

Kilakwada

San Kheda

Pawi Jespur

Raj Pipda and

Sinor

[English]

MR. DEPUTY SPEAKER : We adjourn for lunch and will reassemble at two p m.

13.00 hrs.

The Lok Sabha adjourned for lunch
till Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch
at six minutes past Fourteen of the
Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

GENERAL BUDGET, 1987-88—
GENERAL DISCUSSION
AND
DEMANDS FOR EXCESS
GRANTS (GENERAL),
1984-85

[English]

MR. DEPUTY SPEAKER : Now, we will take up Items Nos. 10 and 11 listed in the Business for the day, that is, General Discussion on the Budget (General) for 1987-88 and Discussion and Voting on the Demands for Excess Grants (General) in respect of the Budget (General) for 1984-85. Now, Shrimati Dandavate to speak.

PROF. MADHU DANDAVATE (Rajapur) : Sir, Shri or Shrimati...

MR. DEPUTY SPEAKER : I am sorry, Shri Dandavate.

PROF. MADHU DANDAVATE : On the basis of your slip, can you allow my wife to be a Member of this House ?

MR. DEPUTY SPEAKER : Because whenever the Budget is discussed, you are mentioning about the household wife. That

is why...

(Interruption)

PROF. MADHU DANDAVATE : Mr. Deputy Speaker, Sir, I would have been extremely happy if the Finance Minister who presented the Budget to this House was actually present in the House when the Budget discussions are initiated.

AN HON. MEMBER : He is coming.

MR. DEPUTY SPEAKER : He was there. I think he may come.

PROF. MADHU DANDAVATE : Yes, he might come at the end of my speech on the Budget. Sir, with a few days left for the presentation of the budget, we saw a change in the portfolio of the Finance Minister and an impression was sought to be created in different sections that the Prime Minister acquiring the portfolio of Finance Ministership, there will be a new thrust to the economy of the country that the budget will have a new sense of direction, there will be a stamp of the Prime Minister on the new Budget and probably through this budget, the very image of our Prime Minister will get refined. Now, if we look to the Budget and its details, we find that all these hopes have been totally belied. As I will come to the details, I will be able to establish that the Budget is rudderless, is anti-growth, it is inflationary and therefore it will be harmful to the interests of the common man.

Before I come to the details of the Budget that has been presented for 1987-88 for the consideration of this House, its conventions and traditions, I would like to point out to you, Sir, that after the attainment of independence, for a few years, the sanctity of the Budget was always maintained. Important Members of the Union Cabinet always felt and publicly expressed that feeling that whatever resource mobilisation has to take place in the financial year, it should merely take place on the occasion of the presentation of the Budget and not at different intervals of time throughout the financial year. Sir, I am sorry to state that if you look at the experience of the last few budgets, you will find that the sanctity of the budget has been totally annihilated. In the year 1983-84,

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the pre-budget resource mobilisation was of the order of Rs. 1270 crores. And the new levies that accrued through the budget of 1983-84 were only Rs. 716 crores. In 1985-86, before the budget, resources mobilisation was Rs. 1225 crores and through the budget the new resource was Rs. 431 crores. In respect of 1986-87, last year's budget, prior to the presentation of the budget, the Government had already mopped up Rs. 1800 crores and then through the budget, Rs. 488 crores, and now in respect of the new dynamic Finance Minister who has presented a new budget, prior to that budget in 1987, the resource mobilisation was Rs. 1718 crores, and in the budget papers the new levies are Rs. 322 crores.

Sir, there is a method in madness. The Government wants to give an impression to the country that the budget which they actually present is a very soft budget, puts less burden on the people and not much of concessions to the affluent classes. That is the optical illusion that they want to create through their budgets. Not only that. There is one more convention that is sought to be introduced. Sir, I do not want to discuss whether any ruling is given by the authority, but, Sir, on the last occasion, in the last budget, just three days were left for the presentation of the budget and 42 Notifications were laid on the floor of the House and you know, Sir, when those papers are laid, at that particular moment we do not know what is in store for us. When some of us go to the Library and try to find out the position, we realise that those notifications meant more concessions to the affluent on luxury goods. Last time there were 42 such Notifications. There was a privilege motion. The Public Accounts Committee took note of this. There are Members of the Public Accounts Committee here irrespective of their political party, who have an identical approach. Sir, a privilege motion was moved in this House by myself. Sometimes I feel that I have become a professional mover of privilege motion. Sir, in the other House also it was moved. In the other House the Presiding Authority, an old economist, said that such a notification should not be laid on the Table of the House a few days prior to the budget

presentation, anything that actually brings about changes in the revenue should not be done when only a few days are left for the presentation of the budget. Of course, in our own House—I do not want to criticise our Speaker, he said 'now there is no breach of privilege.' but the fact is that notifications were laid. And, Sir, even this time, only three days prior to the presentation of the budget, on 25th there were notifications laid on the Table of this very House where certain customs concessions were granted. That could have been done through the budget, but that has not been done.

Sir, what about the inflationary pressure of this particular budget? There is a long story of the inflationary pressure of our budget. In the 1986-87 budget the originally estimated deficit financing was of the order of Rs. 3650 crores, and now when the Prime Minister, the Finance Minister, presented the budget, he revised it to Rs. 8275 crores. He is a man who makes records like the great cricketer Gavaskar. There is 127 per cent increase in the estimated deficit financing and remember, Sir, this is the revised estimate, the actuals are yet to come after the financial year is complete. And what about 1987-88? The estimated deficit presented by the Prime Minister is Rs. 5688 crores. Last time when the estimate was Rs. 3650 crores, it became Rs. 8275 crores not in terms of actuals, but in terms of revised estimate, probably it may go still further, it has happened every time. And then, as a result of that, what do we find?

AN HON. MEMBER : Fourth Pay Commission report.

PROF. MADHU DANDAVATE : Why do you take Pay Commission report? Even I will tell you what has happened before that.

When the long-term fiscal policy document was laid on the Table of the House, the former Finance Minister had said that in the entire 7th Plan period, the estimated deficit financing would be of Rs. 14,000 crores for all five years in the 7th Five Years Plan. This Government is very efficient in completing the target before time. So, as far as the deficit financing of Rs. 14,000 crores is concerned,

they are not prepared to wait for 5 years. In these two Budgets itself, they have reached the target of Rs. 14,000 crores.

AN HON. MEMBER : More than Rs. 14,000 crores.

PROF. MADHU DANDAVATE : Yes, more than Rs. 14,000 crores. You are right. Your mathematics is better than mine.

What will be the impact of deficit financing? I do concede, there are experts who have debated this. There are both sides of the picture. There is a point of view, and there is also some substance in that point of view, that despite the deficit financing, if the productive activities are augmented on a very high scale, it is possible to neutralise and at least contain the effect of deficit financing. Professors of Economics are sitting here. I am only a poor student of Physics.

MR. DEPUTY SPEAKER : That is why you are speaking more on Economics!

PROF. MADHU DANDAVATE : Now, I have to speak on Economics. When I move a privilege motion, I speak on privilege. When I speak on Budget, I speak on Economics.

As far as containing the inflationary effect is concerned, on one side, there is an increase in the money supply and on the other side, there is production in the country. If a balance between the two is maintained, it is an accepted fact that it is possible to contain the inflationary effect. But, Sir, it is possible provided there is a balance between the productivity of the country and also the inflationary pressure of the economy. Now, the other day I was listening to the discussion by the experts, after I went from the House.

SHRI ABDUL GHAFOR (Siwan) : You are also an expert.

PROF. MADHU DANDAVATE : I was not an expert. For two seconds, I just intercepted, just like I raise a point of order.

Sir, on that occasion, many economists said, "It is difficult to contain the impact of

the inflationary pressure created by this deficit financing, because 10% of the expenditure will be developmental expenditure and 33% of the expenditure will be non-developmental expenditure." If this is the structure of our "expenditure in the budget, in that case, how do you expect to neutralise the impact of this deficit financing, which is already created? Therefore, I personally feel, I am more in agreement with Dr. P.R. Brahmanandan who has said, 'I will not be surprised if in the coming year, the inflation reaches a figure which will be a double digit figure'. And in all probability it may be so. I am not a prophet of doom at all. I want the economy to prosper. I will be too happy if we are falsified. But the misfortune of the opposition is, unfortunately, we do not prove to be wrong; unfortunately some of the disaster conclusions which we draw are proved to be correct.

SHRI V.N. GADGIL (Pune) : Except in the elections.

PROF. MADHU DANDAVATE : In elections, we depend more on quality than quantity.

Therefore, as far as this aspect is concerned, this is also to be taken note of.

Then, look at the structure of taxation and levy. Sir, the moment Shri Vishwanath Pratap Singh has laid on the Table of the House the long-term fiscal policy, taking a long-term perspective, he had already indicated the sense or direction of this Government. He gave an assurance to the affluent class in the country, the direct taxes which are mainly paid by the affluents in the society will be frozen. The deficit financing in the 7th Plan will be of the order of Rs. 14,000 crores. Now, of course, it is going to go up very clearly. Even assuming that, that particular estimate is very correct, once you try to freeze the structure of the direct taxes in the country, what is the only fiscal alternative that is left to the Government—increase the administered prices, reduce the subsidies, tax the poor and see to it that resources are mobilised more from the common people and not from the affluent sections or the new affluent sections of the society. That was the cheap alternative that was clear, and, therefore, it is no surprise.

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Out of a levy of Rs. 322 crores that has been imposed during the Budget for 1987-88, we find that Rs. 85 crores only come through direct taxation and the rest of it Rs. 237 crores from taxes which are not the direct taxes. In addition to that, consider the trick that has already been played by Government—by imposing on the common people a burden of Rs. 1,718 crores, even before the presentation of the Budget. This is the tragedy of the country. This is the tragedy of the structure of levies that are made.

I will come to the trade gap. I referred to it on a number of occasions. Already now trade gap is Rs. 8,735 crores. Our Prime Minister said "Fortunately it is Rs. 1,000 crores less than last year". When I was a teacher, there was a student of mine. He said "Sir, I have made tremendous progress. Formerly, I used to fail by getting only 10% marks. This time I have failed by getting 8% marks. But failure, all right!"

Even Prime Minister, I am happy to say, is not satisfied with this trade gap. He even indicated that "I am not happy that trade gap is Rs. 8,735 crores."

SHRI MURLI DEORA (Bombay South): You failed as a teacher. That is a compliment.

PROF. MADHU DANDAVATE : That is why I came here. I could not do anything in the University. Let me take up a job which is very easy.

SHRI MURLI DEORA : It is all right.

PROF. MADHU DANDAVATE : I could not be a business man like you. I could not be a teacher. Therefore, let me come to Parliament.

MR. DEPUTY SPEAKER : Businessmen are coming over here.

PROF. MADHU DANDAVATE : A very liberal person is presiding over the House, I am able to get adequate time for my views.

SHRI DINESH GOSWAMI (Guwa-

hati) : Most of the film stars have been brought into politics.

PROF. MADHU DANDAVATE : As far as this trade gap is concerned, there is also another salient feature. Let us not be complacent that actually the last trade gap is reduced by Rs. 1,000 crores. Actually in the international Market, the prices of oil have gone down. Therefore, though the quantum of actual import has not changed appreciably, because of these particular changes, we find that trade gap does not appear to be as it was last time. But it is big enough.

There are interesting remarks that are made by the Prime Minister. I do not blame him. In one of the Seminars on Science and Technology, he talked about import substitution and in that Seminar he said :

"I have come to the conclusion that though self-reliance is a laudable objective, if the manufacture of import substitution becomes very costly in the country, it is better to liberalise the import."

Let it be realised, what will happen if foreign exchange is frittered away, what will happen to the increasing trade gap.

The other day, while replying to one of the questions from an hon. Member from Telugu Desam, he said :

"No doubt. Our position was very bad as far as the foreign exchange reserves are concerned. But I have already stated in my Budget speech that the increase in the export is of the order of 17% and the import is of the order of 1%".

he said, but I corrected it as 1.4%, it is 1.4%—

"and as result of that, the position has improved."

Then I reminded him that still the trade gap continues to be Rs. 8,735 crores and, therefore, it continues to be a threat to the economy of the country.

In this context, let me try to take up the problem of low cost technology which is totally neglected in our country. This is a land of Gandhi, of course, the old one when I am referring to him. I do not want to take an outmoded view. Even Gandhiji has said "the techniques of production that suggested themselves will undergo research and innovation." He said that. Now, we are going to encourage the capital goods. They are needed for certain industries. There is one particular aspect for which the Prime Minister has great attraction. He is a great computerist. He likes computerisation. He is a modern man. The young man wants to enter the 21st century as early as possible. All of us will have to live for 13 years more. We will automatically land into the 21st century. We will not have to do anything more. Being the young Prime Minister, he wants to reach the 21st century as early as possible with the help of automation, with the help of computerisation, with the help of modernisation and ultra-modernisation. I am not against modernisation. But then in this particular budget a very interesting provision has been made. Let us try to understand that that provision will lead to what type of technology in the country. You will find that for electronic sub-assemblies, the import duty has been reduced from 308 per cent to 150 per cent. 308 per cent to 150 per cent, such a big fall. The electronic sub-assemblies will be brought here. What shall we do here? We will only assemble them here.

