would bring about a transformation of the whole system. But, today, we are limiting ourselves merely to a change of person in power. Therefore, we have to think what steps we are taking for the basic issue for which we brought about this change. But, to my dismay, corruption is continuously increasing in our country today. We swear by the name of Dr. Lohia who had resolved to eradicate corruption from this country. While forming Jan Morcha with Shri V.P. Singh, we had declared in our policy statement that we would come forward to eradicate corruption. We had started our mass movement specifically for this purpose, but, today, we see that no steps, to remove corruption, have been proposed in this Budget. How do we evaluate this budget? We boast of spending so many crores of rupees but where are they spent? Nothing has been said about the commission being pocketed by the middlemen and the measures proposed for checking this practice. The country is embroiled in corruption but nothing is being done to check it. I am told that 2/3 of the total Government expenditure is non-plan expenditure and only 1/3 is spent of developmental works. There is a lot of corruption in these development works, especially in Banks, whether it is in the public sector or in the private sector. Nobody can get loan without greasing the palms of officials. Corruption is there in every construction work. The former Prime Minister had said that only 15 paise, that is, 15 per cent was being spent on developmental works in the country and 85 per cent is going into the pockets of middlemen, contractors and politicians. Until this continues, there is no hope for the upliftment of the poor people and the workers in our country. Another disease is the increasing criminalisation of politics. Some days back we had organised a conference in the Parliament House against the criminalisation of politics but ironically as we are trying to cure our politics of this disease, it is aggravating. More and more

criminals are entering politics today and are holding positions of powers. Some leaders say "Garva Se Kaho Hum Hindu Hain (Say proudly, we are Hindus) but there are many leaders who proclaim "Garva Se Kaho, Hum Criminals Hain" (Say proudly we are criminals). Therefore until this tendency is not curbed, criminalisation of politics cannot be stopped and welfare of the poor cannot be undertaken. Crores of rupees are being spent on welfare programmes like social forestry etc. but in vain. Saplings, trees and jungles exist only on papers and the entire money is swallowed. There is no body to check it or keep an eye over it. Under the Family Planning programmes even the old people are being sterilized. On the one hand the family planning programmes has been turned into a farce whereas on the other hand fictitious data is being presented before the nation, with no tangible results coming forward. On the face of it 25% provision has been made for literacy; in fact all literacy programmes whether it is adult literacy, information education, primary education, Secondary education or university education are in disarray. Many of our hon. friends lament that even after 42-43 years of Independence the rate of literacy is still low. I would like to remind them that this period includes those two and a half years of Janata rule also. Why do they forget that? What is needed is introspection. We have been allocating 25 to 30 per cent funds for literacy in every Budget but this has not helped much. The entire funds have been wasted and gone into the pockets of few individuals. Shri Rajiv Gandhi had launched the Jawahar Rozgar Yojana in a bid to win over the Pradhans of villages who would ultimately ensure his victory in the elections. But what happened is not secret. The Gram Pradhans unseated Shri Rajiv Gandhi. He was planning to win the election but instead he had to savour defeat. I would like to submit that here was no control on the Jawahar Rozgar Yojana either of the Central Government or the State Government or the state machinery ever. The money was directly being sent to the Gram Pradhans with no monitoring whatsoever. The same situation is continuing in our country even today. And this is true for all employment

[Sh. Ram Dhan]

oriented programmes also. Today all the funds that are being spent on developmental activities are being drained by corruption and there is no mechanism to control this corruption. It has been said in the House that 49 per cent of the Budgetary resources have been allocated for rural development; but is the development taking place in the villages in the real sense or are the agricultural labourers and the Harijans and the Adivasis benefiting from the schemes? Who after all is benefiting? The big and mighty rich farmers and the Kulaks. It has been said that the bank loans of the poor farmers will be waived off; but has anything being done in respect of the money lenders. Even today a villager is born as a debtor, he remains a debtor throughout his life and dies as a debtor. His children and other members of his family are forced to become bonded labourers for generations to come; but no system is being evolved to put an end to this evil practice. Even today the Harijans and the Adivasis take loans from the money lenders. But no effort is being made to waive off such loans. Something should be done in this direction so that people are relieved of the burden. The Government announced that agriculture based cottage and small scale industries will be established, but no action has been taken in this connection. Regarding agriculture it was announced that there will be no increase in the prices of the tyre tubes for tractors and trailers. But how many Harijans, Adivasis or the poor people own tractors and trailers? Alright the prices of these items will not be increased; but what about the exploitation of the poor? Who will see to it? The exploitation of the poor by way of indirect taxes is going to increase. There will be no relief for them. Rs. 14 thousand crores should have been arranged for waiving off all the loan of the farmers; but only Rs. 1,000 crores have been provided for it, whereas even the minimum requirement is of Rs. 2842 crores. What will happen to the loans pertaining to the cooperative banks and the rural banks. Loans have been taken in the name of Harijans. Even then Harijans and Adivasis are forced to repay it. What steps have been

taken to put an end to such practice? Was this what we aspired for our country, was this for what we had bargained? Bogus loaning was done in the name of Harijans and Adivasis and now these people are being made to repay the loans they never took and no one is paying attention to their misery. Our young colleagues who represent Madhepura etc. have been elected to this House due to our patronage and now these very people are passing remarks on us. There is popular saying "Rome Pope Ka Aur Saharsa Gope Ka." (*Interruptions*)

SHRI RAMENDRA KUMAR RAVI YADAV (Madhepura): Mr. Chairman, Sir, I am on a point of order. Shri Ram Dhan is a responsible person and he should not say such things. I represent Madhepura constituency. He should know that the slogan 'Rome Pope ka aur Saharsa Gope ka' was not raised by the people in Madhepura but it was raised to nullify the election in which Shri Lalit Narayan Mishra was defeated and Shri Bhupendra Narayan Mandal was elected... We have been elected not because of you, we have come here on our own strength... (*Interruptions*)

SHRI RAM DHAN: Sir, I have not said about Madhepura but about Saharsa... (*Interruptions*)

[*English*]

MR. CHAIRMAN: No, no.

[*Translation*]

SHRI RAM DHAN: Mr. Chairman, Sir, I was saying that waiving of loan is merely an eye wash because the poor and the labourers will not be benefited by it. It was promised in the election manifesto that reservation policy for the Scheduled Castes and Scheduled Tribes would be implemented effectively. What is being done in this regard? Is it being implemented effectively? No, it is not. It was said that statutory power would be given to SC and ST Commission. We do not know as to what is being done in this regard. It was also said that special courts would be

set up to hear the cases of atrocities committed against Harijans, Adivasis and down trodden. What has happened to that proposal? Untouchability is the greatest sin but not eve a single word has been said about it in the Budget. We raise finger at other countries of the world but here in our own country, we are not able to take steps to abolish untouchability. We talk a lot about human rights and also give away Nehru Award. A delegation was also sent to Namibia for this purpose, but in our own country, we do not make any efforts to improve the condition of the weaker section. I would like to know whether such thing happen in any other country of the world. In our country, night soil is still carried on the head by the sweepers. The House should think over it. No preventive measures have been taken in this regard. This malpractice should be abolished. It was said that special arrangement would be made for the sweepers, but nothing has been said about them in the Budget. The practice of carrying night soil on the head should be declared an offence. Rs. 269 crores and 320 crores have been earmarked for Special Component Plan and Tribal Sub-Plan respectively. The Government might be well aware that the Adivasis who used to collect flowers, leaves and firewood from the jungles, have been deprived of this right after independence. Atrocities are still committed on them. Their women are criminally assaulted through the contractors. The Forest contractors, employees of the Capitalists and leaders are responsible for this.

Many thing are said here about the welfare of the Scheduled Castes and Scheduled Tribes, but it is a matter of regret that not even a single member belonging to Scheduled Castes or Scheduled Tribe has been nominated to the Rajya Sabha during the last few years. I would say that the Government should abolish Rajya Sabha and Vidhan Parishads. Anti-reservation movement was launched in the country. Have the reserved posts been filled? I am the National Convener of the Jan Morcha. We got a Schedule Caste member elected to the Rajya Sabha with the help of BJP.

'The Times of India' and the 'Indian Express' are called 'Pravada' of the National Front Government. Today an editorial has appeared under the caption 'Defeat Him'. We have heard such a thing for the first time in the history of Parliament. Such vicious propaganda is being made today. Even during the partition such news did not appear in the press. It is also being said that if they go to High Court or Supreme Court they should be beaten up. We must think in which direction we are heading towards.

I would like to thank the hon. Finance Minister for giving the concessions available to Scheduled Castes and Scheduled Tribes to the Neo-Budhists. But one thing I would like to say is that no one seems to be concerned about the temple and mosque dispute and the growing trend of conversions in the country. People are quarreling over petty things. Sant Kabir said to the Muslims:

"Kankar pathar jod kar masjid layee
banaye,
Ta chadh mullah bang de, kya bahra
hua khudaye".

To the Hindus, he said:

"Pathar pooje hari mile to mein poojun
pahad,
Tase to chakki bhali, jaka peesa khaye
sansar"

Today, conversions are taking place but in spite of that the feeling of casteism has not ended. I would like to cite two instances. A Brahmin young man embraced Christianity but he remained bachelor for quite some-time. When his friend asked the reason, he told him that he would marry only when he comes across convert Christian girl of Brahman descent. At the time of ticket distribution, we were told that if a Muslim Tyagi was given a ticket, both Hindu Tyagis and Muslim Tyagis would support him if a ticket was given to a Muslim Rajput, Hindu Rajputs would also support him and if Sikh Jat was given a ticket, all Muslim Jats and Hindu Jats would support him. What is happening in this country. In Kerala, the Scheduled Caste

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converts have their separate church and they cannot go to other churches. When I was the Chairman of the Scheduled Castes and Scheduled Tribes Parliamentary Committee, I went to Kerala. During my stay, some church priests came to me and demanded that they should also be given all facilities which were available to the Scheduled Castes and Scheduled Tribes. In Lakshdweep, all Muslim avail of facilities which are available to Scheduled Castes and Scheduled Tribes. Therefore, the problem is that doors of all religions are open for conversions and nobody is thinking to check this trend. There is a need to think over it seriously.

There is problem of black-money. Political Workers, Political leaders and Political parties are generating blackmoney. Earlier, there was a provision for the companies to donate to the political parties and accounts were maintained there of but today most of the blackmoney is used in the elections. All the elected members come here due to this blackmoney. How then its use can be checked? It is a big problem. I would like to tell Shri Madan Lal Khurana that-'Kadua Kadua thoo, mitha, mitha gap'. (You accept what is convenient to you are reject the rest). Therefore, I would like to say that... (*Interruptions*) Naikji, please sit down. With whom are you wrangling?

I would like to say that if we sincerely want to eliminate this menace of blackmoney, we have to bring about some radical changes in the electoral system. The Government should bear the election expenses and proper account should be maintained for that. There should be a list system for the parties. So long as we do not bring about electoral reforms, it will be ridiculous to think of eliminating the blackmoney. The previous Government had given full freedom to the big Industrial houses. Any Government may come to power, the capitalists will have full freedom.