SHRI DINESH GOSWAMI (Guwahati) : Screw-driver technology.

PROF. MADHU DANDAVATE : Economists call it as screw-driver technology. For the first time when I heard this word, I thought it was a caricature. But really it was called screw-driver technology because all that is done in such a technology is that you get the sub-components from outside and all that you have to do indigenously is to provide five screw-drivers and assemble these components. So, you are able to have building up of your technology. This is the screw-driver technology that the country is trying to build in the name of self-reliance. For that, import duty has been brought down from 308 per cent to 150

per cent. There is at least incentive to small-scale industries; medium-scale industries and the cottage industries. Later on, when I come to the topsy-turvy priorities in this budget, I will try to point out how in textiles which consist of cottage industry, powerlooms and also organised mills, how drastically the cut that has been brought about—I will come to that particular aspect at a later stage.

Let me refer to the Defence. I will take this opportunity to clarify my stand. It is with the best of intention, the other day during the Question Hour, on the foreign exchange when I joined hands, I joined the debate and asked the Prime Minister that even when the trade gap is of the order of more than Rs. 8000 crores, is it not a fact that unfortunately even 40 years after independence, we have to import, on a very large scale, even the sophisticated weapons in this country. In his usual fervour, he said : 'I request the hon. Member not to talk on the basis of mis-information.' In fact, the reply was based on mis-information. It was clarified later on. He further gave me an advice : 'Do not try to subvert India's Defence'. All of us here, whether we belong to this side or to that side, in patriotism, we are second to none. In patriotic fervour, my patriotic feeling and emotions might not be higher than that of the Prime Minister. But I can assure this : on the question of Defence, on freedom and integrity of the country, if we are not ahead of the Prime Minister, we are atleast on par with the Prime Minister. We will not lag behind any one in this House as far as India's integrity and Defence is concerned. Prime Minister-ship might belong to Mr. Rajiv Gandhi. But the nation belongs to us all. That is the feeling with which we speak. All that we want is this : We do not want any umbrella as far as Defence is concerned. Tomorrow, even if a time comes for Pakistan and it generates bomb, even if we are required to go into that, as a man of nuclear physics let me say this. The day we had the Pokharan implosion, it was a very wonderful work done by our Indian scientists, hats off to them—I wrote my article on that. We have already got five nuclear scientists in this country. We have already had the

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experiment of nuclear explosion and implosion for peaceful purposes. As a student of nuclear physics, let me tell you—whether you go in for diversion of nuclear energy for peaceful purposes or for the manufacture of the atom-bomb—that the initial five to six processes starting from the separation of uranium isotopes are quite common to both the processes. You reach a particular stage, a little more jump and you go to the nuclear weapons. That is exactly the progress as far as this field is concerned.

Tomorrow even if we are required to choose this option, we will not like to choose the option of the United States of America or any other super power, we will like to stand on our own legs. That is what I meant by saying that today unfortunately our self-reliance in sophisticated weapons is negligible, therefore heavy imports from outside the country are there and that is why our import bill goes up; as a result of that actually trade gap increases. That aspect also is to be taken note of.

The question of import of defence equipment is also linked with our foreign policy. I am proud that we are a non-aligned country. We should never be cowed down by any super power in the world. They are interested in seeing that we do not have good neighbourly relationship with our neighbours. But we have an interest in seeing that we have good neighbourly relationship. When we are able to solve the problems of our country round the table; we should be able to solve the problems with the neighbours round the table. Therefore, I do stand for good neighbourly relationship. Someone may say that this is pro this and this is pro that. But for the defence of the country and for the developmental activity of the country, we cannot afford to fritter away our resources by tuning our policy in such a way. For good neighbourly relationship, we must try our best. I am glad that the general feeling of this House is that we want good neighbourly relationship.

Even when we build our armies, I am glad that our Defence Minister has said—

even during the Bangladesh war our Prime Minister had said at that time—that we have the armies, but our army is not to march on the frontiers of the country to conquer others; it is to defend the freedom and integrity of India. That is the role of Indian defence forces and that is the approach that we have got.

Therefore, if we try to make consciously better neighbourly relationship, it might be that the defence expenditure of both Pakistan and India might come down and in that case a different situation may arise.

Sir, I would like to say something about the interest payments. Last year when Shri Vishwanath Pratap Singh presented his budget, I was listening to the comments by a number of experts. One of the experts was Prof. Dandekar from the School of Economics of Poona. He said in one of his comments that when he looks at the tremendous repayment that we have to make for the loans that we have borrowed, sometimes he feels that we almost borrow to repay.

Today what is the position? According to the budget documents, the interest on borrowings will be Rs. 10620 crores. Unfortunately even the repayment instalment on IMF loan is due this year and as a result of that you will find that it takes all the borrowings. Then, the total repayment in foreign exchange will be to the tune of 22% of our export earnings. If 22% of the export earnings of the country in terms of foreign exchange are going to be frittered away for repayment, how can we stand on our legs? That is the reason why I am a strong protagonist of public sector. Of course, as a socialist also I am a strong protagonist of public sector. But the public sector concept has to be changed.

It is a fact. The Prime Minister himself has said in his budget speech that he will prepare a white paper on public sector. He feels that something is wrong. More surplus ought to be generated. Why is it necessary? In a private sector the surplus is guided by the profit motive. In a public sector if more surpluses are generated; they can be poured back to further expan-

sion of the public sector or they can be diverted to developmental and welfare activity of the country.

I am glad that there is a group which is run by very interested persons who are interested in public sector. But one of the problems of our public sector is the manner in which it is run. I want a professionalised management in the public sector. When I say professionalised management, it is professionalised management with a commitment to the philosophy of the public sector. There are many people who publicly support the public sector and privately support the private sector. Such men who have no commitment to the philosophy of the public sector they can never generate surplus in the public sector.

Sir, a professor of Allahabad has written a thesis on the working of the public corporations in India. He says when he went to the manager of a public corporation that man said, "Do you think in this wretched country public sector will every work? I will show you that my public sector fails within one year." He asked him, "Are you appointed to ensure that your public sector fails as early as possible?" Now this man has no philosophy in the public sector at all. Whom do we put in the public sector? Of course, some of them are topless. Probably they feel that keeping the public sector topless is one of the ways to modernising the public sector. But let me ask the question that when some people are put as heads of the public sector they must have the understanding and know-how of industry. If former ICS officers and IAS officers—with, of course, due respect to my colleague Shri H.M. Patel who was not only a civil servant but also an expert in economic matters—are put in-charge of running the public sector industry, they know very well about Kalidas and they are wonderfully well about Shakespeare which is at the tip of their fingers, what do they know as far as industry running is concerned. So you must have persons who have professionalised understanding of running the public sector and at the same time ideological commitment to the philosophy of the public sector. If that is done the public sector will generate more surpluses and if you generate more surpluses from the public sector the borrowings will go down and to

that extent the repayments as well as the trade gap will get reduced to a great extent.

Now I will come to the question of priorities. (*Interruptions*) Take, for instance, the question of priorities. In a planned economic development there is nothing more important than priorities. The planners in all parts of the world have given the highest priority to priority and in our country where 70 per cent of the population consists of the agriculturists deliberately we have said that agriculture and rural development will acquire the highest priority in the country. It is not for nothing that we have accepted that priority. We have also accepted small scale industries, infra-structural activities, etc. These are all important. Sir, I will just read out how the allocations have been changed. These are the Central outlay for Ministries. Let us first take Agriculture. In 1986-87 the budget outlay was Rs. 484 crores whereas in 1987-88 it is only Rs. 469 crores. Now what about fertilisers about which we discussed in the morning today. Incidentally I may say when the new Minister was saying that there is glut of fertilisers but remember why is it that when there is glut of fertilisers they are remaining idle in the godowns. It is because the purchasing power of the kisan has gone down. I am glad that the former Minister for Agriculture got up and tried to indicate as to how only industries tried to get the benefits and the kisans are not able to get the benefit when the question of subsidy comes. As far as fertilisers are concerned in 1986-87 the outlay was Rs. 934 crores and in 1987-88 it came down to Rs. 926 crores. Now I come to non-conventional energy. In a developing country like ours non-conventional energy is as important as conventional energy and here what do we find. Last year in 1986-87 the outlay was Rs. 124 crores and this year it came down to Rs. 100 crores. As regards industrial development in 1986-87 the outlay was Rs. 382 crores and in 1987-88 it came down to Rs. 314 crores. As far as textiles are concerned last year it was Rs. 190 crores and in 1987-88 it is Rs. 99 crores. There is such a big fall from Rs. 190 crores to Rs. 99 crores. As regards surface transport in 1986-87 the outlay was Rs. 1054 crores and in 1987-88 it came down to Rs. 942 crores. No doubt apparently for

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Railways, it is a slight increase. Now increase from Rs. 2,675 crores to Rs. 2,980 crores. But, Sir, let me warn this House that in this country we have 61,000 route kilometres of railways. 11,000 trains run every day. When we are sitting here at every particular point of time, one crore of passengers—suburban and non-suburban passengers—are travelling and eight lakhs of tonnes of freight is being carried by the Railways throughout the country. Sir, huge is the industry, the huge is the infrastructure of the railways and for that only Rs. 2,980 crores!

Sir, more than 20,000 kilometres of the rails of the Indian Railways require primary renewal, that is, if they are not renewed, each one of them is likely to undergo multiple fracture—threat to safety and threat also to productivity. You will find that the old assets renewal also less and as a result of that the infrastructural allocations are not quite adequate.

Sir, there are certain indiscriminate allocations. You have rung the bell twice. I will very briefly, within a few minutes, touch two points. That's all. Sir, in a planned economic development, I am one among those who believe that the Planning Commission has a very important role to play. Whether in Government and whether in the Opposition, I have never ridiculed the Planning Commission because various ministries go on making various demands but the resources of the country are to be properly coordinated, and it is the Planning Commission that must do it. It is the Planning Commission that has to do it, set up the priorities and make allocations accordingly. But a new phenomenon has developed in the country: politicalisation of allocations.

Sir, I do not want to attribute any motive. But on the eve of the impending elections, the Prime Minister of the country goes to Kashmir. He announces in Jammu and Kashmir Rs. 1000 crores. He goes to West Bengal; he announces Rs. 1,007 crores. He goes to Haryana; he announces Rs. 400 crores. He goes to Kerala; he announces Rs. 45 crores... (Interruptions)... Sir, let him shout. I will give one more

interesting illustration. Even after the Mizoram elections dates were announced, the Prime Minister goes for election campaign and tells them that new allocations were formerly Rs. 60 crores of rupees. I will see to it that they are increased from Rs. 60 crores to Rs. 90 crores. Sir, I am extremely glad that once a Chief Election Commissioner in this country showed the guts to issue a public statement saying that all the election norms that are made in this country, are also applicable to the Prime Minister of the country. Once the dates of the elections are announced, no concessions can be announced and no allocations can be announced. That is how indiscriminately the announcements are taking place.

In a planned economic development without the clearance from the Planning Commission, if we go on spending like that, there will be chaos and anarchy in the country and, therefore, that has to be avoided. Therefore, in the light of all this analysis, I have come to a conclusion that as far as 1987-88 Budget is concerned, it will be a budget that will be anti-growth. It will be a budget that will be fuelling inflation. It will be a budget that will be increasing and augmenting the unemployment. It will increase the poverty in the country and it will harm the common man in the country. Therefore, I am totally opposed to this directionless and rudderless budget that has been presented by the Prime Minister of the country.

Thank you for the liberalisation of time, Sir.

SHRI V. N. GADGIL (Pune) : Sir, unlike my friend, Prof. Dandavate, I do not propose to analyse the Budget in any partisan way. I propose to utilise this occasion to have a look at the Indian economy without involving, as far as possible, any party or partisan considerations. In my humble view, this is how the discussion of a debate on Budget should be.

The annual Budget is like a coma in a sentence. When it is properly located in a proper place, it gives you the meaning and the context. Therefore, the text of this

Budget must be read in the context of the wind of change that Mr. Rajiv Gandhi has brought since he took over as the Prime Minister. He has brought a youthful approach and a fresh mind to economic thinking of the Cabinet and the economic processes of Government. This change in my view was a felt necessity of the time...

(Interruptions) In the absence of such an outlook what would have happened to India is best illustrated by what happened to England. I have selected England for this purpose because most of our system of administration, parliamentary, Government and particularly financial processes are modelled on the Westminster model. I have a study here which has very ably analysed what happened in England when such an approach was continued. I would like to quote it in a little detail because I apprehend that something similar is likely to happen or would have happened if Mr. Rajiv Gandhi had not brought certain changes. This author says that the annual Budget there has become 'rites around an altar' and 'an economic Mount Sinai'. Further :

"The Chancellor of the Exchequer emerges from 11 Downing Street holding aloft for press and television his famed red despatch box, containing 'Budget Secrets'.

The Budget 'shrouded in secrecy' is 'unveiled... as a *fait accompli*, respective to neither benefit nor the opportunity to prior examination or constructive comment'.

The proposals are hodge-podge of generalizations, 'rubbing shoulders with a minutest reform of administrative machinery...'

"The Bill's publication precipitates' multitudinous amendments, which tumble out like lemmings. In 1976, 900 amendments pursued their largely suicidal path so that the length of time theoretically available for each was measurable almost in seconds'.

In the Finance Bill Standing Committee there follows a miniature debate. 'Both sides arrange themselves in an adversary relationship with the Opposition

attacking the Treasury and the Treasury defending'. Truth is the first casualty in this 'traditional struggle'... the Minister often feels no compunction about glossing over questions that are beyond him."

Then,

"The tug of war goes on all through the night, with members bringing their beds into the corridors as each side uses sleeplessness to bring pressure on the other, and practical details escape everyone in their exhaustion. For sheer melodramatic silliness and subsequent chaos, such procedures could scarcely be excelled. In order to force through its proposals the Government will 'telescope clauses dealing with technicalities... and fill the schedules to bursting point. Eventually, the Bill reaches the Statute Book with all its errors and loopholes, to await real-life illustrations of the errors it incorporates...

"During this whole weary, yet far too hasty procedure, there has been too little opportunity for outside experts—lawyers, accountants, industrialists—to give the benefit of their advice, either on the broad economic measures or the practicality of operating the more detailed provisions. Before the Bill is published, they have no chance of being heard and after the Bill is published, there is scarcely time to heed their advice."

This is what precisely happens in India. One illustration is enough and I will not read the rest. Prof. Madhu Dandavate talked about favouring certain companies. Look at what happens here? I quote again—

"A Company which launched a new project in the year of 1965 and completed at the end of 1970 would have to deal with four changes in statutory grants and allowances for plant and machinery, two changes in industrial building allowances, two changes in regional policies, three rises in purchase tax, four changes in profits

[Shri V.N. Gadgil]

and corporation tax, in the area of prices and income policies, they would have to deal with the Prices Act of 1965, the Prices and Incomes Acts of 1966, 1967 and 1968 followed by the abolition of all controls in 1970 !"

Now, if this is the kind of atmosphere that is created, how can the system work ? Therefore, the Long Term Fiscal Policy and all the changes that have been brought about are in the right direction.

But more basically, I would like to analyse this Budget in the context of our Post-Independence economic development. During the British regime, three developments took place. Agriculture became commercialised, industry became urbanised and political power became centralised. This urbanisation of industry, commercialisation of agriculture and centralisation of political power created an economic vested interest, with its headquarters in metropolitan cities and its alliances and alignments among the rural rich. They exploited the masses and the middle class of India. Therefore, the first task that Pandit Jawahar Lal Nehru addressed himself to was a task of how to reduce or remove this distortion in the Indian economy and how to strengthen the weak and weaken the strong. And the answer or the instrument that he gave was planning and public sector. We continued this policy. But by 1980, the picture changed. Another distortion came in with which we are all familiar. Public sector became practically unaccountable, private sector became unanswerable and there have been huge losses of public sector, parallel economy, black market and all the rest. The time had come to change this and to attack this new distortion. And that is where I say the role—indeed almost a historical role—is played by this budget. This budget is an attempt to remove this distortion. You may misinterpret it as pro-rich and all that. But as I look at it in the background of Post-Independence economic development of this country, this is a very effective attempt to remove the distortions which have taken place in the last thirty years.

If you ask me to describe this budget in one sentence, I would say that it is

historical in this sense that Shri Rajiv Gandhi has creatively updated Pandit Nehru's economic philosophy. That is how I would put it.

SHRI AMAL DATTA (Diamond Harbour) : Combine it with Mahatma Gandhi also.

(Interruptions)

SHRI V.N. GADGIL : Therefore Sir, I do not propose to look at it from the point of view of this section or that sub-clause or this provision or that provision. I want to look at the budget on a broader background and on a larger canvas. And that is how, I would describe this year's Budget.

Now, Sir, after this new outlook that has come, we must also remember that the task of any Finance Minister is not easy. It is said, for example, that if he gives no concession, he is too much of an Economist to be a good politician and if he gives a lot, he is too much of a politician to be in charge of the national economy. He cannot have complete break with the past. He has to live with the present and he has to anticipate the future economic trends which are difficult to predict. The whole difficulty was very well summarised by one of the very successful Chancellors Herold MacMillan and this is what he said :

"There are too many unknowns and too many variables".

Then, I am told that some of our statistics are ready too late to be useful.

PROF. MADHU DANDAVATE : Variables or Finance Minister !

SHRI V.N. GADGIL : We are always as it were, looking up at a train in last year's time table. This is the situation of a Finance Minister. Therefore, within these constraints and parameters, let us broadly try to see, what the Prime Minister has tried to do.

The first thing, he had made it clear is the nation's and this Government's commitment to the public sector, planning and socialism. There are people who say,

this is not socialist, that measure is not socialist, I do not know what they mean and I am not going to define what socialism is. I have been a Lawyer for 25 years and professor for 6 years. You know, what happens to these people, when they start defining terms. I remember, when I was practising in Bombay High Court, a sugarcane grower filed a writ petition under the Sales Tax Act and the question for consideration was, what is the meaning of the term vegetable in the Sales Tax Act? It came up before two distinguished judges of the Bombay High Court. A number of lawyers on this side and a number of lawyers on that side, argued and argued for three weeks. Authorities were quoted. Precedents were cited. Dictionaries were quoted. After three weeks of elaborated argument, two distinguished judges of the Bombay High Court, solemnly declared that sugarcane is a vegetable. This is what happens to the Lawyer, when they start defining and with due apology to Prof. Dandavate, usually I tell you what happens to Professors, when they start defining. I remember a story of Hegel's, the *Guru* of Karl Marx. One of his students fell in love. He went to Hegel and said, "I have fallen in love, but I do not know what love is." Hegel was after all a Professor and he said, "youngman, I tell, you it varies. I tell you what love is." He said, "love is the ideality of the reality of the infinite malportion of the absolute totality of the infinite being". What is the meaning? I do not know. This is what happens to you. Therefore, I will not define what socialism is. We have made it clear in the Prime Minister's speech and elsewhere, removal of disparities...

PROF. MADHU DANDAVATE : Hon. Gadgilji, shall I give you an interesting example from the judiciary?

SHRI V.N. GADGIL : Provided the Chair agrees not to include it in my time.

PROF. MADHU DANDAVATE : One judge said that someone fell down. He described the phenomenon by saying that man's verticality has transformed into horizontality through the instrumentality of the force of gravity!

MR. DEPUTY SPEAKER : You are

the Physics Professor. That is why, you are telling.

SHRI V.N. GADGIL : I can add a number of them, but we have no time, Professor. By socialism, what we understand is the removal of disparities, fair opportunities for all, planning and public sector. That has been made very clear in this Budget.

Then again, if I look to the Budget and search for one thing, and I searched for the golden thread, the golden thread that runs through this Budget and weaves this Budget is development. The whole insistence emphasis is on development. I will not go into the detailed provisions of various concessions which are given in taxation, excise and import duties and so on. Various other industries have been

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given concessions. That is the whole object and purpose. I can go on reading the list. It is already there in the Budget. I need not.

The whole thrust of the Budget is development: more development, more investment, more work, more earnings, more savings—that is the pattern. And, therefore, emphasis is rightly given on development. Sixty-three per cent, two-thirds of the targets of this Plan, have been achieved in the first three years—never before achieved, a unique achievement, of which everyone should be proud. This is the plus pattern.

Then again you will see increased allotments to IRDP, to Education and various other things—too many to enumerate. If you go through all this, you get the real anti-poverty flavour of this Budget, i.e. when you go through all this, particularly increased investment and allotment to IRDP and Education.

Then, priority is given to Housing. Now, most of us think that housing at best will increase employment. But let us not forget that it has been found by various studies that with improved housing, productivity of the worker also increases and, therefore, housing is not to be looked at merely as a provision of shelter.

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and only as an economic activity, but one which will generate employment. It is also an activity which will increase productivity.

Then again, for the common man he has given a whole list of articles on which concessions have been given : footwear, soap, woollen fabrics, tubes, bio-gas etc. and all the rest—I need not read the list. A complete list is given. Almost one can calculate it : as soon as you get up, what you do; and what is the last thing you do at night, and what are the things you require every day. You will find that on almost everything that you require for daily use, concessions have been given. Is this not for the common man ? Is this a pro-rich budget ?

Then he has given concessions on computers, and on development of electronics. With my experience in Defence Production and Communications—Prof. Dandavate will agree if I say this—I can safely say that unless electronics industry develops very quickly in this country, you cannot have better communications and better defence production. Therefore, rightly concessions have been given for this industry, and for computers. One is almost tempted to say, if I may say so, that he has given concessions from computers to footwear. It is almost head to foot. Every aspect is taken into consideration; and, therefore, it cannot be said that it is pro-rich or pro-elite and all that kind of thing.

Then there is the National Commission on Labour, measures for handicapped and the blind, voluntary retirement, and various other measures mentioned in the Budget. These show that concessions have been given to make the life of the weak a little more bearable; and that again is a step in the right direction. So, one has to have a broad view, and not quote paragraphs, sub-classes and sections. That is wrong. That kind of thing can be done. I will presently come to that, and say what it leads to. The rich have also not been spared, as one can see that those who go to five-star hotels and go abroad have been made to contribute more. But the most endearing aspect of the Budget,

as far as I am concerned and which breaks a new ground, is the concessions he has given for our forest wealth.

For the benefit of Prof. Dandavate, the first socialist budget was introduced by Mr. Hugh Dalton of the Labour Party. On that night he wrote this. It is on pages 59 and 60 of this book :

"I have got more satisfaction from agreeing to subscribe £20 millions over five years for forestry development than from any other expenditure I have authorized since I came to the Treasury. This means twice as much in the next five years as was spent by the Forestry Commission in the whole of the twenty years before the war. This is a socialist investment, in land and young trees, of great long-term value. Real practical Socialism."

On page 60, he says as follows :

"Trees are the most civil society, my silent friends, young Socialist trees."

You want socialism in the budget, here it is in the forest, I do not want to bring in a partisan spirit and answer, one by one the criticism. But very briefly the first criticism that was made by certain people is about deficit financing. I do not claim to be an economist expert, although I happen to have studied in the famous London School of Economics. But I do claim with my little knowledge that deficit financing becomes dangerous only when it leads to increase in monetary supply unaccompanied by increase in other goods. Now, let us see both the sides. If Prof. Dandavate sees the RB's figures he will find—I am not going into details and giving the figure—that in the last 10 months the increase in money supply has been the smallest. This is on one side. On the other side, you have large buffer stock of foodgrains which has been built up. Then 78 per cent only of the industrial capacity is utilized although the rate of growth has been 8 per cent. Therefore, both in the agriculture and in industry there is enough to supply any increase in demand consequent upon deficit financing—therefore I do not see a great danger of this kind of deficit financing leading to phenomenal

inflation. The second criticism is about socialism to which I have already made a reference. I need not refer to it again. Thirdly, I must say very frankly without going to a partisan matter that there is one aspect which to me is a little disturbing and that is as a student of economics I find that deficit is now increasing over the last seven years both on revenue account and capital account; now it has come to Rs. 7000 crores; that I feel is a disturbing factor and proper care, I am sure, the Prime Minister and the Finance Minister, will take. (Interruptions) They have already said that. The second is the increase in non-essential expenditure to which also he had made a reference that unless it is properly curbed, there is a danger that it might lead to some unavoidable result.

Then the third which he has mentioned in para 77 is about the legal owner who is the real owner and one who is not the real owner. (Interruptions) This is the bone of the Finance Ministry's notifications and orders. Both as a lawyer and a student of economics I find it little difficult sometimes to understand what it means. You read it 20 times and you do not know what it is about.

And everyday you get in the Supreme Court library or any other library number notifications and the language is such— Sir, I will not embarrass the Finance Ministry officials by quoting one of their products, but I will quote a gem from England. It is one of gems which have fallen from the British Finance Ministry and it reads like this :

"In the Nuts (unground) (other than groundnuts) Order, the expression 'nuts' shall have reference to such nuts other than groundnuts, as would but for this amendment order not qualify as nuts (unground) (other than groundnuts) by reason of their being nuts (unground)."

SHRI MURLI DEORA : This will go underground !