No efforts are being made by the Gov-

ernment to check extravagance. Recruitments of Scheduled Castes and Scheduled Tribes or the recruitment of the people of other higher castes are being banned but no action is being taken to control the extravagance in the Government expenditure. I am myself a freedom fighter and therefore, I would like to say that as per the existing practice if a Harijan is killed Rs. 10,000 is paid as compensation to the next of kin by the State Government, whereas if a person other than Harijan is killed, Rs. 50,000 is paid as compensation to the next of kin. If they are killed in riots, the compensation amount is increased to Rs. 1 lakh. My submission is that a uniform policy should be formulated in the country. Same principle should be adopted in case of harijans on whom atrocities are committed or who are killed. A uniform policy should be formulated and all the State Governments should be directed to pay same amount of compensation. A sum of Rs. 1000/- per month has been granted for the dependents of those killed in the Delhi riots whereas the freedom fighters who fought for the independence of the country and who actually deserve the credit to liberate the country, get a nominal amount of Rs. 750 per month. I would like to tell that a number of freedom fighters are on the verge of death. The number of such persons has been decreasing day by day. In view of the prevailing circumstances, I would like to urge the Minister of Finance to sanction Rs. 1000/- per month as minimum pension to these freedom fighters.

With these words, I conclude.

[*English*]

MR. CHAIRMAN: Already we have decided that the Minister will reply at 4.30 PM. Now it is 4.55 PM. Shall I call the Minister to reply?

(*Interruptions*)

[*Translation*]

SHRI SURYA NARAYAN YADAV
(Saharsa): Mr. Chairman, Sir, Shri Ramdhan

has stated that I have won the elections on his strength. My submission is that I have been a Member of Bihar Legislative Assembly from the year 1977 to 1980, 1980 to 1985 and 1985 to 1990. My submission is that my political achievements are not based on his strength. Instead his politics is based on other people's strength. He has only 6 years experience of politics. Thus my political life in the Legislative Assembly and in the Parliament is more than that of him... (Interruptions)

SHRI RAM DHAN: I know ... (Interruptions)

[English]

MR. CHAIRMAN: Some groups have been left out. Now, I call Shri Vamanrao Mahadik to speak.

[Translation]

SHRI VAMANRAO MAHADIK (Bombay South Central): Mr. Chairman, Sir, I am grateful to you for giving me time to make my submission. I have been sitting here for the last 5 hours. My feet has also swollen up.

I have realised that the hon. Minister of Finance has presented a very good Budget. When I was coming here from the aerodrome, I had to pay Rs. 94 for the card which one could buy for Rs. 65. I enquired as to why this was so? He said that the price of petrol has gone up. It seems that this Budget will result in price rise. If prices of luxury items increase, it will not matter. Delhi is the capital of India but Bombay is the heart of India

17.00 hrs.

In the Budget, proposals no such provision has been made for Bombay which is the heart of the country by which some measures may be taken for the welfare of the common man of the city. Last Time, the Hon. Prime Minister granted Rs. 100 crore which provided some relief. One tenth of the total revenue from income-tax is received from Bombay only and at least some share of it should be spent on the city. The total popula-

tion of Bombay is 1 crore, out of which 50 lakhs are poor and live in the 'jhuggi-jhonpri'. This Government is committed to the welfare of the poor and number of poor people living in Bombay is quite high. The housing problem is very acute. The Government should provide them with built-up houses free of cost. No provision has been made in this Budget in this regard.

17.07 hrs.

[MR. DEPUTY SPEAKER in the Chair]

Not only this, the Railways, Bombay Port Trust, Life Insurance Corporation, Telephone Department are under the Central Government and in areas allotted to these organizations 'jhoppar-pattis,' have been set up there. The Government of Maharashtra and the Municipality of Bombay have provided them with water, electricity, toilet facilities. Similarly, the Central Government should also provide them with some assistance but no such provision has been made in the Budget.

Mr. Deputy Speaker, Sir, the Municipality of Bombay allots Rs. 3 lakhs to each of its members and the State Government of Maharashtra provides a sum of Rs. 20 lakhs to each legislator every year so that they could spend it at their discretion on welfare activities. Similarly, for every Member of Parliament, a sum of Rs. 2 crores should be allocated so that he could spend it at his discretion on welfare, activities.

The hon. Minister of Finance has raised the exemption limit of income tax to Rs. 22,000 and for which we congratulate him. But even several sweepers of the Bombay city earn Rs. 2500 per month. With a view to provide relief to the law paid employees, the exemption limit from income tax should be raised to at least 30,000 and for which we shall all be grateful to him.

On one hand, there is an acute shortage of coal, firewood and kerosene in the Konkan region of Bombay whereas on the other hand, gas is produced in Bombay High in

[Sh. Vamanrao Mahadik]

such large quantities which could fill up 2 1/2 lakhs of gas cylinders and all this gas is being burnt out everyday. Some arrangements should be made in this regard so that this gas could be utilised and which may benefit the people.

Previously, the Central Government provided 50 percent amount as subsidy and remaining 50 per cent as a loan on a concessional rate of 4 per cent interest for slum clearance activities. This process should be started and Rs.1,000 crores should be allocated for this purpose in the Budget. There are lakhs of such poor people in Bombay who do not have any shelter and it is necessary to provide them with some or the other kind of assistance.

We all welcome the announcements made for the waiving of loans of the farmers. But it is necessary to take some other measures also for this purpose. For example, in the case of industrial sector, if a factory remains closed for 4 months, the workers demand remunerations of these 4 months when the factory re-opens. Similarly, in case there is no rain for 4 months and the crops wither away and for which the farmer is not at fault in any way because they depend on rains for agricultural production, some arrangements should be made and relief provided to them by way of insurance and other methods so that he may be able to look after his family. Old age pension is provided in other countries but it is not so in our country. Apart from that, old homes are also not there. The Government does not provide any kind of protection to the destitutes and helpless widows. We say that 50 per cent of the voters consist of women but we refuse to look after their welfare. Old age is neglected completely. The voting age has been lowered from 21 years to 18 years. However, the practise of giving unemployment dole to the unemployed existing in other countries is not in existence in our country. They are neglected. The Budget should carry some relief for every sectors of society. This is a popular Budget. Measures should be taken

for the welfare of the masses. The basic pay of the salaried class has been eroded in value. When there is an increase in the price-level, dearness allowance is paid by the Government. But when the basic pay diminishes in value, no compensation is granted. His purchasing power declines and he is dissatisfied. It is all right that the rate of D.A. is enhanced but compensation should be granted at the level of basic pay. That is why today the corrupt people indulge in black marketing. If Government promises not to take any action against those who invest black money in Government activities, people will invest their black money openly. You should ask for black money investments without any hesitation. The N.R.I. are prepared to invest in India. When you take money from your own citizens, some interest can be paid. People keep their agricultural income in I.D.B.I. at 9 per cent interest and no income tax is levied for it. On the subject of participation of labour, I want to say that the owners are afraid of making the workers partners in their business, So the owners resort to lock-outs and closures. They close down their units and give work on contract basis. Thus the worker does not get any work. This has been started by the new Government. Therefore, if the workers do not get work, they go on strike. We should find out a way to solve this problem. No one should be allowed to declare a lock-out without the permission of the Government. If the lock-out is declared according to the law, than it is all right, but nobody should be permitted to declare a lock-out, in an arbitrary manner. Therefore, orders should be issued not to declare a lock-out, without the permission of the Government.

SHRI RAMESHWAR PRASAD (Arrah):
Mr. Deputy Speaker, Sir, by departing from the unhealthy tradition of hiking prices before the Budget, the new Government has done a commendable job. Last year, some amount was transferred from the Oil Pool Account to the Revenue Account, in an improper manner. This time, the methods was changed by effecting the transfer into the capital Account. I welcome this step also.

The Finance Minister has said that additional resources to the tune of Rs. 1790 crore would be mobilised through taxes. For this, he proposes to mobilise Rs. 800 crore by withdrawing major incentives like investment allowance and investment deposits, but studies reveal that the Government would not be able to mobilise more than Rs. 300 crore. Then, the withdrawal of Section 115 (J) of the Income-Tax Act would render many companies zero-tax companies and thus it is doubtful whether the Government would be able to mobilise additional resources amounting to Rs. 50 crore through direct taxes, leave alone the estimated Rs. 500 crore. As far as the increase in the exemption limit of personal income-tax is concerned, it is to protect that income, to provide relief to that income which has risen due to inflation and not because of any increase in efficiency or productivity. This cannot be termed as an achievement of the Government.

It has been said that there would be increase in taxes on items used by affluent sections of the society. The Finance Minister has proposed to realise a sum of Rs. 20 crore through taxes on 10 luxury items. Excellent! There is a meagre increase of Rs. 35 to Rs. 125 in the prices of Refrigerators. Similar is the case with V.C.Rs and Air-conditioners. The back of the affluent people is indeed stooping with the heavy burden of taxes imposed by the socialist Finance Minister.

In the Budget speech, the Finance Minister has expressed his confidence in providing the right to productive and profitable employment. Interestingly, last year the revised outlay for rural employment was Rs. 2100 crore and this time it has increased by Rs. 16 lakhs. That is to say, there is an increase of a meagre 0.9 per cent. This illustrates their socialistic considerateness towards the rural poor and commitment towards their manifesto. What does Shri Madhu Dandavate propose to do by putting just a drop of Madhu (honey) into the bottomless ocean of poverty?

A massive increase of Rs. 1500 crore has been effected in the Defence Budget

without indicating any reason therefor. It is not acceptable to us. In 1965, the defence expenditure was merely 4 per cent of our total national income and in 1971, when we had successfully fought a war, it was only 3.9 per cent. Last year, our expenditure on defence was as high as 4.4 per cent of the total national income. So, after all, what is the reason that we are so nervous that despite there being no apprehension of a war, we are unable to get a guarantee of security even with our defence expenditure being as high as 4.4 per cent of our total national income?

If the transfer from the oil pool is separated, then the deficit would be at last year's level. Definitely, the most important reason for this huge deficits is the deficiency in tax collection. For this, the need of the hour is to take stringent action against tax evasion. Real estate business has become the hot-bed of tax evasion. The Government will have to launch a drive against it and circulation of black money would have to be checked.

With regard to the decision to waive the loans upto Rs. 10,000 taken by the farmers, it is essential to determine the maximum limit of land holdings otherwise all the concessions would be usurped by the Kulaks and the big farmers. The basis for providing any kind of relief should be conditional and nothings else and for this, the maximum limit of land holdings—should be determined. In the agricultural sector, persons with taxable income, especially the big farmers, should be taxed.

MR. DEPUTY SPEAKER: Whatever you have in written form, you may send the same to the hon. Minister.