SHRI V.N. GADGIL : What it means, I do not know. This is a notification from the British Finance Ministry. The other one I

have a faint recollection, if I am right, it is called the Control of Tins, Cans and Kegs Order. It runs like this :

"The Control of Tins, Cans and Kegs Order, 1942 A, as amended by the Control of Tins, Cans and Kegs Order 1947, etc. etc., is hereby further amended by substituting sub-clause (a) in Section 6 of IV of Schedule VIII, and the Order will be known as the Control of Tins, Cans and Kegs Order."

As such an order has been issued ' Probably you will find it in Robson's book, "Justice and Administrative Law". Probably it is quoted there.

The Prime Minister in Paragraph 77 rightly pointed out...(Interruptions)

PROF. MADHU DANDAVATE : He has drawn a parallel between the two Finance Ministers.

SHRI V.N. GADGIL : Therefore, this is one aspect again which has to be looked into, in the way the orders are issued, the language that is used, the minimum that is expected is that a common man must know what he is supposed not to do and what he is supposed to do. If he does not know what he is supposed to do, how can you punish him ? This is a basic requirement and many times in the notifications, I find that such orders have been issued.

Sir, as I said, at the outset, I wanted to take a broad view and I feel that the new change, the new atmosphere that has been created is a kind of atmosphere that was necessary in the present situation of India. I do not claim anything much. But frequently, like many of you, I move about in this great nation, visiting quiet villages and crowded cities, meeting people, of all classes and of persuasions. The feeling I get is a feeling of a life of a strong, quiet people around me, who do not realise the tremendous unity that they have amongst them. It is there. They do not suspect the kind of creativeness that they possess. Given the will, and the common good that we all bear to ourselves, I am pretty confident that we can create a society of which men shall be glad and the nation shall be proud.

[Shri V.N. Gadgil]

Sir, the economy has taken off. The economy has taken off and we have the right pilot. Right pilot who has taken off and we want to go towards this society through this Budget, If I may use the language of aviation, through this Budget he is asking for our clearance, for the speed, height and the direction. Let us tell him in the language of Civil Aviation, "Roger" with our thumbs up!

PROF. MADHU DANDAVATE : Parliament is the Radar!

SHRI M.Y. GHORPADE (Raichur) :

Mr. Deputy Speaker, Sir, I have heard with interest the speeches made on the Budget from the Opposition as well as from this side. I would like to say at the outset itself that the Prime Minister in presenting his Budget this year has ensured continuity and also developed on the policies and programmes of Jawaharlal Nehru and Indira Gandhi in the context of a changing India. He has done so in spite of several constraints and difficulties of a growing situation. The Budget, in short, could be said to be a clear commitment on the part of the Prime Minister and the Government to fully protect the tempo of development with social justice.

15.16 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Professor Dandavate was, I think, somewhat unfair in characterising the Budget as anti-growth. Everybody knows that the Budget is anything but anti-growth because there are so many indicators which clearly indicate the growth that is taking place in this country.

Briefly, it is a matter of great satisfaction that for the first time in the planning history of this country, in the first three years of the Plan, 63% of the Plan has been achieved, five per cent growth rate has been achieved. Prof. Dandavate knows that 3.5 per cent was once described as the Hindu growth rate meaning thereby that this country will never be able to cross the 3.5 per cent growth rate level. But the nation, under the leadership of the Prime Minister has demonstrated that the Indian growth rate can be distinctly higher and it is today five

per cent and could even be more. The industrial growth rate, of course, is eight per cent which, as the Prime Minister, pointed out had not taken place for the past twenty years. Some is the case with coal, power and railways. But what is more interesting is the food production. In spite of three bad monsoons, it is likely to cross the 150 million mark. However, I must say that the national ethos and the work and management culture in this country will have to keep pace to sustain this growth and to see that the benefits of development reach the poorest of the poor. I think that is the challenge before the nation.

Agriculture, as we all know, is the key to development, is the key to employment, is the key to putting purchasing power in the hands of the poor man. It is true that today the agricultural growth rate is two per cent, but the trend is good. It is two per cent because of bad monsoons. Three to four per cent growth rate has been envisaged. 3.5 per cent growth rate has been achieved in agriculture for several years partly by increase in productivity and partly by increase in land under cultivation, and I have no doubt that in the years to come say in the next decade, the nation has the capacity to maintain the 3.5 per cent growth rate taking the good and the bad years together.

Irrigation is the key to the maintenance of the agricultural growth rate. It is a matter of satisfaction that the Planning Commission targeted thirteen million hectares to be added to irrigation. Here I would like to make a suggestion that the time has come to allow the Central sector to enter the field of irrigation. Take, for instance, Karnataka. The Upper Krishna Project is there which is vital for the North Karnataka region which is constantly drought-prone. I do not know how many years it will take and whether it will be completed at all at the rate at which the State Government is handling it. Therefore, I think there is a good case for such key projects to be taken into the Central sector. It will give the nation a chance to demonstrate how to reduce the gap between the irrigation potential and irrigation utilisation. In Upper Krishna a massive programme of oilseeds production can be taken up. If the Centre can go into generation of power, I do not see why it should

not now at this juncture of India's development go into irrigation in order to safeguard the growth rate in food and Agriculture.

Power—as we all know, 31% of the public sector outlay is on power to achieve 12% generation increase per year. It is a matter of satisfaction that in all these years, taken together, 4 lakhs of villages have been electrified and 65 lakh pump sets have been installed.

It is also very vital to save forests. In this country we are losing 1.3 million hectares of forest per year. The forest cover has gone down from 30% to 10%. It is for this reason that the Prime Minister has laid pointed emphasis on wasteland development and this is a programme which is of great national significance. I entirely agree with the earlier speakers in their emphasis on non-conventional energy.

Regarding inputs and credit for agriculture, I may say that unless institutional structural changes are undertaken in the country, it would be very difficult for delivery system to function satisfactorily. It is no use saying it is a State or local subject. I think it may not be inappropriate to set up a National Commission to see that the necessary structural changes at the grass root level are made in order to deliver the inputs and the credit and all other facilities required for agriculture.

Employment is a crux of all development. The Planning Commission has calculated that 39 additional labour force will come up during the Plan. It has also said that 40 million standard persons is the employment potential in the Plan. I feel that with the back log, the country will have to provide new jobs for at least one crore of people every year. Of this one crore, only 10% can be absorbed in the organised sector. 70% have to be absorbed in agriculture and the remaining 20% in the tertiary and other sectors. Therefore, generation of skills will have to assume very great importance and I hope that the new education policy will pay adequate attention to it.

Food for work for the unemployed; I feel a massive food for work programme is not only desirable but possible. It is a matter of satisfaction that the food for work

programme has increased in the last few years and from one million tonnes in 1985-86 to about 2 million tonnes in 1986-87 and to about 3 million tonnes this year. I believe a bigger step up is possible. We have the good fortune of having 24 million tonnes in our godown which is the biggest guarantee against starvation and unemployment in the country. But for this also there will have to be a better type of co-ordination between the Centre, the State and the local level.

The Nation will welcome the very important statement made by the Prime Minister to set up a National Commission on Agriculture Labour. I hope the Commission will take a comprehensive view and pronounce on how to give fuller employment and greater purchasing power which is the key to development in this country and how to provide essentials like food, fuel, clothing, shelter and skills. This I consider very essential at the below poverty line level. Therefore, the Eighth Plan will have to be more employment oriented, more skill oriented and will have to place much greater emphasis on the supply of essential commodities to people below the poverty line. Now, Sir, having said that, I will come to some financial aspects of the Budget. Prof. Madhu Dandavate, has mentioned as to how the deficit in 1986-87 was of the order of Rs. 8285 crores. It is of the order of Rs. 7250 crores if one takes it as the net RBI credit. But this deficit of Rs. 7250 is because there was an increase of as much as Rs. 3600 crores on Defence interest services and subsidies. We all know how it has happened. But the important thing is the statement made by the Prime Minister. He says in his Budget speech that "the deficit is high and I do not like it. I have decided that the deficit in the budget estimate for 1987-88 shall not be exceeded". I think this is the single most important statement made by the Prime Minister in his speech and it is a very bold and categorical statement for any Prime Minister to make in any part of the world. So far as the deficit in 1987-88 is concerned, it is certainly lower than in 1986-87. It is only Rs. 5688 crores and it is all the more creditable that the deficit is only Rs. 5688 crores because in 1987-88 the expenditure on Defence interest services and subsidies has again increased by Rs. 3751 crores. Of this, the Defence

[Shri M.Y. Ghorpade]

increase alone is Rs. 2318 crores and as Prof. Madhu Dandavate has said, nobody wants to compromise on Defence as it protects the plan. The point is that in spite of the defence expenditure going up, the deficit is only Rs. 5688 crores which shows that the best has been done under the circumstances.

Sir, I also want to make the point that this is so after the Central plan of Rs. 24,622 crores and after transferring the resources to the States of the order of Rs. 22,250 crores. I want to emphasise this point because the States should know that Rs. 23,250 crores—almost as much as the Central Plan—is transferred to them and therefore the Centre has successfully performed the responsibility of maintaining the tempo of development not only at the Central level but also at the level of the State under a very difficult financial situation.

So far as pay-scales are concerned, my suggestion would be that there should be a discussion and a national consensus arrived at between the Centre and the States because what the Centre does definitely has an effect at the State level and the States also should be prepared to have such a dialogue and consensus which they could use to contain this kind of increase which is described as non-plan expenditure. Interest, has gone up by Rs. 1000 crores and the net market borrowings also have gone up by Rs. 1000 crores, that is, from Rs. 5300 crores to Rs. 6300 crores. This is an indication that this mechanism of development by internal borrowing needs to be watched and the borrowing will have to be matched with the manner in which those funds are utilised.

Now I would like to refer very briefly to the problem of Revenue deficit.

Sir, the Revenue Deficit, the problem is there. This deficit of Rs. 7233 crores in 1986-87 and Rs. 6742 crores in 1987-88 is causing some budgetary problems. The tax GDP ratio which was 16% by the end of the Sixth Plan went up to 17.6% in 1985-86 and expected to go up to 18% by the end of the Seventh Plan. I would suggest, Sir, that this 2 per cent increase in the tax GDP

ratio is not adequate, it should be stepped up further by another 2 per cent so that the tax GDP ratio goes up to 20 per cent by the end of the Seventh Plan. Direct and indirect tax ratio also needs to be corrected.

So far as the expenditure is concerned, the Prime Minister himself has said that "the situation requires a thorough going review of our expenditure policy. Mere scratching the surface will not do."

So far as the public sector is concerned, and shortfalls in surpluses, I would only say that it is important to ensure that the increase in surplus comes through improvement in productivity and reduction in costs.

Sir, I would congratulate the Prime Minister for the steps he has taken to curb conspicuous consumption give incentive to savings, housing, particularly rural development, IRDP and education.

Finally, in two minutes, I would like to make the point that all this is possible if structural change in rural administration is undertaken. District and block level planning and implementation is yet to take firm roots. A constitutional provision for a 3-tier system should be considered by Parliament. A Finance Commission to devolve funds from state to the district should also be considered by Parliament. Decentralisation should result in greater efficiency and in lessening corruption. Family welfare for health and faster reduction of population growth rate is also very important. We should never forget that unless population growth rate is reduced, no amount of development is likely to be adequate.

Finally, the crux of the matter is that the standard of living in no country can be increased without higher productivity and there are no short-cuts to it. As the Prime Minister said, the whole nation will have to be involved in this effort and we must be mindful of the basic values of the country in whatever we do.

[Translation]

SHRI D.P. YADAVA (Monghyr) : Mr. Chairman, Sir, after listening to hon. Prof.

Dandavate, it seems that the Government of this country has done nothing. Shri Dandavate had also been in the Government for two years and if there had not been deficit Budget in both the years, I would have agreed with what he has said today and would have opposed the deficit Budget. But deficit financing was there even at that time and is also prevailing now. It implies that the system of deficit financing has been there from the very beginning though in varying degrees.