[English]

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Mr. Deputy Speaker, Sir, at the very outset, let me express my gratitude to all Members of this House from both the sides who participated in the debate and I must say that even when

[Prof. Madhu Dandavate]

they criticise certain aspect of the budget, there was no acrimony at all in the entire debate. Sir, the spirit of Parliamentary practice and debate demands that the Minister must be amenable to the constructive suggestions and criticisms and I can assure the House that after the Finance Bill, I will be able to take note of various suggestions made by the Members. And I will take due note, of course, according to my understanding. *(Interruptions)* Sir, I plead ignorance.

Sir, I stated at the very commencement of my budget speech and that again without illwill towards none that there are certain ground realities on the basis of which I have to formulate my budget. There were certain constraints and one of the constraints arose out of the security environment. If you look at various figures of the Defence Budget you will find that the Defence Budget allocations have gone up from Rs. 15,750 crores—I mean, Rs. 13000 crores budget estimate, then the revised estimate Rs. 14,500 crores, and it went up to Rs. 15,750 crores. Sir, I was happy to note that no matter to which side of the House we belonged, all noted the fact that when we have certain security environment and there are certain border problems, we cannot tinker with our security, we cannot tinker with our security, we can not tinker with our Defence, and this is one of the constraints we had to face. If I was able to bring down about Rs. 2000 crores from the Defence expenditure itself, I am sure I would have been able to cut down the deficit considerably. But that would have been done at the cost of the security and no nation considers the security of the country less than any other problem and there are people who have sometimes sacrificed bread in order to defend our freedom and defend the country, and that was the constraint that we had to face. I am glad that on that there was no difference. As rightly said by many Members here, on the background of the situation which existed at the time of the framing of the budget containing the inflationary pressure of the economy was the priority of the coun-

try and there have been some differences of opinion, and understandably so. So, the inflationary pressure goes up and the prices go up and there is an overall inflation in the country and in the economy due to two factors. One is, when we try to increase the prices of certain sensitive commodities, then the cumulative effect of this rise in prices also leads to the overall price behaviour in a particular manner in the upper direction. But, Sir, you will agree with me that just as rise in the prices of certain sensitive commodities contributes to the inflation in the country, similarly, if we allow the deficit to be widened to a very great extent and if the trend that is there continued unabatedly, all students of Economics and Finance accept the fact that all deficit finances do not necessarily result into rise in prices, but there is a limit to that. Sometimes if the deficits are created and build up, then the augmentation of production sometimes neutralises the inflationary effect of deficit financing, but there is also a limit to that and therefore, when deficits go on increasing, the problem becomes extraordinarily difficult and therefore, I think even my critics will give me this much benefit without indulging in any exercise of window dressing, I can assure you that. I have been able to bring down the entire—if you have seen in the budget all the three comparative figures, you will find that originally it was Rs. 7,337 crores, in the revised estimate it has gone to Rs. 12,436 crores. I am referring to the revenue deficit and it is Rs. 13000 crores; over all deficit, of course is Rs. 7,337 crores, that has gone in the revised estimate to Rs. 11,750 crores and I have been able to settle it down to Rs. 7,206 crores.

Some critics have rightly pointed out, and they were rightly disturbed about the trend of the revenue deficit and our former Finance Minister, Shri Poojaryji, rightly pointed out that even here the revenue deficit, leave aside the overall deficit of Rs. 7,206 crores, is Rs. 13,032 crores. It is alarming. It was pointed out that even the Revised Estimates was Rs. 12,436 cores and it has gone up. Sir, with due humility let me point out to the House and particularly to the new Members of this House by hon. Shri Chavan,

I raised a very significant issue through Privilege Motion. I have raised the question that from the Public Oil Fund, a surplus of Rs. 2300 crores which was kept in the Capital Account was transferred to the Revenue Account and as a result of that, the Revenue deficit came down from its original value by Rs. 2300 crores.

SHRI K.S.RAO : What are you doing now?

PROF. MADHU DANDAVATE: I will tell you; you asked a very good question and that gave me an opportunity to give good explanation.

Sir, Rs. 2300 crores was shifted and as a result of that apparently the Revenue deficit was decreased by Rs. 2300 crores on paper. I called it as an optical illusion, to use our physics terminology. What was the response the Presiding Officer? I am very proud that the Speaker then gave the ruling that I do not think the Finance Minister deliberately tried to transfer it from the Capital Account to the Revenue Account. But, obviously because of the transfer, it appeared as if the Revenue performance was better. He gave a warning to the entire House; he gave a warning to the then Finance Minister and he also gave a warning to all the prospective Finance Minister. He said that such a transfer from the Capital Account to the Revenue Account should not be undertaken, only to show that the Revenue deficit decreases. So, when I became the Finance Minister, I made up my mind that I should be bound by the decisions given by the Speaker on the Privilege issue raised by me and I shall not indulge in this type of exercise. Therefore, I have told my friends very categorically that we are not going to show this Rs. 2300 crores or anything else which was transferred last time. So, it was bound to be there in the Revised Estimates. I did not want to undermine; it was shown. But, as far as my Budget projections are concerned, I did not indulge in that exercise.

SHRI JANARDHANA POOJARY: Sir, even then the Revised deficit is Rs. 9312

crores. Even after transferring that, it is... (Interruptions)

PROF. MADHU DANDAVATE: Hon. Member, without any insult to you I may say, you are good in economics, but you are bad in mathematics. If Rs. 2300 crores also is taken into account, then the Revised Estimates will not be Rs. 12,436 crores, but it will be Rs. 14,736 crores. I do not want to score over you in debate, but that is the reality.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): He is wrong in economics also.

PROF. MADHU DANDAVATE: I may say, it is a question of common sense. (Interruptions) In fact, I pointed out the difference in my Budget proposals itself. (Interruptions)

SHRI JANARDHANA POOJARY: Sir, the hon. Finance Minister has given the Budget Estimates of 1989-90. Even after inclusion of Rs. 2300 Crores from the Oil Coordination Committee, it comes to Rs. 9312 crores, whereas in the 1990-91 Budget Estimates— I am referring to the Budget Estimate of 1990-91—it is Rs. 13,000 crores and odd. Please do not compare with the Revised Estimates, but compare with the Budget Estimates of 1990-91. Please do not mislead the House. (Interruptions)

PROF. MADHU DANDAVATE: Sir, I have clarified the point. I have clarified the point.

Against this background, my emphasis was, in our entire exercise in checking the inflation of the country, I have wanted to see that we try to restrain the deficit. Of course, there are various factors. No.1, we have to restrain the deficit. No.2, we have to mop up the excess liquidity. No.3, we have to bring out as much blackmoney as possible. We will have to avoid or minimise the non-developmental expenditure of the Government. These are the various ways by which we can try to reduce the inflationary pressure in our economy. I assure this House that we will continue this exercise.

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There is one more assurance, which I am modifying now. If you look at my original speech on 19th March, I have said, the question is raised that every time the deficits as surpluses are projected. But the performance always gets worsened by the end of the year. Permit me, let me modestly point out that when I happened to be the Railway Minister in the country, I had introduced an exercise, which I would like to try in the Finance Ministry. In the first year of my Railway Budget, I had projected, after a long time, a surplus of Rs. 80 crores. We projected that at the end of the financial year, the difference between the total receipts and the total expenditure will be surplus. I tried an experiment in the very first year of my Budget. That I made the revenue projection as well as the expenditure projection month by month, when I framed the Railway Budget, because some months are lean month, some are prosperous months. For instance, when the sugar is already manufactured, then the movement of sugar is more. When the crops are cut, the movement of foodgrains is more. Taking into account all these aspects, I was able to project the revenue as well as the expenditure month by month. Every month, I used to go around the country in all the concerned Railway Zones, meet the officers, sit with them for five hours and tried to get the accountability for the foodgrains movement. For example, this was the target for the month and the achievement is this. When we started the monitoring, the officers themselves told: "Here is a Minister who wants monthly account". The net result at the end of the financial year was, whereas I projected a surplus of Rs. 80 crores, the actuals over the year were the surplus of Rs. 126 crores. That was the achievement, as a result of the monitoring month by month.

Therefore, Sir, I announced in my Budget proposals that there would be half-yearly appraisal of the progress of our exercise to contain the deficit. My Prime Minister suggested to me, I should undertake a 4 monthly exercise and if possible, I should come before Parliament after every 4 months and try

to explain to them, what are the steps that we have taken and what are the results we have achieved. That will be an indirect pressure on the administrative machinery and officers will realise that after every four months, we have to give a report to Parliament and as a result of that, probably there will be restraining effect. That is the exercise, we will try to undertake.

The next important aspect is, we have tried to make modest beginning about the fulfilment of the promises. Sir, our election Manifesto contains a number of assurances. I am sure, even our bitterest critics do not take it for granted that if he has jotted down hundred items of our programme in the Election Manifesto, nobody in his wildest dream expects that all the 100 items will be completed within two weeks or seven weeks. I was surprised that eight Chief Ministers of eight States came out with a statement from Kashmir to Kanya Kumari—you try to complete this process of debt relief within seven days. They did not do it in 40 years but they wanted us to complete it in seven days... (Interruptions)

I have received the letter and I have sent them the replies also.

SHRI KOTLA VIJAYA BHASKARA REDDY (Kurnool): They have not told that they are going to wipe out. But it is your commitment.

PROF. MADHU DANDAVATE: Hon. Member, when you spoke, including your former Minister spoke, I patiently listened to them and I never interrupted when they were speaking.

I beg of you to give me a patient hearing and reject me totally when you find that you have misunderstood what I am saying! But the onus will be on you.

Therefore, you gave certain promises and we try to implement them. I am extremely thankful for a balanced contribution to this debate by Shri Indrajit Gupta. He did strike a critical note also. But, at the same

time, he was one of the speakers who took note of the fact that we are trying to give some new thrust and new direction and we are trying to bring in certain structural changes in the entire tax structure. In some matters, we have succeeded. In some matters, we have not adequately succeeded. In some matters, we might have failed. But that is our honest effort. We want to give a rural orientation. It is a fact. Even in the figures that have been given in the budget estimates, you will find even the Congressmen admitted that we have increased the Budget allocation for rural development from 44% to 49%. I would like all our hon. Members to realise that this excludes even Rs. 1,000 crores for debt relief and even Rs. 4,000 crores for fertilisers and if you take that into account,—of course, it is not there in the Budget, it is no—plan expenditure, but the contribution to the rural development is quite high. I do not think it is a unique contribution. But at least concede to us, our will, the desire. *(Interruptions)*

SHRI JANARDHANA POOJARY: We have done it. You are pointing out the figure. I have given the figure. We have given 55%. I stand by it. *(Interruptions)*

PROF. MADHU DANDAVATE: Mr. Poojary, you need not shout. My hearing capacity is perfectly normal. Even if you get up and say it is 50%, I shall accept it. *(Interruptions)*

MR. DEPUTY SPEAKER: I would request the hon. Members please not to interrupt. you have made your points. The hon. Minister is replying. Please hear him patiently, this side also. If any hon. Member gets up and if the hon. Minister yields, will let him have his say. The hon. Minister is quite capable of replying to the points made by the Members.

(Interruptions)

[Translation]

PROF. MADHU DANDAVATE: You

leave it. I will manage it. I do not need your help.