If we want to know the Budget in the real sense, then we must first know as to what are the intentions behind it. The Budget has been presented with the intention of ensuring allround development and collective welfare which Prof. Dandavate calls Socialism. We cannot see anybody in distress—either you or ourselves. We have to work unitedly. The opposition which is very enthusiastic about the upliftment of the poor at present should kindly read paragraph number (58), (59) and (60) in which the development of the rural areas has been mentioned. Prof. Dandavate, do you not want our rural areas to develop? Of course, you want it. You want rural development. But in order to alleviate poverty, agricultural development is essential. If I ask you whether you want agricultural development, you would certainly reply in the affirmative. It is essential to provide for fertilizers and irrigation facilities for our agriculture to prosper. We are not magicians; we can neither produce fertilizers by magic nor provide water for irrigation in the same way. In Part-A, Para-60 of the Budget speech, it has been mentioned that irrigation and fertilizers are the two most important means of increasing agricultural production, which have been given due emphasis in our programmes. In the field of irrigation, high priority has been given to the completion of the on-going projects and to reduction of the gap between irrigation potential and output. Again, 70 lakh tonnes of fertilisers will be produced in the current year when last year's production was only about 57 lakhs tonnes. I mean to say that fertiliser production will be increased by 13 lakh tonnes in the period of one year. Is it not an achievement? If it is not an achievement, then may God save those leaders who are not capable of giving a direction to the country. It is

further mentioned that the fertiliser unit at Paradip has already started production this year. There is a probability that next year the fertiliser factories at Vijaypur and Aonia, with a capacity of 72 lakh tonnes each, may also start production. It is a milestone in the progress of the nation. Our approach is clear in regard to irrigation and fertilisers. I do not want to recount parawise details about the projects which have been accorded priority. But I must ask whether you want that the soaps used by the poor people should become expensive? If it was your desire that peoples' soap should be cheaper and the cigarettes to be dearer, then this Budget is all right. If you want that the plastic items should cost less for the benefit of the poor, then this Budget provides for that as well. Who are the consumers of cold-drinks? It is not for everybody. It is consumed by only those people in cities who sit in posh restaurants to pass their time. For the people working in the farms it is good enough if they are able to get a glass of 'Bel Sherbet' during summer. Hence, it was essential to impose tax on cold drinks.

80 per cent of women in this country require at least 2 or 4 pairs of cotton sarces during their wedding and taxes have not been levied on that. Wedding cotton sarces have become cheaper and it does not matter if silk sarces become more expensive.

PROP. MADHU DANDAVATE :
Marriages have been saved.

SHRI D.P. YADAVA : It hardly matters if tobacco, cigarettes, T.V., foreign trips, five star hotels become more expensive. It would not affect the people of this country. But they certainly want shoes, tube-light, exercise books, registers to be cheaper. Hence, the Hon. Prime Minister has not done any wrong in this regard. However, the fundamental question which arises is as to what is the intention behind Budget and what is its directions? We are making development in agriculture, rural areas and in the field of irrigation. There is no shortage of fertiliser anywhere in the country. We should be proud of the fact that there is no black marketing of fertilizer today. There is no shortage of kerosene as well. Soap, kerosene, match

(Shri D.P. Yadava)

boxes and salt are the basic needs of life. I have been a member of this august House for the last 17 years except for one or two years. Shri Dandavate, I have been with you since 1971. This House witnessed uproarious scenes when salt, match boxes and fertiliser were in short supply but as a result of our fertiliser policy, we have not only become self-sufficient in regard to fertiliser, but sometimes it seems that we are surplus. However, we should not curtail the production by becoming complacent. We have a buffer stock of fertilisers to the tune of 24 to 25 million tonnes. We want that we should keep a buffer stock of 30 to 35 million tonnes to be used when the monsoon fail. If we are self-sufficient in the matter of foodgrains, we have to be thankful to the leadership for it. They are talking of transfer of technology. The technology which they have given us has directly benefited the farmer. Efforts have been made to utilise that technology for the benefit of the poor and we should convey our thanks to the leadership for it. What is the problem of villages at present?

DR. A.K. PATEL (Mehsana): We should be thankful to the farmers.

SHRI D.P. YADAVA: I am talking of the farmers. We should be thankful to the farmers. The farmers can grow crops but they cannot arrange fertilisers. We shall have to formulate some policy to produce fertilisers. Factories will have to be set up for producing fertilisers and for this some policy will have to be formulated. We should be thankful to the supplies of fertilisers. We are already thankful to the farmers of this country because they work hard to grow crops. Why people still remember Shri Jawahar Lalji? When Shri Jawahar Lalji was elected to this House, he as a Prime Minister promoted I.I.Ts and CSIR laboratories. He paid his attention to make the country self-sufficient in the matter of iron, cement and fertilisers. The people know how the country is self-sufficient now in this respect. We are trying to build a new society based on the socialistic pattern and the sentiments of the people are also kept in mind. We should not adopt defeatist attitude and neither should we allow despondency to overcome us. We should boost the morale of the

people of the country and this responsibility of boosting the morale does not lie only on the ruling party but on the opposition parties as well. We should tell the people about the achievements which the country have made. We should also apprise them about our failures. I shall oppose the bad things that are happening in the country on the same forum with you. But it is not a good thing that you exaggerate the shortcomings before the people.

The main aim of our leadership is modern technology and dynamism. We are undertaking development. The concept of our future is socialist path and scientific outlook and the picture is clear before us. The main thing which our leadership has given us is the faith in people's power. The crux of this Budget is a faith in people's power. Unless a coordinated programme is formulated for the people and the people work together, nothing will happen. The taxation proposals in the Budget amount to only Rs. 514 crores. If the 80 crore people of the country contribute half of their daily wage, we can easily collect Rs. 514 crores. We should not break the will of the people otherwise we cannot build the country. You will have to play an active role in the building of the nation.

Now, I will come to agriculture. This and other allied issues have been discussed at length. The setting up of the commission for agricultural labourers is a new and bold step. We give attention towards one and a half to two crore people in the organised sector. We increase their salaries and set up Pay Commissions for them every seven to eight years. The Janata Party had also done nothing in their two to two and a half year rule for the 20 crore agricultural labourers, who are making both ends meet with great difficulty. If Shri Rajiv Gandhi has proposed the setting up of a commission for agricultural labourers, it is a new approach. This shows that he is clear about his goal.

As regards industry, the Prime Minister is in favour of increased productivity and quality production. The production of coal and electricity has increased. There has been 15 to 20 per cent increase in the various items coming under coal sector,

I will now express my views on the check on wasteful expenditure. It has been espoused by the Prime Minister also. There is a poor priest in the House. I am saying this in jest. We want that wasteful expenditure should be checked but what your Government is doing in Karnataka. In the state from where I come, there is bungling in the banks about which you also raise matters here. Our poor priest, Poojaryji, had organised loan melas to provide loans to ten to twenty thousand people. If you ask any person, who has taken a loan in the loan mela; whether he had to give bribe to someone for taking loan, no one will admit it. If bribe had been taken from someone, he could have definitely said so. Shri Janardhana Poojary has introduced a new scheme called loan mela. I can say with authority that he is an honest man. He introduced this scheme with sincerity and dedication for the poor but it was the Chief Minister of his State who launched a vilification campaign against him through the book with the title "Loan mela for whose benefit?" It is a glaring example of wasteful expenditure. There is a photograph also in it. You can see its paper. When I asked a printer about the price of this book... (Interruptions) Mr. Chairman, Sir, I received this book in a paper cover, on which it was written "with compliments from Ramkrishna Hegde." Shri Ram Krishna Hegde is the Chief Minister of Karnataka. Probably, he is the President of the State Janata Party also. Maybe someone else is the President of the State Janata Party. But I received this book and a booklet on a paper bag from him.

When I asked a printer what could be the cost of printing a bound, first class golden, aluminium glazed book, he told me after examining it that its cost could not be less than Rs. 55 to Rs. 56. So a book has been published by the Chief Minister belonging to Janata Party, Shri Hegde, to oppose the achievements of Shri Janardhana Poojary. There is nothing new in this book. The cuttings of all papers have been quoted in this book. It is an example of wasteful expenditure. If this is the way how the Janata Party checks extravagance, only God can help. Before throwing stones at others, they should see whether they are not living in a glass house.

Through you, I would like to convey

my thanks to the Prime Minister for bringing forward a dynamic, socialistic and a growth oriented Budget. It has an objective and a direction and we shall follow this direction. Shri Dandavate, you should ask Hegde Sahib to cooperate with us and when the poor priest goes there, they should not harass him.

PROF. MADHU DANAVATE : I would advise him not to print the Budget document also.

[English]

SHRI M.R. SAIKIA (Nowgong) : Mr. Chairman Sir : The budget introduced by the Prime Minister who is also the Finance Minister the other day is an inflationary budget, an anti-people budget.

We have seen that some aspects of the economic situation is played up and some other aspects are played down. For instance, the total deficit financing over the 7th plan period was indicated as Rs. 14000 crores. But in the first two years of the plan period itself, viz, 1985-86 and 1986-87 the deficit is nearly Rs. 14,865 crores. It may go up even further because there is still time for final addition.

Sir, we have seen that in the budget for 1985-86 the original deficit was indicated as Rs. 3,366 crores but the actual deficit went up to Rs. 6565 crores. It has nearly doubled. Again, in the current year 1986-87 the original deficit was estimated as Rs. 3700 crores; but it has now come up to Rs. 8300 crores. These deficits have let the prices further increase.

In the budget it has been mentioned that there is agricultural growth, industrial growth, and economic growth. If there is a growth, then I cannot understand why there is rise in retail prices by 10%. How has it happened? As a result of it, the common people of the country are suffering. Most of them are agriculturists; they are marginal and small farmers. As their economy is not going up, they have to face the inflation. They have to cut down their living standard.

In 1987-88 budget our Prime Minister has shown that the budget deficit will be Rs. 5688 crores. He also assured the

[Shri M.R. Saikia]

House and the people of the country that this limit will not exceed. But this is a pious hope. What is our past experience? Our pious hopes have been belied. Therefore, the Government's statement can hardly be taken at its face value because there is no consistent efforts on the part of it to keep the limits of deficit financing. Had there been control, the inflation would not have taken place. Actually the deficit financing that has been estimated for the years 1985-86 and 1986-87, has nearly doubled.

Our primary concern is more production and more employment. We shall have to build up capital assets. But where are the efforts to build up the capital assets? In the budget there is a mention of exemption on import duty, excise duty. What for? For importing components and machinery which is assembled within the country. Will it help in building up capital assets in our country for more production and for more employment? This is done at whose cost? Is it not at the cost of indigenous manufacturers of capital goods? Therefore, I say that no provision has been made in the budget for building up capital assets.

Sir, the common people, the salaried people expected relief from the budget. In the last year's budget proper relief had been given to the salaried people but that was neutralised by rise in prices. So, the actual relief was not there. This year also they expected that there will be a soft budget for them but the tax exemption limit has not been raised. Is it not inconsistent with the policy statement of our fiscal policy because as per the policy statement of the fiscal policy the exemption limit should go up along with the rise in prices. This is not there in the present budget.

Again, Sir, what we see is that 10 per cent of general development expenditure and 32-33 per cent of non-productive expenditure are going beyond control. Will it not adversely affect peoples' living and lead to further inflation in the market? Moreover, I would like to say that Government is going to maintain the sick industry by nationalising the sick

units. What we have seen is that owners of the sick units are diverting their funds for establishing new industries and they are neglecting the old ones and declaring them sick and Government is going to take-over such sick units. This should be stopped. Instead of maintaining sick industries the Government should start new units and reemploy those people who are thrown out of employment from the sick units. Government should not maintain the 'haves' at the cost of 'have nots'.

Again in the budget there is no mention about the public transport. The common man is dependant on public transport. Therefore, I think, additional funds should be made available for public transport so that the common people of the country may get relief.

Then again, Sir, there is hike in excise duty in respect of colour, white and black TV. Who are the persons who purchase these TVs? They are the common people. These people like to have TV but the prices are going up thereby they have been deprived of acquiring education through TV. So, indirectly you are taking the common people. Therefore, I will say this budget is an inflationary budget.

Again the budget will not create any impact on the industry. Though there are some exemptions by way of import duty, excise duty, etc. even then it will not provide any impetus to the industrialists. Again though common people will not be taxed through direct taxes they are going to be taxed through indirect taxes because tax imposed on commodities used by the common people that tax burden will be shifted from the manufacturers to the consumers. Therefore, this budget is an inflationary one.

Lastly there is no provision in the budget for removing economic imbalances. With these words I conclude my speech.

16.00 hrs.

SHRI Y.S. MAHAJAN (Jalgaon) : Mr. Chairman, Sir, I rise to support this Budget for 1987-88 placed before the House by the Prime Minister. I am broadly in agreement with the speeches by our honourable Members on this side as regards the

Budget. I was very much touched by the reference to the views of Dr. Delton by our main speaker, Mr. Gadgil, Dr. Delton happened to be my teacher for Public Finance in the London School of Economics.

Sir, the budget seeks to strengthen the sinews of our economic development, that is, savings. The rate of savings in our country is fairly high. Though it had been increasing gradually over the years, it was necessary to still further increase the rate of savings because of the resources crunch which we have been facing for some time in this country. It was necessary to ensure further economic development in the near future. Sir, the idea of launching a scheme based on the principle of net savings is welcome and will, I am sure, give considerable results.

16.01 hrs.