[English]

You know it very well that in the debate I never get rattled by interruptions. In fact, I thrive on interruptions very often. So, I am not worried about it.

MR. DEPUTY SPEAKER: But not in this debate.

PROF. MADHU DANDAVATE: It has been the convention of the House that when the Minister replies afterwards you can say anything. That is the convention. *(Interruptions)* I never did it.

When Prime minister was replying or Minister for Finance was replying, after the debate was over, I might have sought clarification. But I never disturbed the reply. *(Interruptions)*.

PROF. MADHU DANDAVATE: In case I had done it, do not follow me. Follow you leader. That is what I would like to tell you.

In fact, if you go through the records of the Debate, there are many Members on the Congress side who themselves took note of this fact and they said we do take note of the fact that in our case it was 44%. You have taken it to 49%. After all, 5% increase is not much. You cannot argue both ways. You cannot argue that 5% is not much and you cannot argue that the figures are not correct. Therefore, truth can be on either side. What I would like to point out is this is our priority and we have done it. *(Interruptions)*

MR. DEPUTY SPEAKER: Mr. Janardhana Poojary, please.

SHRI INDRAJIT GUPTA: He cannot reconcile himself to it.

PROF. MADHU DANDAVATE: I want to hear him. Whatever he wants to say, he can say.

SHRI INDRAJIT GUPTA: Why should you yield to every interruption?

PROF. MADHU DANDAVATE: I wanted to yield once and for all. (*Interruptions*) Then there is the question of right to work and our hon. friend who initiated the discussion, at a very highly dignified level pointed out that this right to work is a fraud. I am sure on both sides people will realise that when we say that right to work should be introduced as Fundamental Right in Part III of the Constitution, it is a justiciable right. That means once you amend the Constitution, next day if any youngster does not get work, he can go to the Supreme Court and the Supreme Court can direct now that right to work has become a Fundamental Right in Part III of the Constitution, it is justiciable, then they can immediately direct even the next day and tell the Government to give them either work or give them unemployment allowance. Therefore, this demand about Right to Work came from all sides. Those of us who come from the working class movement and the kisan movement, who demanded and who demonstrated for that, even while demanding that we made it clear that if you amend the Constitution on Monday, all over the country that right can be implemented from Tuesday onward. We have never told our supporters and followers in the mass rallies of workers and kisans. All that we have said is that in order that this right should be implementable, the priority is to create a greater work potential starting with the villages. Why should we start with the villages? Our former Finance Minister Shri C.D. Deshmukh had rightly said that the unemployment figures which were revealed by the employment exchanges in the cities were not the correct picture because it is only the educated in the urban areas who go and record their names. But as far as our rural population is concerned, sometime they become so cynical of our employment exchanges. They ask: "What is the use in recording our names? We are only hiding the stigma that we are unemployed. Therefore, so many of them do not record their names." Therefore, Shri C.D. Deshmukh once said in this very House— he was the former Finance

Minister— "The figures of my employment exchange do not reveal the real unemployment. The concealed unemployment in the villages is not at all revealed because it is not recorded in the employment exchange offices at all. Therefore, there is more unemployment in the villages." Therefore, I would like to say that we must make a beginning from somewhere. So, in Maharashtra—of course it is under the Congress regime—the Employment Guarantee Scheme was very effectively implemented. We are the supporters. Even while sitting on the Opposition benches, my colleagues in the Maharashtra Assembly always supported the Employment Guarantee Scheme and congratulated the Government for that scheme not forgetting that it was a Congress Government's scheme. We insisted and we suggested some modifications. They were accepted. That ideal scheme was implemented in Maharashtra. Therefore, we have decided, in our manifesto, that it should be extended throughout the country. While extending throughout the country a beginning has to be made from somewhere. Therefore, we have given priority to those village and rural areas which are drought-prone, famine-prone. We shall take them up and try to see that the employment potential is increased. For that very reason, one of our radical friends asked: "What is your model? Ours is the model which will suit the genius of India. We will not borrow the models from highly developed countries. We have the model that suits India. 70 per cent of the population stays in the villages. Major chunk of unemployment comes from the rural areas. There is highly centralised planning and top-heavy planning. Its implementation is not going to development will be not development for the affluent people at the top and trickling down of the gains of development so that those who stand with the bowls of begging at the lowest grass-root get only the development gains by trickling. We have to reject that. Therefore, we are suggesting a modes in which the large-scale industries, small-scale industries and the cottage industries will co-exist without co-destruction. Sometimes we have favoured the co-existence of the three sectors. But it is not fruitful because there is

co-existence and co-destruction. If the large-scale factories manufacture the same commodity which is allowed to be manufactured by the small-scale sector, in that case there is competition and the small-scale sector just dies. If you allow the cottage industry to produce the same product which is being produced in the small-scale sector, in the competition the cottage industry will just get destroyed. Therefore we will try to have gradually, in a phased manner, some sort of a phased programme for reservation of commodities for all the three sectors. We will take the big industries—cement, iron, electricity, power all these are to be manufactured in the large-scale sector. I am one among those and when I was speaking Prof. Ranga pleasantly interrupted. I said that the infrastructure of this country has to be built up. He said: "Thank Pandit Jawaharlal Nehru." I said: "I join you." Because whatever we have differences with Pandit Jawaharlal Nehru, one has to be accepted that giving the stress on infrastructure for planning in this country, he gave the basis for the planning in the country. And that was one contribution only where, Pandit Nehru ought to have combined with Gandhiji to go a step further and tried to bring about the centralisation of industries—technique as well as poet. That was missing. And, therefore, Nehru's initial work did not fructify as a result of complementarity that ought to have been there between Mr. Gandhi and Pandit Nehru. I am referring to the old Gandhi. Please note this. Therefore, these are the aspects that are to be noticed. We would like that model of development and the model of industry to be developed. And if that is done, therefore, you will see that it is not an accident. So many organisations belonging to the small scale sector came to me. They said: "We are not hundred per cent satisfied. But the process has begun. you have started giving more facilities. You are re-defining the excise duty for the small scale sector. You are allowing them expansion. You are giving them better relief. You are giving them subsidy in the rural areas. Where there are backward areas, fifteen per cent subsidy was already cancelled. You have restored that subsidy. Not that, hundred per cent satisfaction is

there. But we want to encourage and that also we are trying to do."

And the third was about the debt relief. It is very good that some of the friends from the opposition and some of our friends who support us, they have, in a precise manner, raised certain issues. Sir, I will not hide the facts. I will like to take this House into confidence and tell them why did different types of estimates have come forward before you. And ultimately because of the particular parameter that we have suggested, why did that ultimate incidence has come to Rs. 2,800 crores? Let me tell you that there can be various variables in the debt relief. One attitude can be and that may be advantageous to Kulaks—no matter, whatever be the loan taken. A small peasant may take it for the seeds and the big Kulak may take for huge tractors, not only one but more than that. Therefore, they take the loans which are of Rs. 50,000, Rs. 60,000. We have gone through the loan structure. We have got the record. Kulaks do not take loan of Rs. 1,000 Rs. 2,000 or Rs. 3,000. Invariably, they take Rs. 50,000 or Rs. 60,000 or Rs. 1,00,000. And they say that we have the assets against which you can give us the loan. Kulaks do not worry about Rs. 2000 or Rs. 3000. Therefore, we are not extending this facility of granting loan on loans taken up to Rs. 10,000 irrespective of the size of the loan. If some rich peasant has taken a loan of Rs. 1,00,000, he would not be told that out of that, He would be relieved on Rs. 10,000. Only the size must be restricted up to Rs. 10,000. There can be two parameters.

Secondly, the loans when they are to be taken, the beneficiaries are to be identified. Suppose, I have taken a loan of Rs. 9,000 from one bank, Rs. 8,000 from the second bank and Rs. 10,000 from the third bank. They are already recorded in various banks. Therefore, the beneficiaries will have to be identified. They cannot manipulate. They cannot show only the loan taken from one bank and try to hide the loans taken from five, to six banks. Therefore, it must be a loan from one particular agency. This is the second parameter.

[Prof. Madhu Dandavate]

The third parameter is, we have said in our election manifesto, that loans up to 2nd October. Even if it is up to 2nd October, there can be two interpretations. The overdues which accumulate up to that date and the current dues which spill over. We have made it very clear that it is only the overdues up to 2nd October, 1989.

The next point is, there can be short-term loans and long-term loans. We have included them by putting other restrictions. And one more parameter is there. I must tell you, from the present moment I have accepted that. This particular concession and reform which you want for the poor people, we would not allow the richer sections to exploit them. Our record shows that as far as poor people are concerned, at least they make partly payment as far as loans are concerned. And friends, you will be shocked to know that our records of the Reserve Bank and many other banks include that as far as rich people are concerned those who have the capacity to pay, would have made it a professional habit not to pay. You asked me the question as to who is a wilful defaulter. Shall I tell you? A wilful defaulter is one who has the capacity to pay but deliberately does not pay. He goes with the feeling that he has many assets, worse comes to worst and punitive action is taken he shall sell his assets; but as far as possible he will try to make his debt as bad debts. There are such elements. Therefore even those who have worked in the movement of *kisans* also do not want the wilful defaulters to take advantage of this reform which is basically meant for the poor people. Therefore we excluded them.

If you exclude all that, the total amount comes to Rs. 2800 crores. How does Rs. 14000 crores come first? That amount came with no restrictions; no size of holdings; Rs. 10000 or Rs. 50000 no size of the loan and the first Rs. 10000 will be waived; no worry about current dues and overdues; and no wilful defaulters. If you take that entire spectrum into account it can go beyond Rs.

10000 crores or Rs. 11000 crores. That is why different estimates have come.

The Finance Minister has played no trick on you. If one tries to play the trick, he can do it in one speech. But somewhere it will be exposed. Therefore I do not want to indulge in that. I am one among those who believe that if I tell untruth to the House and that too in a budget speech I indulge in telling a deliberate untruth the House, it would be a breach of privilege. Rest assured, I will not submit myself to the breach of privilege at all and that is why I have not resorted to that. That is why Rs. 2800 crores came.

SHRI K. S. RAO : What is your intention in telling, irrespective of land holdings?

PROF. MADHU DANDAVATE : On my bended knees I appeal to you young man, please listen to me first and then make up your mind afterwards if you have one.

Let me tell you further Sir. Shri Indrajit Gupta had raised that question in the Question Hour one day. As far as Rs. 2800 are concerned, that is the total liability of loans of Rs. 10000 subject to other parameters, of loans taken from banks in the Central sector—that is public sector banks, regional rural banks as well as cooperative banks in districts which are in the jurisdiction of the State. As a first step we have made it clear that we take a hundred percent responsibility of writing off the loans subject to these parameters in all the banks, public sector as well as regional rural banks, which is the Centre's responsibility.

We have said that straightaway in one stroke we will do it. Why will not do it in a phased way? Because the Reserve Bank is right in telling us that if you drag the process for a long time the recovery process of the banks will suffer. When they become insolvent and deposits do not come to the banks, the depositors may start saying that the credibility of your bank is destroyed, nobody is returning the loans, the whole process is getting dragged, your credibility is getting destroyed and we will not put our deposits,

on the contrary we would like to withdraw our deposits. Therefore, in order not to destroy the credibility of the banking system, we would like to do it in one stroke and whatever be our responsibility, we will do it on the basis of the budgetary provision.

One more aspect . What happened about loans taken from the cooperative banks which are in the jurisdiction of State Governments? I have written to all the Chief Ministers and assured them. Some of the State Governments told us—particularly the non—Congress Governments—that they will take the responsibility. But as far as those, who say that there are constraints in their resources, are concerned I shall sit with those Chief Ministers— I will not distinguish between the Congress Chief Ministers and non—Congress Chief Ministers because I am not the Finance Minister of the National Front, I am the Finance Minister of India and I must take care of the finances of all the States, no matter whether they are ruled by the Congress or non—Congress party—and if they have any financial difficulty I have told them that let us sort them out, if they want a certain percentage to be borne by the Centre, we will try to make necessary arrangements and we will do that. That is how we are trying to solve this problem.

SHRI JANARDHANA POOJARY: Sir, I am on a point of order under Rule 355. We are here as responsible persons. Sir, it is the duty of the Opposition Members also, to seek the clarifications and the nation should know what the Government is doing. Sir, at certain point of time, even interruption is tolerated and the treasury including the Minister should yield

Now, the hon. Minister has stated that he is going to write off the loans—that is over—dues—as on 2nd October 1989. I will give an example. (Interruptions) It is a point of order. (Interruptions)

MR. DEPUTY SPEAKER: You come to the point, Shri Poojary.

(Interruptions)

PROF. MADHU DANDAVATE: I would like to know which Rule has been violated.

SHRI JANARDHANA POOJARY: Rule 355. (Interruptions)

MR. DEPUTY SPEAKER: You will please not try to interrupt. You leave it to me to control the House. Shri Poojary, you will please come to the point of order.

SHRI JANARDHANA POOJARY:
Rule 355 says,

'When, for the purposes of explanation during discussion or for any other sufficient reason, any Member has occasion to ask question of another Member.....'

MR. DEPUTY SPEAKER: It is about 'another Member'.

SHRI JANARDHANA POOJARY: The Minister is also a Member.

MR. DEPUTY SPEAKER: You please take your seat. This is a rule which enables you to ask a question not from the Minister, but from another Member and this Rule, you will not be entitled to interrupt the debate. You understand the difference. You are entitled to ask questions from the Ministers, but at the same time on occasions if you want to ask a question from another Member, you are allowed to do so under this Rule. So, this Rule does not enable you to ask questions in this fashion.

(Interruptions)

MR. DEPUTY SPEAKER: I would request Members not to interrupt.

SHRI JANARDHANA POOJARY: If he yields? (Interruptions)

PROF. MADHU DANDAVATE: I do not yield. I cannot go on yielding after every five minutes. There is a limit for yielding. (Interruptions) I am not yielding, Sir. (Interruptions)

MR. DEPUTY SPEAKER: Shri Poojary, if yields. you can, otherwise, not.

(Interruptions)

PROF. MADHU DANDAVATE: He is a former Minister. *(Interruptions)*

MR. DEPUTY SPEAKER: If you are having a genuine doubt, I think, Shri Dandavate will be very happy to discuss it with you. But why are you disturbing like this?

SHRIJANARDHANAPOOJARY: I have got a genuine doubt, Sir, in the interest of the public. I have been a Minister also. *(Interruptions)*

PROF. MADHU DANDAVATE: The public will take care of us; do not worry about it. *(Interruptions)*

MR. DEPUTY SPEAKER: I would request the Members to allow me to conduct the business of the House.

(Interruptions)

PROF. MADHU DANDAVATE: Sir, with your permission, let me point out one thing. You have been in this House for a long time and I have been here for 20 years. No matter whoever is the Finance Minister in the past, whenever the presentation of the Budget takes place, at the time in the last several years, I have never seen even the Budget being disturbed. He is not only interrupting now. But even on the 19th, our former Minister was getting up and interrupting. I told him that this not the convention of the House. *(Interruptions)*

MR. DEPUTY SPEAKER: Mr. Poojary, the hon. Minister will be happy to discuss it with you later on .

(Interruptions)

PROF. MADHU DANDAVATE: Ask Prof Ranga. I have never done that. *(Interruptions)*

SHRI JANARDHANAPOOJARY: We

are not here as spectators. We can seek clarifications. *(Interruptions)*

MR. DEPUTY SPEAKER: You are not here to interrupt; you are here to put forward your arguments.

(Interruptions)

PROF. MADHU DANDAVATE: I may announce prospectively that I am not going to yield till the end of my speech. He need not take the trouble of getting up.

Sir, allied with that is the question of small scale units. *(Interruptions)*

PROF. MADHU DANDAVATE: As far as small-scale industries are concerned, I cursorily refer to that. 15 per cent central investment subsidy has been revived for small-scale units. Exemption limit for excise raised from Rs. 15 lakhs to Rs. 20 lakhs and assessment procedure has been simplified. I don't want to go into the details. Limits for composite loans have been raised and the tax rates on partnership firms have been reduced. So, in the course of the debate, some Members had referred to that. As far as partnerships are concerned—whether they will suffer—we want to make it clear that the tax rates for partnership firms have also been reduced.

Now, let me come to the general postulation. On that basis, I would like to spell out the details. Throughout our budgetary process, you will find that our cardinal principle is, "Burdens on the affluent to be increased and burdens on the other sections to be commensurate with their capacity to bear the burdens".

Income-tax relief for lower income-tax payers has been compensated, particularly by restructuring of exemption to increase the tax burden on the rich. If you see that, comparatively it is difficult for the rich to get those benefits and it is easier for the low income groups. There is a higher tax revenue from the corporate sector. I will spell it out: additional taxation on items of

non-essential consumption, like air-conditioners, refrigerators, washing machines, VCRs, etc. I was surprised to find some critics saying: "Why have you increased the prices of ice-cream? Why do you unnecessarily touch air-conditioners?" I said, "We are more concerned with the people living below the poverty line." The Finance Minister is more worried to see how a poor man gets two meals a day, not how he gets two ice-creams a day. That is not my choice at all. We are trying to put more duties on luxury goods. The increase in cigarettes is only 15 paise for cheaper varieties and 75 paise for costlier cigarettes. (*Interruptions*) There is no taxation on *bidis* because drivers use it more. The excise duty on textiles restructured to low incidence on duty on cheaper fabrics; prices not increased on naphtha which is used for fertilisers, Housewives use kerosene in rural and urban areas. They have not been taxed. We have seen to it that low speed diesel has not been taxed. We have seen that furnace oil has not been touched. We are trying to avoid this. It was a painful duty to see that the petroleum prices had to be increased. But at a slightly later stage, I will come to the point how the consumption is increasing and how we are required to depend more on imports (*Interruptions*) You may shout to your hearts content. I am not going to be cowed down. Even if 200 of you shout, my voice will not be cowed down. I have demonstrated it. (*Interruptions*) For twenty years, I have demonstrated it. (*Interruptions*) I don't want the background music. I was pointing out to you that some Members raised the question: When drinks are an evil, why is it that on the manufacture of liquor, there has been no tax? I tell our friends who may have made this suggestion that the manufacture of liquor being a State subject, we cannot go ahead as far as the Centre is concerned. It is left to the States.

SHRISOMNATH CHATTERJEE: They only drink.

PROF. MADHU DANDAVATE: Some people get drunk without drinks. I will come to the question of direct and indirect taxes.

When we change the structure, gradually the ratio between direct taxes and indirect taxes has to be changed. Now, those who allege that we have made more concessions to rich and we have thrown burns to the poor, as far as direct taxes are concerned, Sir, I would like this House to take note of the fact that in the last year's budgetary proposals, what were the additional taxes which were actually imposed on the rich corporate sector? Big 'zero'. It was not a mathematical error. I checked again and again whether through mistake some digit is missing. It was 'zero' additional taxation. This time, how much have we taxed? We are going to have Rs. 800 crores towards corporate tax. Here, I will try to explain the paradox.

18.00 hrs.

Apparently, it appears—if you do not go into the details—that 50 percent taxation rate has been reduced to 40 per cent for the corporate sector. I will now tell you the fact. Sir, you know it well. Leave aside that additional minimum taxation which was introduced some years back. Otherwise, when it was not there, what was the state of affairs of high profit-making companies? I need not name them. They are identified. They got investment allowances rebate. They got investment accounts deposits and on their used investment they again got a big rebate and the rebate was almost equivalent to the tax that they would have been required to pay. They cancelled each other. And the paradox at that situation in the corporate sector was that high profit making companies in the country were paying zero tax. Sir, you will be surprised to know that they are paying zero tax. The first thing that I did—some are disturbed that development will suffer—at one stroke was I have removed the investment allowance. I removed the investment account deposits. Why did I remove them? It is because of the rebate that the big and rich were escaping from the tax net and paying zero tax. When these rebates were taken away, they came into the tax net. I told them that their contention for years has been that the tax rate be reduced and compliance will be possible. I said that I would like to test

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them by first taking them out of the tax net. Therefore, by cancelling these two incentives and investment allowances and investment account deposits, I first brought them into the tax net and then said that now 40 per cent is to be paid. Formerly, they were paying zero tax. They will now pay 40 per cent and as a result of that, I will be mopping up Rs. 800 crores from the corporate tax when the previous Government did not get a single additional pie from the corporate sector and rich sector. This is how we are managing. Sir, the corporation tax restricted to bring the capital intensive companies into the tax net. Some friends here said that probably by removal of investment allowances and other facilities, the big companies will have nothing to lose. They will have to lose because they will be inferred. But the trading and investment companies will suffer. Even for them, there is another provision. Everything including their expenditure is actually deducted and then the taxes are imposed. So, their case is different. They will not suffer. On the contrary, many company owners and even smaller company proprietors told me that for years together— have raised this from the Opposition side in this House—the monopolists and big fishes are swallowing others and they are honest tax payers and big fish is escaping. It is this section which has been brought into the tax net and therefore, this is not pro-rich policy at all. Sir, the corporation tax during the year 1985-86 was Rs. 251 crores and for 1990-91, the amount is Rs. 800 crores, the income-tax figure for 1985-86 was Rs. 197 crores, for 1989-90 it was Rs. 245 crores and for 1990-91 it is Rs. 250 crores. The excise duties for 1985-86 was Rs. 259 crores, and for 1989-90 it was Rs. 792 crores. The total picture is that as far as total accruals or additional measures of resource mobilization are concerned, in 1985-86, it was Rs. 430 crores, in 1986-87, it was Rs. 488 crores, in 1987-88 it was Rs. 514 crores, in 1988-89 it was Rs. 615 crores, in 1989-90 it was Rs. 1287 crores and in 1990-91 it is Rs. 1790 crores. Mr. Banatwalla raised a very relevant question. I will tell the fact. Last year, they did not collect anything

from the corporate sector and now, we are collecting Rs. 800 crores. It is a fact that no portion of the corporate tax goes to the State. But I have already announced in my Budget proposals that we fully endorse the Finance Commission's recommendations, thanks to Mr. Salve, he has come to the help of the Centre as well as the States. We accepted that 85 per cent of the personal income tax will go to the States and similarly 45 per cent of the excise duty will go to the States. We had increased all these accounts and thus we will be able to give the corresponding help to the States. Of course, it is a fact that instead of increasing the corporate tax, if we increased the personal income tax, in that case, States would have more but the people would have shouted. And, therefore, we followed this.