[SHRIMATI BASAVARAJESWARI *in the Chair*]

The Budget intensifies our struggle against poverty. The elimination of poverty and the building of a strong self-reliant and independent economy are the principal objectives of our economy. The budget proposals, Madam, should be considered in the context of the Seventh Five Year Plan and the economic progress we have made during the last year. If you look at it merely as a set of taxation proposals or a set of relief given to industries, then we get a distorted view of reality. The budget affects the economic development of the whole society. It affects all the different economic groups in society. Each group looks at it from its own point of view. You are not able to look at the budget in a proper perspective. This has been responsible for the different criticisms which have been passed against it in our country. Some call it a budget without direction. Some say it is the bureaucrats' vengeance. Some people say it is against growth and development. All these criticisms are wrong because they are not looking at the budget as a stage in the realisation of the Seventh Five Year Plan. That is the way we should look at it.

Sir, this year we had to face an unfavourable monsoon for the third year in succession. 217 districts in 20 States and

Union Territories were affected by drought conditions and 353 lakh hectares of crop land area was damaged. But still foodgrains production is expected to be more than what it was last year. Today our stocks of foodgrains are at the higher level of 23.5 million tonnes. This shows that our strategy of agricultural development has been sound. It has imparted to it a degree of resilience which has enabled us to get over drought conditions for three years in succession. Sir, this is the most acid test of the soundness of our agricultural policy. The budget reinforces this policy. It says we are committed to providing remunerative prices and increased availability of water, power, seeds, fertilisers and credits to our farmers. Our farmers, farm to technologists and scientists have done a very good job. Sir, the Prime Minister strikes a sympathetic chord in our hearts when he says we are proud of them.

Sir, the budget seeks to spread the Green Revolution to new areas and remove the imbalance in production of different crops.

AN HON. MEMBER : In public sector also.

SHRI Y.S. MAHAJAN : Yes, I am coming to this afterwards. I am still with agriculture which is basic. With this end in view, it lays emphasis on the implementation of important programmes, such as, special rice production programme, national oilseeds project, national pulses development project. Though we have concentrated on intensive farming, we have not neglected dry farming on which seventy per cent of our farmers depend. Dry farming provides forty per cent of our pulses and as a result of the research which has been going on for the last thirty years—the research which began in Bijapur district than in Bombay State we have improved the method of cultivation of dry farming and I am sure we will continue with this programme more vigorously.

The industry which represents the second leg of our economy has registered a growth rate of over eight per cent per annum over the last three years. This is according to the new index number of industrial production which reflects the composition of industry better than the

and Demands for Excess

[Shri Y.S. Mahajan]

old one with 1970 as the base year. The new index number takes into account the new sun-rise industries which have come up recently and the small scale sector which has become dynamic.

The aim of the Budget is to encourage economies of scale in production, introduce modern technology and greater competition to increase production, reduce costs and improve quality so that we can face competition in the international market with confidence in the field of manufacture in the long run.

It is the pursuit of this policy which has resulted in the higher growth rate during the last three years. In addition, we have tried to reduce the procedural impediments remove obsolete and vexatious controls and emphasise capacity utilization. The fruits of those measures will be realised in the near future within the next two or three years when investment intentions and approvals get translated into actual plan to and actual plants yield increased production.

Taxation proposals in the Budget have provided special support to capital goods industry which is the base of our industrial superstructure. The tariff regime for capital goods will be restructured and rationalised. The tariff rates for import of general machinery and project imports are being equalised. The present rate discriminate against modernization of existing units and favour sickness. Seventeen major industries stand to gain substantially for reliefs in import or excise duties worth about Rs. 600 crores. These industries include cement, textile, capital goods, food products, leather, aluminium, drugs, automobiles, electronics and others.

Though we have emphasised the medium and large scale industries, we have not neglected small scale industries and cottage industries, which is the tiny sector. These branches of industries, with a given amount of capital, provide employment to a larger number of people. It is these industries which are spearheading the industrialization of our countryside. The wheels of industry must move in every village and in every street and only, then it would be possible to raise the standard of living of our people to a considerable extent.

Now, I come to the subject which has been discussed and commented upon by the Members from the opposition, namely deficit financing and the possibility of rise in the price level. In spite of a tremendous increase of Rs. 1564 crores in the net tax revenue as compared with the Budget estimate, the current year is expected to close with a large uncovered budgetary deficit of Rs. 8258 crores. This was due to a set of unprecedented circumstances such as the unavoidable increase in defence expenditure, an increase imposed on us by the policies of our neighbour and their friends across the sea. The second factor is the replacement of bank credit to the Food Corporation of India by government loans to the extent of Rs. 1200 crores. Really speaking, this is not an expenditure. I hope Mr. Finance Minister, you will agree with me. It is money locked up in the food stocks. If we lower the food stocks, the money is realised and it can be used. But lowering the food stocks would reduce food security of the nation and we cannot do that.

Thirdly, there is the burden of Rs. 1500 crores imposed by the acceptance of the recommendations of the Fourth Pay Commission.

Then, there has been increase in the plan expenditure by Rs. 1937 crores on vital items such as telecommunications, railways, atomic energy, petrol and others. Finally Madam, there is larger assistance to the States affected by natural calamities to the extent of Rs. 490 crores. Here, I may point out that my State Maharashtra has been suffering due to drought so much so that in my district people are suffering from scarcity of water. Government is spending hundreds of crores on aid and assistance, but the central aid to our State has been very small. I hope the hon. Finance Minister will consider sympathetically the demand of the Government of Maharashtra for larger resources.

The year 1987-88 is also expected to end with an uncovered deficit of Rs. 5688 crores which is significantly lower than the deficit for the current year.

Madam, this fiscal position has given rise to speculations and fears that it would lead to increase in inflationary pressures with

the usual consequences of rising prices. The Prime Minister is aware of this warning. To be forewarned is to be fore-armed. He has therefore said :

"The deficit is high and I do not like it. I have decided that the deficit in the budget estimates for 1987-88 shall not be exceeded."

This is a categorical statement and we can rely upon it. He has further proposed to take steps to ensure that internal resource generation by the public sector units will reach the targeted level. There will be a Cabinet Committee to control public expenditure. I am confident that Government will control public expenditure and keep a strict watch on monetary expansion and rise in prices.

Further I want to say that this deficit is a challenge to us to mobilise large resources through increases in productivity and more production and thereby neutralise the deficit. This is an urgent necessity and it is quite within our power to achieve it.

This year we have an extraordinarily large deficit in our budget. But still, the rise in prices has not been more than 6 or 7 per cent. Similarly, next year if we can rise production slightly more than 5 per cent, it would be possible to neutralise the inflationary potential of the deficit.

I am sure Mr. Finance Minister, the people of this country will rise to the occasion and face the challenge which you have posed. During the last two years, Government has sharpened its focus on poverty alleviation. The elimination of poverty is the principal objective of our economic policy. The budget has made a record allocation of Rs. 2050 crores for rural development schemes. This marks a substantial step up from the total Sixth Plan expenditure of Rs. 3036 crores. The allocation of Rs. 480 crores for the NREP, will create about 273 million mandays of employment. Similarly, allocation of Rs. 725 crores for Rural Landless Employment Guarantee Programme is likely to generate 256 million mandays of employment. The schemes of utilising surplus foodgrains for creating additional jobs will be continued. So also the Drought Prone Area Programme

and the Integrated Rural Development Programme. It is estimated to have benefited 3.2 million families during this year. Special efforts are also being made to improve conditions of rural labour to which our Members on this side have referred. Those programmes represent the core of our direct efforts to abolish poverty. The increasing stress on them will have definite impact on poverty. The proposals for reducing the prices of 44 commodities of common consumption among common men will also provide relief to the reduction of poverty. These commodities include, Soap, skimmed milk, milk powder, refined oil, stationery, etc. and blended fabrics-sarees. I am sure, every housewife will thank the Prime Minister for making these sarees available at reasonable prices.

Housing has been given a higher priority in the Budget. One million houses will be built under the Indira Awas Yojana for the Scheduled Castes and Scheduled Tribes.

Certain incentives for income tax payers have been announced in respect of loans taken from specified institutions. There is also a proposal to set up a National Housing Bank with an equity capital of Rs. 100 crores. I am sure, the proposals made for housing will benefit millions of people in this country. Madam, I am of the opinion that housing should have been put as the Fourth main objective of our the Seventh Five Year Plan. The first three objectives are food, employment and productivity. Housing should be given the same priority as the first three. However, our Government has given a very high priority to it in this Budget and I hope this programme will be pursued with vigour. All in all, Madam, the Budget strengthens the sinews of our development, i.e. saving. It is growth-oriented. It develops our basic industries. It seeks to improve our balance of payments and it focusses our attention on the poverty alleviation programmes. It takes all these considerations into account. I am sure the Budget will promote the welfare of the people.

[Translation]

SHRI BALKAVI BAIRAGI (Mandsaur):
Madam Chairman,

SHRI RAM SINGH YADAV : What *bairagies* (those who have renounced the world) have to do with the Budget ?

SHRI BALKAVI BAIRAGI : We are *bairagi* with family responsibilities.

Madam Chairman, I am present here to support the Budget. I am thankful to you for giving me time to speak.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : It is good that a *bairagi* also has become *ragi*.

SHRI BALKAVI BAIRAGI : There are a number of characteristics in this Budget. One characteristic is that when discussion was initiated on the Railway Budget, I had pointed out that there were hardly 5 to 6 Members in the House who were opposed to the Budget. And now when we are discussing the Annual Budget of this country which is the main Budget of the country...

SHRI MOOL CHAND DAGA : What a poet has to do with the Budget ?

SHRI BALKAVI BAIRAGI : This is a matter which Shri Mool Chand would not understand.

I was saying that when we were discussing the Railway Budget, only 5 to 6 opposition members were present and now when we are discussing the General Budget, not only the entire country, but also the whole world is watching our reaction to the Budget. Keeping in view all these things, we find that in this vast and august House, only one member of the opposition is present. This indicates the outlook of our opposition towards the Budget and the seriousness with which they take it. The other day also I was telling and would like to say today also that when the opposition has no point to make, they start saying it outside that the budget had disappointed them. Madam Chairman, should we bring a Budget which would be pleasing to the Opposition ? It is a simple thing that if this Budget has disappointed the opposition, we are happy that we brought such a Budget. It is a matter of pleasure and I am happy to give this information.

Before I come to my point, this is the third Budget during Shri Rajiv Gandhi's term and his first Budget in his capacity as the Finance Minister. There will be two more budgets during his term and then general elections would be held. This Budget has clarified a number of points. There was a lot of speculation about the Budget before its presentation. But the Budget set at rest all the misgivings of the people, which annoyed the opposition as they had no point against the Budget. They were annoyed to such an extent that they started saying a lot of baseless things. I must say that this is the first occasion when there was no tension in the market, whether it was of the village, the city or the town ? I live in a town. I am just returning from the town. There has been no tension in the town markets even after the Budget. The farmers are feeling assured and working in their fields. One of the specialities of this Budget is that it has received popular support. As regards statistics, they are deceptive, as was pointed out by me earlier also in the House. We neither want to run this country through statistics, nor do we want to mislead the country. This is the Budget of a Government which translated its commitments into reality and its achievements did not remain on paper only but were evident in the fields.

I want to thank the hon. Finance Minister and the Prime Minister that he did not touch the farmer in this Budget. The opposition had held general meetings and rallies in which it used to be said that there would be more taxation on the farmers and farmers were exhorted to hold rallies against it. Thereupon, the farmers asked them to provide transport for holding the rallies. The opposition leaders suggested to them to use their tractors. But the farmers replied that the tractors had been purchased during Congress regime and how could they oppose the very regime during which they purchased the tractors. I would like to thank our Finance Minister and others who prepared the budget and who did not put any burden on the farmer. There is still a section here which wants the farmer to be taxed. I would humbly submit that even now the farmer needs subsidy for survival and any attempt to impose any tax on him, will be against his interest and that of the country as well. We would like to thank Shri Rajiv Gandhi that he did not disturb the farmer.

Why? The reason is that the farmer has enhanced the prestige of the country.

I was delighted when the Prime Minister in his capacity as the Finance Minister enquired why have we not been able to increase agricultural production during the past 3 years. We must ponder why there is no increase in agricultural production in spite of the means and marketing facility being provided by us. Is the nature or some other person responsible for this? I would humbly submit that the Prime Minister, who in his capacity as the Finance Minister and the Prime Minister is aware of this fact and can admit it in the House, has full right to espouse the cause of the farmers in the House and he did it with the decorum due to his office. We congratulate him on behalf of the farmers. I would make a submission to him on behalf of the farmers that this is the group which has never betrayed him. It made no difference to him whether it rained or not, or the loans were not given in time, or the power rates were high or the banks did not cooperate with him. He has produced so much foodgrain that the country is in a position not only to meet its own requirement but also to supply foodgrains to other countries. What is our treatment with the group which has produced so much? Our Finance Minister is sitting here and listening.

What is the attitude of our banks towards them? If some industrialist goes to a bank after incurring a loss of Rs. 200 crores, the bank manager not only very politely welcomes him but also offers tea. In spite of the fact that he incurred a loss of Rs. 200 crores, he is welcomed and provided help. On the contrary, if the farmer, who made this country self-sufficient by producing 15 crore tonnes of foodgrains, visits a bank, the bank manager would ask him to come day after tomorrow at 9 A.M. You have to change this attitude. If you are not able to respect the farmers and continue to welcome those persons who are enemies of the farmers, who play with the honour and the prestige of the country, then through you, I would like to urge the entire country and the Prime Minister of India to set official machinery right because this attitude would not be tolerated in the country. The farmer should be honoured first because he filled your godowns by starting from a scratch and never came to

you with a begging bowl. He has started from scratch. Therefore, I would request you to have a soft corner for the farmer. If he is afflicted both by the natural calamities as well as the administration, then Shri Gadhvi, it will not be tolerated. The Government must come to the assistance of the farmer where nature fails him.

I would make a submission on behalf of the farmers. I do not find any guarantee for the same in the Budget. Therefore, I want to make a submission on behalf of the farmers. Our farmers produce two kinds of crops—cash crop and the casual crop. You must guarantee a minimum support price for the cash crops to the farmer. I may say that you take any one of the cash crops like coriander, garlic, orange and say that the price of this cash crop will not be less than this. I have firm faith that only the farmer will be able to wipe out the entire budget deficit. He has this much capacity. He produced so much that you are required to pay Rs. 5000 crores per year towards interest because you are not able to sell the quantity stored by you.

You are talking of deficit. The deficit is not due to the farmer. If there is deficit, it might be due to some clerk, officer or some leader. The deficit is not due to the farmer. Please let me avail of this opportunity to speak.

AN HON. MEMBER: The poet also might be one of the causes of deficit.

SHRI BALKAVI BAIRAGI: Yes, the poet might also be a reason. He has produced foodgrains putting in hard labour. Therefore, I would make a request to you to pay more attention towards the farmer. But the circumstances are against him. He produces sugarcane but he is not sure whether he would get the price of his produce. He produces garlic. I would say to the Finance Minister that if he cannot make an announcement in the Parliament, let him make it by the roadside that the support price of a particular cash crop, say coriander, or garlic will be fixed this year. It would be sufficient to sustain us. If you fix a support price for any cash crop, the farmer will not let you down.

I would like to make one more submission. It gave me much pleasures

(Shri Balkavi Bairagi)

when Shri Rajiv Gandhi, speaking on the education policy, devoted considerable attention to the rural areas. He said that the best talent of the country was in the villages but we could not tap that talent because the education facilities are not available there. It pleased us that he has paid attention to the villages. There are 5.5 lakh villages in this country and it is a great task to pay attention to them. We all admit it you cannot manage this country through other means. You can run the country only if you earn the goodwill of the villages.

Just now Shri Mahajan was speaking on the industry. He is a prominent economist of our country and we cannot overrule anything he says. But I will cite a very small example. You may kindly convey our problems to the Prime Minister because he is also the Finance Minister and would probably reply to the debate on the Budget. This year he has given relief on cement. He is giving a concession of Rs. 50 per tonne. Further, he is making a difference of 15 per cent in the levy cement. You have given a good relief. But I would like to ask the Finance Minister why it would be effective from 1-4-1986? While talking of the Seventh Plan, why do you not do so for the entire plan period? Why do you not start it from 1-4-1985. You have let down those who had already obtained the licences and started the production also. But you are rewarding those persons who obtained the licences but withheld the production for one year and started it much later. How far is it justified? I hope you will reconsider it. It is a matter of Rs. 14.15 or 20 crores only but it will be a big relief to the industries and they will start production also, otherwise they will be awaiting concession after obtaining licences and would start production only if concessions are announced. Therefore, I feel that you should reconsider it.

I am very much grateful to you that in the rural areas, you will construct lakhs of houses for Harijans and Adivasis as has been stated by Shri Mahajan. You have to lay more stress on it because this number will fall short. You may please underline the priorities underlined by Shri Mahajan,

because it is no less an important matter than food. A bird likes to return to its nest after wandering in the sky. You should also think that we must do something for that section of the society which has been neglected for centuries. We should think in this direction.

I shall conclude with one point. I can speak for hours if you give me an opportunity to speak on this Budget because it is a good document (*Interruptions*). I can describe this in poetry, but in that case, the back benchers will have to move forward, because otherwise it will be ineffective. I would like to point out a shortcoming in the Budget. It is not a matter of satisfaction to me. I am raising it because it is the talk of the town. This year you did not make any change in income tax for the private sector. We are grateful to you but we had a feeling that this exemption limit will be raised to Rs. 20,000 or 25,000 from Rs. 18,000.

The people had high hopes on this account and they listened to the Radio and Television with rapt attention on that day. They thought that at least the middle income group would get some relief in the personal income tax, if he permits, we can settle this matter in a few hours say 10 or 20 hours or within three to four days. It will not take days or months together to resolve it. Besides, I would also urge him to let the hon. Prime Minister know about it. He should be aware of what is being discussed in the streets, particularly among those who have become prosperous during the last 35 years and want this relief. If it is possible to raise this income tax limit from the existing slab of Rs. 18,000 to Rs. 25,000, it would be better. After all what is the contribution of personal income tax towards the total tax realisation. If you have a look at the Budget, you will be surprised to know that it does not account for more than one and half per cent of the total tax collection. The Government fails to understand that in realising this one and a half per cent of tax by way of personal income tax, it is encouraging generation of black money to the tune of Rs. 37,000 crores. If the Government does not realise this one and a half per cent, probably the entire black money can be

converted into white money. But what will the country do with such a huge amount of white money? Sometimes it creates problems and probably the Government might have found some other way out. By realising this one and a half per cent, the Government is generating ninety eight and half per cent black money. If the Government does not think it worth considering, it should at least raise the exemption limit of personal income tax from the existing Rs. 18,000 to Rs. 25,000. This would enable those persons, who are in their early forties, i.e. of Rajiv Gandhi's age, and who have worked for the progress and development of this country and have become self reliant, to believe that the Prime Minister has done something for them also. We are grateful to the Government for having presented such a well thought of Budget. Kindly convey our congratulations to the Hon. Prime Minister. He was kind enough to lend me his ear for a moment when I interrupted him during his Budget speech. I had then said :

"Ees Ashlyan ka Ask Bhi Tinka Ja'e Nahin".

If anything goes wrong with the country at this moment, people will not curse either Gandhi, Nehru or Patel, but they will complain to the Finance Minister, to us and Shri Madhu Dandavate. I am of the firm opinion that if at all a cut is to be effected, we should do it in expenditure. The economists are warning us about price rise. I would urge the Government to face this challenge with all its might and state categorically that prices will not rise any more and thereby assure the people of this country in this regard.

With these words, I congratulate the Government for presenting a well thought of Budget and welcome the role of the Prime Minister in giving a major thrust to the progressive socialistic policies to which the Congress Party is committed.

SHRI RAM SINGH YADAV (Alwar) :
Madam Chairperson, I rise to support the 1987-88 Budget proposals.

Renowned economist of the ancient India, Kautilya, has aptly remarked in his book 'Arthashastra' that if the sources of

income of a State are tapped for development, the State can progress tremendously. Similarly, the Budget proposals play an important role in giving a new thrust to the economic policies and thereby accelerate the progress of a country. The Opposition has been suggesting time and again to impose tax on those who can afford to pay these taxes. Besides, suggestions have also been made to impose tax on those who spend lavishly. I congratulate the hon. Prime Minister for giving a new direction and a new thrust to the budget proposal by imposing taxes on the aforementioned people. Tax has been imposed on their lavish spending. A salient feature of this Budget is expenditure tax. In my opinion, realising tax from those who can afford to stay in five star hotels and spend lavishly, is an important step in building a socialistic society. If tax is levied on those, who can afford a motorcar, travel by car and own huge assets, I feel we are working in the direction of creating a socialistic society. If the hon. Prime Minister has levied tax on those who own television sets and spend Rs. 10 to Rs. 50 on cigarettes, I think there can be no budget more dynamic than this. I dare say, we have thought for the first time in this direction. It is good that tax has been levied on those citizens who spend lavishly—far in excess of an ordinary citizen—and who are proud of calling themselves elite. This would not only help in adding to the revenue receipts but also contribute substantially to the Consolidated Fund of India. This is a praiseworthy step.

The Members belonging to the opposition have tried to criticise the Budget, but I feel they did not pay any attention towards the economic policies and the basic principles of the Budget. Our Hon. Prime Minister, while placing the Seventh Five Year Plan before the nation, has resolved that we shall provide food and employment to the people and would also increase productivity. These are our cardinal principles. Are there any guidelines or any incentives in the Budget to achieve those three principles? Karl Marx had said in 'Das Kapital' that "Food is the currency of all currencies." If you want to strengthen the currency of any nation, first of all you will have to give an assurance to each and every citizen of

[Shri Ram Singh Yadav]

the nation that he will get his daily bread and livelihood even in a crisis and there will be peace and security in the country. Keeping in view these three things, our Prime Minister has assured the citizens in the Budget that we have abundant buffer foodstock in the country and it is sufficient to meet any eventuality arising out of war, drought or any other crisis in the country. Now under the leadership of the Prime Minister, there is no likelihood of a situation where we may have to import foodgrains under P.L. 480 or from any other country. Now it is not going to be so.

The concessions given to the farmers, the allocations made in the Budget to increase irrigation facilities, increased electricity generation, would go a long way in achieving the target of 4 per cent growth rate in the foodgrains production envisaged in the Seventh Plan. It is a fact that we were able to achieve the growth rate of one per cent only in the matter of foodgrains during the first two years of Seventh Five Year Plan and we were not able to achieve the target of 4 per cent but there are special reasons for this. We find that there was famine and failure of monsoon in major parts of the country during the last two years but in spite of that, our agricultural production rose from 1 to 1.5 per cent in the country. It is indicative of the fact that the growth rate in the country is on the increase even to-day in spite of the fact that we are facing adverse circumstances. On the one hand, an assurance was given to the 70 crore population of the country that they would get food, on the other hand, it was also said that requisite technology and the equipment being used in the western countries would be made available to the people in the country so that they may make progress. To-day the growth rate in the international field is quite high. Our Prime Minister paid attention in this direction and he set a new record by making an allocation of Rs. 800 crores in the field of education. At the same time, assurances were given in the budget to promote technical education and technology. Besides it in the matter of import of computers or production of computers within the country, preference will be given to the companies or tradres engaged in the field, which is very much essential.

Now, you might have read that our army, which carried out war exercises in the Rajasthan sector, in the Punjab Sector, has made use of computers there and it is the first developing country where computer has been put to use in the army. How did it happen? It happened due to the effort of the Prime Minister, and his farsightedness. He has a scientific temper which he wants to spread in the country. It is the result of the same thing that as compared to the other countries, we are marching fast ahead in computer education.

Madam, I would also like to stress that the foremost requirement for a country, which wants to develop, to increase production, to make progress is that there should be political stability in it. This thing can be brought about by a leader who has got perception, ideology and a clear cut philosophy. To-day we are happy to note that the ideology of our country has been clearly reflected in this Budget. We have adopted a socialistic and egalitarian society. Our ideology is to take the proleteriat class ahead. Our country has marched ahead with this ideology and it is marching ahead further. This ideology was given by Mahatma Gandhi, by Pt. Jawahar Lal Nehru, by Shrimati Indira Gandhi, to this country. This is the reason that efforts have been made to confine the Budget to our ideology. We have been struggling for the last hundred years for this very ideology and the people of this country made sacrifices for it.

All the Plans implemented in the country so far are reflected in the Budget. I would like to say that the main thrust of this Budget is to increase production on the one hand and to ensure the security of the country on the other so that no foreign power dare cast an evil eye on this country. Whenever there is peace in a country, it makes progress. It also achieves the ability to increase production. To-day we are happy that our country has been capable enough in all these aspects under the leadership of our Prime Minister. Our army and jawans are capable of meeting any challenge from any of the foreign powers, and of ensuring peace within the country. This is the reason that greater allocation has been made for the army in

this Budget. Only that Finance Minister is considered successful who makes investment keeping in view the requirements of the country. Allocation has been made in this Budget for the requirement which is most essential for the country to-day. To-day, the country requires investment for its defence, education and for its downtrodden class. We feel it that the problem of bread, clothes and housing for the downtrodden should be solved. Never before had so much allocation been made for solving these problems as has been made in this Budget. We had high expectations from him in regard to these things.

Our Prime Minister has placed the substance of our economic, social and political philosophy before the people of this country through this Budget.

Means have also been provided in the Budget to take concrete steps for the execution of these things. Now it becomes our duty to lend support to him.

With these words I support this Budget and thank you.