There is one more aspect on which there is a lot of confusion and I would tell you my interesting experience by quoting the anecdotes. The moment I presented my Budget, some friends issued a statement that we have let them down, the limit of exemption for income tax is only Rs. 22000; it ought to have been Rs. 30000 and if it was more, they would not mind it. Some members of the Delhi Action Committee—Shri Khurana will be aware of that, because they are his friends—came to me and institutionally they came with garlands and they said: **We heard your speech on the television, but we read it at night and then we came to realise that every Provident Fund payer, that is every salaried employee would have zero income tax up to Rs. 35000 and more.** Then, I will give you another instance. This is the classical expression, I had said it. Suppose my monthly income is Rs. 3500, my annual income will be Rs. 42000. There is a standard deduction of Rs. 12000. From Rs. 42000, Rs. 12000 go, and then Rs. 30000 remain. Out of that, there is no income tax on **Rs. 22000.** Rs. 30000 minus Rs. 22000, that means **Rs. 8000** balance remains. On that **Rs. 8000**, I have to pay 20 per cent tax, therefore, my tax will be Rs. 1600. But if I have got an annual saving of Rs. 8000 in the form of Provident Fund, LIC, National Savings Certificates etc. On that there is a tax

rebate of 20 per cent and that comes to Rs. 1600. Therefore my tax will be Rs. 1600 and my rebate will be Rs. 1600; both cancel each other and my income tax would be zero. Everyone of you, who has got a salary income of Rs. 42000 and saves annually Rs. 8000, his income tax will be zero.

[Translation]

SHRI MADAN LAL KHURANA (South Delhi): You are talking about Government employees. What about others, who too have fixed incomes?

[English]

PROF. MADHU DANDAVATE: He has raised a very good question.... (Interruptions) Because he was the first to intervene, I would clarify it.

It is a good question; this question was also asked by so many people. As far as the non-Government employees and others are concerned, there is the Provident Fund Scheme; ten per cent contribution is compulsory; it is not left to your choice. As far as the self-employed persons are concerned, though this may not be there, there are other benefit accruing to them. A number of expenditures are deducted from their total income before they arrive at the taxable income. As regards big magnates, they are not much worried, whether you raise it to Rs. 25000 or Rs. 30000. It is basically for the middle classes. Therefore, as far as the salaried employees are concerned, this type of restructuring has been done.

I would clarify one point. Many colleagues have been asking why we raised the limit up to Rs. 22000 only and why we did not raise it directly to Rs. 25000 or Rs. 30000. Let me humbly tell this House that when you increase the tax exemption limit from Rs. 18000 to Rs. 19000, only by Rs. 1000, the net loss of revenue is Rs. 105 crores. If you raise it to Rs. 20000, it is Rs. 105 crores multiplied by two. If you raise it from Rs. 18000 to Rs. 25000, by Rs. 7000, you lose as much as Rs. 105 crores multiplied by seven.

I have restructured it in such a way that up to Rs. 22000, I give you the full exemption, and then I have tried to give tax rebate on savings by which I would avoid the loss of revenue and at the same time I give the necessary benefit to those who are salaried employees and they are tax payers. If I have used my ingenuity to restructure the tax, I am sorry for it, but it is to your benefit. That is what I would like to say.

[Translation]

SHRI MADAN LAL KHURANA: You please increase it a little more.

PROF. MADHU DANDAVATE: It has been increased. Go and tell them that it has been increased.

[English]

Then, the petroleum consumption problem is a very big problem. Do think that it is a pleasure to us? You are aware of the huge deficits. Everyone who comes to me, says; "Give us this facility, benefits and loans, and that you must give us right to work." They want everything on the revenue side. But when huge deficits are mounting up, they do not want us to resort to resource mobilization. I have taken an unpopular stand; it is not a popular stand. Certain products have been kept out. But I would like my hon. friends and my supporters to realise that the petroleum consumption has been growing very rapidly and import dependence is increasing.

The growth rate of consumption in the year 1987-88 was 6.3 per cent in 1988-89 it was 7.2 per cent and in 1989-90 it is 7.8 per cent. The growth rate of domestic crude oil production is 4%, 5.5% and 6.9% respectively. Therefore, import has been going up vulnerably. The import has been increasing. Therefore, it is not a pleasant duty but, we have to take up this task. These are the wide programmes that we have undertaken.

As far as transfer of resources to the States is concerned, I have already told to

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you we are implementing in to to Mr. Salve's Report of the Finance Commission- the second Report as well as the original report. The Central assistance for states and U.T. plans will be increased to 18 per cent relative for 1989-90.

As far as defence is concerned, I have already referred to that point. But in this context I would like the House to take note of one aspect especially the trading institutions. Many friends, not only the critics but those who are supporting the Budget, say that we have shown only Rs. 100 crores as the budgeted amount for the payment of Dearness Allowance and their contention is that this amount is insufficient. They should remember that this Rs. 100 crores does not include big amount to be paid as Dearness Allowance to the defence workers. We have made a separate provision for them. By discussing the matter with other ministries we have found out the way and means by which certain expenditure will be curtailed which will raise the funds and money from their respective departments and ministries. As far as defence is concerned separate provision is made and apparently it may appear that Rs. 100 crores dearness allowance is less but it is not so.

Now, I will very briefly come to the problem of black money. I fully agree with my friend, Shri Ramdhan. We have known each other from years together. An all party Committee has been set up and we have decided which are the electoral reforms to be taken up first. I must tell this House that one of the factors that is responsible for the practice and amassment of black money, besides all other factors, is the present electoral machinery and the election system. Therefore, personally I am of the opinion, I would like the House to express its opinion. In West Germany, probably after some time there will be nothing like West and East, there is an electoral system which is a combination of our system and the List System which eliminates the defects of both systems. Sir, if it is merely a list system then

the human element will disappear. None of us gets elected will nurse our constituency. Even if Dandavate gets elected in the List system in Parliament and does not go to the electorate, does not attend to their grievances, nobody can do anything because I have got elected on an impersonal basis; on a List system. So, the List system is non-human though there are human elements. If you take only the present system, as it exists, we will have a paradox

SHRI RAMDHAN: I don't agree.

PROF. MADHU DANDAVATE: I will come to that. There is a way out. There is a combination of Ramdhan and Madhu Dandavate. I will come to that. If it is only a personalised election, as it happens today in the present single member constituency-right from 1952-89-you see the paradox. The paradox is when political consolidation takes place one party gets 40 to 45 per cent votes; Opposition gets 55 to 60 per cent votes. The party with 40 to 45 per cent votes comes to power because the vote splits away.

In West Germany the system of State funding of elections has achieved two things. They have linked up the State funding of elections to a minimum percentage of votes. Suppose they have fixed 6 per cent, then the party which gets less than 6 per cent vote in the previous elections will get State funding of election for their candidates. What will be the effect? All splinter groups start feeling what is the sense in retaining only a small splinter group in the lanes and by-lanes of some cities. Let us try to merge with the mainstream party with which we are nearer. So, consolidation takes place. Division of votes is avoided and at the same time we find that in this system.....

MR. DEPUTY SPEAKER: Dandavateji, this is a very complicated issue.

PROF. MADHU DANDAVATE: I will finish it. I don't want to complicate your mind.

MR. DEPUTY SPEAKER: I think many

people have their own views on this point.

PROF. MADHU DANDAVATE: Sir, I am not imposing.

MR. DEPUTY-SPEAKER: What you are saying is acceptable to many of them.

PROF. MADHU DANDAVATE: That is all right. Generally what I say is acceptable to a very few. I realise that.

MR. DEPUTY SPEAKER: You are discussing election reforms....

PROF. MADHU DANDAVATE: I take a hint from you. I will restrain myself within one minute.

So, what I say is that firstly consolidation takes place. State funding is linked up with the votes. So, state funding of election takes place. There some people say that Birla may take Rs. 10 lakhs many and Dandavate may get from the state only Rs. 5 lakhs. But really speaking many of us are of the opinion that minimum infrastructural expenditure that is available to us is sufficient for us. Our opponents may spend even Rupees One crore. If the minimum that is required for us is available we can ensure our victory. Therefore, this is one thing.

MR. DEPUTY SPEAKER: What is the guarantee the candidates will not spend?

PROF. MADHU DANDAVATE: I said that. You did not listen to my last sentence. I said some others may get Rupees One crore- State grant plus their own grant but my position is that one who does not get even the minimum to get victory at least that is available with us. That is what I am saying. That is the advantage. (*Interruptions*) I will close on the question of black money.

MR. DEPUTY SPEAKER: Not on black money. You can go on, on black money but not on election reforms.

PROF. MADHU DANDAVATE: That is all right

MR. DEPUTY SPEAKER: About black money, you are well within your jurisdiction.

PROF. MADHU DANDAVATE: I will take black money outside the fold of the elections. I will only deal with the financial aspects.

Sir, we have tried various experiments and I don't blame. For instance when Venkataramanji was the Finance Minister, he had introduced the system of bearer bonds, through which the black money could be given. No name will be which the bond. No question will be asked. After some years, you will get back with more interest. But I myself had said at that time—Mr. Poojary will remember — to Mr. Venkataraman that we are such a genius in complicating issues that some people will purchase the bearer bonds and they will use them as an alternate currency and sell it off. That is what is happening, inside the country and outside the country. So, the black becomes white and the white becomes black. Therefore that won't serve. Demonetisation did not produce much results. It was tried three times. Therefore one of the methods which many Members from both sides have suggested for the development rural industries is this. I may differ with Mr. Vamanrao Mahadik on a number of issues but one very good suggestion he had made was that if large amount of money is coming for the development of small industries, for housing the poor, the lower class and the slums, in that case, that can be utilised for developmental activities. I think that can be waived. This is one of the methods.

Some people have suggested that even the gold should be allowed to be imported with some sort of a duty that is to be paid in foreign exchange. These are various alternatives which we can discuss. I will collect the opinion of the house and we will try to go ahead. So, these are the various aspects which are connected with it. Some people have felt that there are no structural changes; there are no thrust and directions; planning has not been given enough direction after 100 days of the Government. One hundred

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days cannot shake the world. Sometimes, ten days shook the world. But I cannot do that in one hundred days. There are limitations. There are constraints. There are Constitutional hurdles. But I can assure this House at least one thing. I am proud to be a democratic socialist that is gaining ground all over the world. I must say with that commitment to pragmatism as well as socialism that my effort will be to give a thrust not in the direction of *status quoism* but more in the direction of social mobility, economic equality and try to see that largest rural sector gains maximum by our economic policies. I do not want to add anything more.

In conclusion, I can assure the House that every suggestion and every criticism that have been made in this House is not *mala fide* criticism, it is a criticism and a suggestion to improve matters. As Mr. Sathe has said that in the worst of times, I have produced the best of results out of the bad bargain. That is what he had said. These are the constraints. I had tried my best and again and again you are referring that the bureaucrats have prepared this Budget. Let me tell you that in my forty years of political life, I have never been guided only by what advice the bureaucrats give. It is not that the Finance Minister works under the bureaucrat. The bureaucrats work under the Finance Minister. That is the equation.

I want to compliment him say: I am not one among those who take the attitude, that if blunders are committed, I throw the responsibility on my bureaucrats; and if some laurels are coming, I say it is to my credit. I am not for one of the philosophies of Heads I win, tails you lose'. That is not what I tell my bureaucrats. If they bureaucrats commit a mistake, I shall hold the responsibility on my own shoulders and I will be accountable to this House, because they are not answerable to this House. I shall take that responsibility.

Friends, once again I thank all of you who have given constructive proposals, and

I express a desire that the vote on Account for the next three months should be voted unanimously.

SHRI K. S. RAO : Mr. Finance, I have heard your giving details of the waiver of Rs. 10,000/-. May I know your intention in using the words 'irrespective of the land holdings'. You yourself have said this in the House.

PROF. MADHU DANDEVATE: My friend, you did not listen to it. I have my knowledge about the *kulaks*. I know them very well, because I have fought against them. My understanding of *kulaks* and others, after seeing their credit pattern from the banks—I am not saying it theoretically—is the *kulaks* do not get a loan of Rs. 2,000 or Rs. 3,000. The moment you say that the bigger size of loan will not be permissible, but only Rs. 10,000 and less, automatically you say it is the middle and the poor kisan that is brought into the picture. This is how we have put it. (Interruptions)

SHRISONTOSH MOHANDEV (Tripura West): Mr Dandavate has very frankly and very nicely projected his Budget; but I would like to request him, if he can kindly share the information. I am one of his neighbours. What was the reaction of Mrs Madhu Dandavate that day when he went back home?

PROF MADHU DANDEVATE: My Wife only said: 'I might not be fully satisfied; but compared to Congressmen, I am more satisfied with you'.

MR. DEPUTY SPEAKER: It involves a confession.

SHRI JANARDHANA POOJARY: The hon. Finance Minister was pleased to speak about the writing off of loans upto Rs. 10,000/-. He referred to current dues. Now I want a clarification. If a poor agriculturist, not a marginal or a small agriculturist, had taken a loan of Rs. 10,000 in the year 1985 and he has to pay a small instalment every month or every year, and if the instalments are so spread that they has to be paid throughout the period of ten years i.e. from 1985 to 1995

and upto 2nd October 1989 if he has not paid the amount of Rs. 3,000 out of Rs. 10,000, is the Minister going to write off only Rs. 3,000, or Rs. 10,000—which is going beyond 2nd October 1989 ? That is my point.

PROF MADHU DANDAVATE: In fact, the clarification I gave, makes it very clear. He was a Finance Minister. The current dues and overdues are very clear. He might have taken the loan at any time. A part of it he will go on repaying; so, ultimately it goes on reducing. So, whatever does not spill over beyond 2nd October 1989, all of them will be completely freed. (Interruptions) If he had already paid the loan, even then it is to be waived. It is the same logic. (Interruptions)

DR. THAMBI DURAI (Karur) : The Finance Minister spoke about petroleum products. Can he not at least consider reducing the price of diesel which will affect the common man? He can forget about petrol. What about diesel? Can he consider reducing its price?

PROF MADHU DANDAVATE: I cannot leak out whatever I am likely to say. It will be a breach of privilege, with prospective effect.

SHRI BHOGENDRAJHA (Madhubani): I want one clarification with regard to wilful defaulters. I have heard him. I am just coming from the rural areas. I am very much apprehensive, not only apprehensive but I am almost sure, that this will open the gate for corruption. I want to know whether any method is being evolved to take care of this. (Interruptions)

PROF. MADHU DANDAVATE: I have fully understood your mind because I was with you for a number of years.

SHRI BHOGENDRAJHA: The drought prone areas have been given some relief.

But what crime have the flood prone areas committed ? They are the worst affected area; they are the loser. So, can you not give them some relief ?

PROF. MADHU DANDAVATE: As far as flood affected areas are concerned, their conditions are different.

We will take them into account.

[Translation]

SHRI MADAN LAL KHURANA: Mr. Deputy Speaker, Sir the hon. Finance Minister has given clarifications on everything, but he has said just a sentence about petrol and diesel. That means that he himself is convinced that the hike in the prices of petrol and diesel, has been too much.

[English]

MR. DEPUTY-SPEAKER: This will continue. Let us stop it here.

18.26 hrs.

MR. DEPUTY-SPEAKER: I shall now put the Demands for Grants on Account (General) for 1990-91 to vote. The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fifth column of the order paper be granted to the President out of the Consolidated Fund of India, on account, for or towards defraying the charges during the year ending the 31st day of March, 1991 in respect of the heads of demands entered in the fourth column thereof against Demand Nos. 1 to 27, 29, 30, 32 to 86, 88, 90 to 95".

The Motion was adopted

Demands for Grants-Budget (General) for 1990-91 voted by Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF AGRICULTURE					
1.	Agriculture	376,74,00,000	3,11,00,000	1130,21,00,000	9,33,00,000
2.	Other Services of Department of Agriculture & Cooperation	96,22,00,000	47,63,00,000	288,68,00,000	142,90,00,000
3.	Department of Agricultural Research and Education	81,75,00,000	—	245,25,00,000	
4.	Department of Rural Development	1898,45,00,000	7,00,000	1244,16,00,000	23,00,000
5.	Department of Fertilizers	1320,78,00,000	33,86,00,000	3962,34,00,000	101,58,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF CIVIL AVIATION					
6.	Ministry of Civil Aviation	19,42,00,000	1,25,00,000	58,25,00,000	3,76,00,000
MINISTRY OF COMMERCE					
7.	Department of Commerce	616,79,00,000	94,16,00,000	1850,36,00,000	282,49,00,000
8.	Department of Supply	6,85,00,000	—	20,57,00,000	—
Ministry OF COMMUNICATIONS					
9.	Ministry of Communications	2,02,00,000	—	6,05,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
10.	Postal Services	327,35,00,000	13,40,00,000	982,04,00,000	40,20,00,000
11.	Telecommunication Services	1041,57,00,000	582,50,00,000	3124,70,00,000	1747,49,00,000
MINISTRY OF DEFENCE					
12.	Ministry of Defence	238,17,00,000	39,13,00,000	714,50,00,000	117,40,00,000
13.	Defence Pensions	374,94,00,000	—	1124,83,00,000	—
14.	Defence Services—Army	2045,99,00,000	—	6137,96,00,000	—
15.	Defence Services—Navy	225,20,00,000	—	675,60,00,000	—
16.	Defence Services—Air Force	519,66,00,000	—	1558,97,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
17.	Defence Ordnance Factories	90,32,00,000	—	270,98,00,000	—
18.	Capital Outlay on Defence Services	—	1198,88,00,000	—	3596,66,00,000
MINISTRY OF ENERGY					
19.	Department of Coal	38,60,00,000	247,50,00,000	115,79,00,000	742,50,00,000
20.	Department of Power	97,18,00,000	840,94,00,000	291,54,00,000	1747,82,00,000
21.	Department of Non-Conventional Energy Sources	30,06,00,000	1,46,00,000	90,18,00,000	4,39,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
	MINISTRY OF ENVIRONMENT AND FORESTS				
22.	Ministry of Environment and Forests	66,69,00,000	1,10,00,000	200,06,00,000	3,31,00,000
	MINISTRY OF EXTERNAL AFFAIRS				
23.	Ministry of External Affairs	130,25,00,000	18,33,00,000	374,04,00,000	55,01,00,000
	MINISTRY OF FINANCE				
24.	Department of Economic Affairs	106,29,00,000	60,04,00,000	318,89,00,000	180,11,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
25.	Currency, Coinage and Stamps	75,56,00,000	52,25,00,000	226,69,00,000	156,76,00,000
26.	Payments to Financial Institutions	64,67,00,000	888,38,00,000	193,25,00,000	956,33,00,000
27.	Pensions	125,16,00,000	—	375,48,00,000	—
29.	Transfers to State Governments	955,42,00,000	28,75,00,000	2866,27,00,000	86,25,00,000
30.	Loans to Government Servants etc.	—	52,75,00,000	—	158,25,00,000
32.	Department of Expenditure	26,77,00,000	56,00,000	80,31,00,000	1,70,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
33.	Audit	64,35,00,000	—	193,06,00,000	—
34.	Department of Revenue	33,43,00,000	40,00,000	44,21,00,000	1,20,00,000
35.	Direct Taxes	55,13,00,000	30,00,00,000	165,41,00,000	90,00,00,000
36.	Indirect Taxes	87,09,00,000	36,69,00,000	261,25,00,000	110,06,00,000
MINISTRY OF FOOD AND CIVIL SUPPLIES					
37.	Department of Food	594,17,00,000	41,52,00,000	1782,52,00,000	124,57,00,000
38.	Department of Civil Supplies	2,15,00,000	1,01,00,000	6,43,00,000	3,05,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF FOOD PROCESSING INDUSTRIES					
39.	Ministry of Food Processing Industries	5,70,00,000	2,90,00,000	17,10,00,000	8,71,00,000
MINISTRY OF HEALTH AND FAMILY WELFARE					
40.	Department of Health	128,66,00,000	41,78,00,000	385,98,00,000	125,32,00,000
41.	Department of Family Welfare	188,98,00,000	1,00,000	566,93,00,000	4,00,000
MINISTRY OF HOME AFFAIRS					
42.	Ministry of Home Affairs	77,26,00,000	4,25,00,000	231,78,00,000	12,75,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
43.	Cabinet	3,35,00,000	—	10,07,00,000	—
44.	Police	349,78,00,000	39,68,00,000	1,049,33,00,000	1,19,03,00,000
45.	Other Expenditure of the Ministry of Home Affairs	83,61,00,000	30,47,00,000	2,50,83,00,000	91,39,00,000
46.	Transfers to Union Territory Governments	22,07,00,000	9,64,00,000	66,22,00,000	28,93,00,000
MINISTRY OF HUMAN RESOURCE DEVELOPMENT					
47.	Department of Education	4,24,39,00,000	25,00,000	1,285,10,00,000	75,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
48.	Department of Youth Affairs and Sports	26,27,00,000	57,00,000	78,81,00,000	1,71,00,000
49.	Art and Culture	28,90,00,000	5,00,00,000	87,71,00,000	15,00,00,000
50.	Department of Women and Child Development	92,82,00,000	25,00,000	273,77,00,000	75,00,000
MINISTRY OF INDUSTRY					
51.	Department of Industrial Development	95,38,00,000	68,40,00,000	286,15,00,000	205,21,00,000
52.	Department of Company Affairs	2,25,00,000	1,00,000	6,74,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
53.	Department of Public Enterprises	12,63,00,000	74,68,00,000	37,87,00,000	224,03,00,000
MINISTRY OF INFORMATION AND BROADCASTING					
54.	Ministry of Information and Broadcasting	23,12,00,000	1,71,00,000	69,36,00,000	5,41,00,000
55.	Broadcasting Services	178,06,00,000	86,54,00,000	537,18,00,000	259,60,00,000
MINISTRY OF LABOUR					
56.	Ministry of Labour	92,00,00,000	28,00,000	275,99,00,000	82,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF LAW AND JUSTICE					
57.	Law and Justice	19,73,00,000	—	59,18,00,000	—
MINISTRY OF PARLIAMENTARY AFFAIRS					
58.	Ministry of Parliamentary Affairs	25,00,000	—	75,00,000	—
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS					
59.	Ministry of Personnel, Public Grievances and Pensions	11,10,00,000	1,19,00,000	33,31,00,000	3,56,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF PETROLEUM AND CHEMICALS					
60.	Department of Petroleum and Natural Gas	25,42,00,000	37,50,00,000	76,26,00,000	112,50,00,000
61.	Department of Chemical and Petrochemicals	3,48,00,000	1,03,00,000	10,43,00,000	3,07,00,000
MINISTRY OF PLANNING					
62.	Planning	12,67,00,000	3,43,00,000	38,01,00,000	10,27,00,000
63.	Department of Statistics	10,80,00,000	—	44,49,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF PROGRAMME IMPLEMENTATION					
64.	Ministry of Programme Implementation	21,00,000	—	64,00,000	—
MINISTRY OF SCIENCE AND TECHNOLOGY					
65.	Department of Science and Technology	57,05,00,000	7,69,00,000	173,91,00,000	23,06,00,000
66.	Department of Scientific and Industrial Research	60,68,00,000	1,37,00,000	182,05,00,000	4,13,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
67.	Department of Biotechnology	16,27,00,000	30,00,000	48,80,00,000	90,00,000
MINISTRY OF STEEL AND MINES					
68.	Department of Steel	6,89,00,000	256,41,00,000	20,06,00,000	211,17,00,000
69.	Department of Mines	34,44,00,000	10,62,00,000	103,31,00,000	31,86,00,000
MINISTRY OF SURFACE TRANSPORT					
70.	Surface Transport	8,92,00,000	44,36,00,000	26,75,00,000	118,08,00,000
71.	Roads	93,86,00,000	161,59,00,000	281,60,00,000	388,76,00,000
72.	Ports, Lighthouses and Shipping	30,18,00,000	55,32,00,000	90,27,00,000	165,95,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
MINISTRY OF TEXTILES					
73.	Ministry of Textiles	176,40,00,000	67,88,00,000	529,19,00,000	203,64,00,000
MINISTRY OF TOURISM					
74	Ministry of Tourism	15,10,00,000	5,23,00,000	45,32,00,000	15,69,00,000
MINISTRY OF URBAN DEVELOPMENT					
75.	Urban Development and Housing	71,00,00,000	34,82,00,000	212,99,00,000	104,46,00,000
76.	Public Works	53,57,00,000	39,32,00,000	160,69,00,000	45,95,00,000

No. Der.	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
77.	Stationery and Printing	21,58,00,000	1,02,00,000	64,72,00,000	3,08,00,000
MINISTRY OF WATER RESOURCES					
78.	Ministry of Water Resources	66,36,00,000	4,55,00,000	199,06,00,000	13,65,00,000
MINISTRY OF WELFARE					
79.	Ministry of Welfare	94,00,00,000	2,29,00,000	281,98,00,000	6,88,00,000
DEPARTMENT OF ATOMIC ENERGY					
80.	Atomic Energy	110,28,00,000	148,08,00,000	330,86,00,000	444,24,00,000
81.	Nuclear Power Schemes	59,61,00,000	48,75,00,000	178,82,00,000	146,24,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
DEPARTMENT OF ELECTRONICS					
82.	Department of Electronics	24,08,00,000	7,04,00,000	74,82,00,000	21,61,00,000
DEPARTMENT OF OCEAN DEVELOPMENT					
83.	Department of Ocean Development	8,96,00,000	1,33,00,000	27,40,00,000	5,47,00,000
DEPARTMENT OF SPACE					
84.	Department of Space	80,70,00,000	23,64,00,000	258,58,00,000	71,91,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
	PARLIAMENT, SECRETARIAT OF THE PRESIDENT AND VICE-PRESIDENT AND UNION PUBLIC SERVICE COMMISSION				
85.	Lok Sabha	4,64,00,000	—	13,93,00,000	—
86.	Rajya Sabha	1,86,00,000	—	5,59,00,000	—
87.	Secretariat of the Vice-President	6,00,000	—	18,00,000	—
	MINISTRY OF HOME AFFAIRS (Union Territories without Legislature)				
90.	Delhi	255,63,00,000	171,51,00,000	766,90,00,000	514,55,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House		Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
91.	Andaman & Nicobar Islands	36,06,00,000	24,93,00,000	108,19,00,000	74,80,00,000
92.	Dadra & Nagar Haveli	7,71,00,000	2,11,00,000	23,15,00,000	6,31,00,000
93.	Lakshadweep	9,41,00,000	3,12,00,000	28,25,00,000	9,34,00,000
94.	Chandigarh	41,25,00,000	11,07,00,000	123,75,00,000	33,22,00,000
95.	Daman & Diu	4,73,00,000	2,22,00,000	14,19,00,000	6,68,00,000

MR. DEPUTY-SPEAKER: I shall now put the Supplementary Demands for Grants (General) for 1989-90 to vote.

ending 31st day of March, 1990 in respect of the following demands entered in the second column thereof—

The question is:

" That the respective supplementary sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the order paper be granted to the President out of the Consolidated Fund of India to defray the charges that will come in course of payment during the year

Demand nos. 1, 2, 3, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 21, 25, 27, 31, 34, 36, 38, 41, 45, 47, 48, 50, 51, 52, 54, 55, 56, 57, 59, 61, 63, 64, 67, 69, 70, 71, 72, 73, 74, 75, 76, 77, 82, 84, 88, 90, 91, 93, 94, 95."

The motion was adopted

Supplementary Demands for Grants (General), 1989-90 voted by Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF AGRICULTURE			
1.	Agriculture	1,00,000	—
2.	Other Services of Department of Agriculture and Cooperation	3,30,00,000	—
3.	Department of Agricultural Research and Education	22,00,00,000	—
5.	Department of Fertilizers	353,89,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF CIVIL AVIATION AND TOURISM			
7.	Department of Tourism	1,00,000	—
MINISTRY OF COMMERCE			
8.	Department of Commerce	24,77,00,000	199,89,00,000
9.	Department of Supply	64,00,000	—
MINISTRY OF COMMUNICATIONS			
10.	Ministry of Communications	93,00,000	—
12.	Telecommunication Services	—	117,48,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF DEFENCE			
13.	Ministry of Defence	157,06,00,000	1,00,000
14.	Defence Pensions	250,00,00,000	—
15.	Defence Services—Army	546,46,00,000	—
16.	Defence Services—Navy	54,35,00,000	—
18.	Defence Ordnance Factories	54,49,00,000	—
19.	Capital Outlay on Defence Services	—	328,86,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF ENERGY			
21.	Department of Power	36,12,00,000	8,93,00,000
MINISTER OF FINANCE			
25.	Department of Economic Affairs	55,67,00,000	2,00,000
27.	Payments to Financial Institutions	46,03,00,000	689,56,00,000
31.	Loans to Government Servants etc.	—	11,00,00,000
34.	Audit	18,72,00,000	—
36.	Direct Taxes	16,80,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF FOOD AND CIVIL SUPPLIES			
38.	Department of Food	274,52,00,000	—
MINISTRY OF HEALTH AND FAMILY WELFARE			
41.	Department of Health	12,87,00,000	—
MINISTRY OF HOME AFFAIRS			
45.	Police	45,36,00,000	—
46.	Other Expenditure of the Ministry of Home Affairs	1,32,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
47.	Transfers to Union Territory Governments	1,58,00,000	—
MINISTRY OF HUMAN RESOURCE DEVELOPMENT			
48.	Department of Education	4,00,000	—
50.	Art and Culture	2,00,000	—
51.	Department of Women and Child Development	26,00,000	—
MINISTRY OF INDUSTRY			
52.	Department of Industrial Development	36,00,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
54.	Department of Chemicals and Petrochemicals	310,00,00,000	—
55.	Department of Public Enterprises	344,29,00,000	—
MINISTRY OF INFORMATION AND BROADCASTING			
56.	Ministry of Information and Broadcasting	2,01,00,000	55,00,000
57.	Broadcasting Services	116,94,00,000	19,87,00,000
MINISTRY OF LAW AND JUSTICE			
59.	Ministry of Law and Justice	8,78,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS			
61.	Ministry of Personnel, Public Grievances and Pensions	58,00,000	—
MINISTRY OF PLANNING			
63.	Planning	—	7,81,00,000
64.	Department of Statistics	5,89,00,000	—
MINISTRY OF SCIENCE AND TECHNOLOGY			
67.	Department of Scientific and Industrial Research	2,27,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF STEEL AND MINES			
69.	Department of Steel	21,89,00,000	167,63,00,000
70.	Department of Mines	2,09,00,000	125,51,00,000
MINISTRY OF SURFACE TRANSPORT			
71.	Surface Transport	720,52,00,000	1,00,000
72.	Roads	27,62,00,000	1,00,000
73.	Ports, Lighthouses and Shipping	14,70,00,000	4,00,000

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
MINISTRY OF TEXTILES			
74.	Ministry of Textiles .	2,00,000	85,50,00,000
MINISTRY OF URBAN DEVELOPMENT			
75.	Urban Development and Housing	1,00,000	
76.	Public Works	14,87,00,000	1,00,000
77.	Stationery and Printing	4,83,00,000	—
DEPARTMENT OF ELECTRONICS			
82.	Department of Electronics	3,84,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
DEPARTMENT OF SPACE			
84.	Department of Space	13,88,00,000	—
PARLIAMENT SECRETARIAT OF THE PRESIDENT ETC			
88.	Secretariat of the Vice President	1,00,000	—
UNION TERRITORIES WITHOUT LEGISLATURE			
90.	Delhi	69,09,00,000	116,61,00,000
91.	Andaman and Nicobar Islands	20,46,00,000	—

No. of Demand	Name of Demand	Amount of Demand for Grant voted by the House	
		Revenue Rs.	Capital Rs.
1	2	3	4
93.	Lakshadweep	3,97,00,000	—
94.	Chandigarh	14,61,00,000	—
95.	Daman and Diu	98,00,000	—
	total	3737,37,00,000	1879,30,00,000