[English]

SHRIMATI SUKHBUNS KAUR (Gurdaspur): Madam, I rise to support the Budget for 1987-88. The hon. Prime Minister has allotted sufficient funds for giving maximum relief to the poor and the weaker sections of the society for implementation of various programmes for the removal of poverty. We find from the Budget that a sum of Rs. 1205 crores has been set apart for the RLEGP and other programmes and it is clear that the Government is earnest in implementing various schemes for the benefit of the poor. For Education also there is a marked increase in allocation. It has been increased from Rs. 352 crores last year to Rs. 800 crores for this year and as the hon. Prime Minister has said Education is one of the most important weapons for the removal of poverty among the rural people.

Madam, I would like to say that there is no doubt that there is no doubt that the intentions of the Government are very good, the conceptions are excellent, but there is a lot to be done as far as imple-

mentation is concerned. And I am taking up education particularly because this is one area where I do find that a lot has to be done for achieving the goal. I have seen in my State—I come from Punjab—and a part of Delhi, I do not know about other States, that a lot of money is spent in the buildings, furniture, salaries etc. for a school, and they are talking about these specially in rural areas where the programmes for schools are most essential. A school is built up and children are supposed to attend the school. But unfortunately what happens is that the teachers are missing, they just give an application and go away. And regarding the standard of education, when a person comes to me and says that 'I want employment, I am Matric passed', I ask him to spell the word 'Matric', he cannot spell the word 'Matric'. And that is very unfortunate when we are spending such huge amounts of money for this programme and when the Prime Minister has particularly said that this is a very important weapon for the removal of poverty because if a person is educated, he will definitely be able to earn something and find a job. In the same schools I have found that there was a case which was brought to me recently, in that a child has been promoted to the VIth class and when I asked her to write, she could not even write ABC. Why I am saying all this is that this is such an important area for the development of this country and yet, we are not paying that much of attention to seeing how much this is being implemented.

Secondly, Madam, I would like to say that regarding the facilities that are being provided for the agricultural industry, the farmer is the backbone of this country and it has been said time and again, and I am glad and I congratulate the Prime Minister that agricultural income is not being taxed because, as is very rightly said that as it is we have only 18½ acres of land for a family and what the farmer actually gets out of that is not much. And I do congratulate the Prime Minister for not taxing this agricultural income.

Madam, Rs. 370 crores have been allocated for rural water supply. This again is very very important for us and the Prime Minister's policy shows that it is in the interest of the poor people. But in my

State I would request the Finance Minister that more money should be given for this particular thing because we have some semi-billy areas and drinking water is still not in abundance in those areas.

For rural electrification also there have been more allocations and we believe that villages are going to be electrified, but the supply of electricity is not enough. For this, in our State specially we are coming up with more projects for power and the Prime Minister had promised to expedite the Thein Dam. I request the Finance Minister to please allocate more funds. The Punjab Government is not in a position to get funds because of the conditions in the State. So, I suggest that the Thein Dam be taken over by the Centre and funds provided for the completion of the Thein Dam as early as possible.

I would also like to bring to your notice—as Bairagiji said, and I second his suggestion, that the salaried class people were expecting that you would give them some relief and the income-tax exemption limit of Rs. 18000 would be raised to at least Rs. 21000 or Rs. 25000. This is the feeling of our people and it is our duty to bring it to your notice. So, I do hope that this will be conveyed to the Prime Minister and you will look into it.

Special provisions have been made for the development of the poor and the landless people, but I would like to bring to your notice that in spite of the good intentions of the Government and the good policy, there are poor people who are not getting the benefit which they are supposed to get. And the Prime Minister himself has said that we lose a lot in transfer of these funds. It is one of these reasons that I suggest that, instead of giving subsidies to the farmers, we should consider something else. It is because this is an area where there is scope for corruption, because people feel that subsidy is something that he does not have to return and therefore other persons also, the officers who are dealing with it can share a part of it. So, instead of giving subsidy, we should give interest-free loans and also ensure the assistance by which these loans or the money or the benefit which you have

provided in your policies, reach the poor people. In this connection, I think and, I am sure, other hon. Members will agree with me that you should give a report to Parliament in every session about how many complaints have been received and what action has been taken against officers who do such things, so that the poor people would get the money or assistance which is meant for them.

I would like to say that generally extra funds should be given to Punjab. The Prime Minister has said that the amount is being provided for modernisation of textile industry. We should be grateful to him for this. Again, these funds should be used properly and it is for the concerned Ministry to ensure that these funds are used properly.

I think, nothing can be really achieved, no matter what we produce, if we do not give attention to family planning. Punjab has been doing very well in this area and still I think, we need more funds to be provided in this area.

Regarding flood controls, you have allocated more funds than that of last year. But, as I said, prevention is better than cure. These funds should be given to the States in time so that the work can be undertaken. Now it is the time that these funds should be released as soon as possible because by the time you release money, floods have already destroyed the crops and the States claim more money in the form of compensation rather than for prevention of floods.

Madam Chairman, I would like to bring one more item to the notice of the hon. Minister. The people have been talking about it. The idea was to make the income-tax simpler. But with the introduction of the system of deduction of income-tax at source under section 194(e), people are of the opinion that that is going to create a lot of problems because there is going to be a lot of work and each office has to keep extra people for this work. Ultimately that is going to incur extra expenditure in every place and then finally people will be going to the Income-tax Department for refunds. This year, you might get a lot of money but there would also be a lot of extra paper work and

harassment to the people. I would be grateful if that is also looked into it.

Thank you, Madam Chairman, for giving this opportunity and I support the Budget.

SHRI MAHABIR PRASAD YADAV (Madhepura): Thank you, Madam Chairman. When I rise to speak, you are found in the Chair.

Madam, I support this Budget. Because, it is balanced. It is tempered with broad vision.

SHRI AMAL DATTA: With a Rs. 8,000 crores deficit, it is not balanced at all.

SHRI MAHABIR PRASAD YADAV: It is forward-looking budget and it is also for the poor.

Madam Chairman, is there any country on this earth which is facing so many difficulties—internal and external—and has made so much growth and progress. No country on earth has done it except ours?

17.00 hrs.

Some may say that United States of America is progressing. Some may say USSR is progressing. But the population in those countries is very much less. USSR is having 84 lakh square miles of territory but it has got a population of about 27 crores only. USA's population is also more or less the same but it has got a territory of about 37 lakh square miles. India has got 12½ lakh square miles of territory but it has got 75 crores of population.

There is no country on this earth which has such a big population to be supported and which has so many ordeals to face with neighbouring countries like in the north China, in the West Pakistan, in the south Sri Lanka and in the east, Bangladesh. Even Nepal is sometimes giving a pinch of trouble to India. No country on earth is having so many religious problems, problem of Babri Masjid, problem of terrorists and in spite of all these problems, India is making progress and it has registered growth.

I have great optimism for this country after this Budget.

But I have got some pessimism on account of some political parties. That may be this party or that party. I should not name it. But, they are creating so much nuisance in the country that the development of the country would be jeopardised.

I will tell you what has happened in Rohtas Industry in Bihar. About 30,000 people were getting their livelihood by means of that industry and one political party gave the slogan:

*"Raghupati Raghav Raja Ram,
Poora Paisa Aadha Kaam"*

Do you think that the country will prosper? In this situation? Do you think that the country will have progress and growth? 30,000 people are in the streets and on the roads and they are not having their livelihood.

One leader of the Opposition party went to the interior of the State of Bihar. He told the people there "Land to the tillers" and thousands of people came and looted the standing crop of gram, wheat and kharai and Roher. The same leader went to Patna and told the Chief Minister that law and order is falling in that part of the country and he is not taking care of the law and order problem and that genuine land-owners were being evicted!

Under such a situation, do you think that the country can be optimistic about development? I have my doubts.

They speak of deficit financing. Deficit financing is necessary when the country is developing. It may be an evil but it is necessary. Economist Keynes said that deficit financing is necessary for a developing country and I do not have pessimism on that account.

But I have pessimism on account of the negative attitude of the Opposition parties. Criticism is not bad. The criticism should be constructive. It should be helpful. It should be positive and without prejudice. But negative criticism will not do. I want that our defects should be pointed out. They should not indulge with negative attitudes.

[Shri Mahabir Prasad Yadav]

Now, I want to tell something about Bihar. This budget is very good. But the cases of Bihar have been neglected like anything. Most important projects and plans have not been taken into consideration. Kosi barrage and embankment are having their expiry of life. I have brought this to the notice of the Irrigation Minister. That Kosi barrage and the Kosi embankment will not survive if the problem of siltation and silting is not taken notice of. But I am not getting the proper attention of the irrigation Minister. Bihar cannot be like Punjab. The people of Bihar are very peaceful. They are supporting the Prime Minister like anything. But they cannot have *Thien Dam* and *Integral Coach Factory* like Punjab. The people of Bihar are peaceful I want that the Prime Minister and the Government should take into consideration the most important plans and projects of Bihar. The State of Bihar is very very rich but the poorest people live there. Bihar is the richest State in India and the poorest people are living there on account of the fact that Bihar is not attracting the attention of the Prime Minister and the Government.

You take the case of Bihar in the matter of dams. If a dam is not constructed in the Upperstream of Kosi river, the Kosi project will fail. I request, through you Madam, that the Government should take into immediate consideration the dam for the Kosi project.

Another point of importance for Bihar is that the distinct Purnia, Katihar, Saharsa and Madhipura the people of that area have to move 200 kms. for reaching a place like *Nirmalli*. On account of the simple fact that if a road cum rail-bridge is not constructed, the people of those districts will have to come to the other side of the river by taking a round about way.

Bihar is the next State to U.P. in terms of population. According to 1981 census, U.P. has got a population of 11 crores. Bihar has got a population of something like 7 crores. Bihar has got only 9 Universities. U.P. has got 22 universities. Even in education, Bihar is lagging behind. But the Government of India is not taking notice of this. You will appreciate, if you have gone through the Presidential Address, that more

or less about 13 States are having cultural centres. I have seen the Presidential Address. Cultural centres have been established in about 13 States. But Bihar which is next to U.P. it is not having a cultural centre. Perhaps, U.P. has got two cultural centres. But Bihar is having not a single one. Even in small matters, Bihar is being neglected. I have told you before, that people of Bihar cannot take cudgels in their hands. But we have simply to make appeal to the good hearts of the Ministers and the Prime Minister.

Last but not the least, I come to the charge of the opposition that agriculture is lagging behind. It is not a fact. Agriculture is improving, industry is improving and in everyway it is improving. We see writing on the wall that the consumption of petrol and diesel have reached the target of year 1990 in the year 1985. I am not going to the figures. But we see that even in the Harijan Tola there is consumption of coconut oil and they wear good dresses. They have radios, scooters, motor-cycles, cars, jeeps, tractors and everything.

Some people who are prophets of doom, from the year 1950 have been telling that India is going to doom. But India is progressing by and large. It is not going to doom; it is going to progress and it will progress.

I simply request the Prime Minister and the Government through you Madam, to keep in mind the cases of Bihar. I am not giving you the full figures. Bihar is having literacy to the extent of 34% at present, whereas Kerala is having the literacy of 95%. I repeat that Bihar is the richest State where the poorest people live. With these words, I thank you Madam.

[Translation]

DR. G.S. RAJHANS (Jhanjharpur): Madam Chairman, in my opinion, after independence never before such a balanced and good budget had been prepared as has been prepared this time. There is no such example. You may take the field of agriculture, export, education, the poverty alleviation programme, the housing. All these points have been touched in the Budget. The Prime Minister, while presenting the budget, had recalled the words of Pandit Jawahar Lal Nehru uttered by him

many years ago while presenting the Budget. He had said that socialism was the sheet anchor of our country and we cannot give it up. While quoting Shri Nehru, Rajivji had said that it was that very ideology and words which were still guiding them.

It is a matter of great satisfaction for all of us that the economic condition of the country is very sound and it is the reason why our critics whether within the House or outside or in the media, do not have any point against us.

Our country is constantly marching ahead on the path of progress. All of us should share its progress and we must ensure that there is no let up in the progress.

While expressing my views about the problem, I want to draw your attention towards a few points.

In my view, the most important thing is that the Government has laid more stress on providing housing facilities to the people. The year 1987 is being observed as 'home for the homeless' year by the United Nations Organisation. No other country of the world has given so much priority or paid so much attention on housing facility as has been done by the Government of India.

All accept it that bread, clothes and shelter are the three basic requirements of every individual. The problem of bread has been solved in our country. Today we have a huge foodgrains stock which we could not even think of some years back. It is a miracle that today we have such a huge foodgrains stock with us. After the announcement of the new textile policy last year, our Government has endeavoured to fulfil the maximum clothing requirements of the people. The third priority is, therefore, the housing facility.

Crores of people in our country still shiver during the night in winter under the sky. They have never seen, thought or imagined of a roof over their head. These people spend their nights during severe winter under the open sky and during summer, they spend their time in the shadow of trees. They come to the cities in search of job and live in slums, not under a roof but on the pavements. Therefore, what can be a matter of more

satisfaction than the housing arrangement made for the weaker section of the society. A revolutionary change has been brought about in the country. The most important aspect of the Budget presented by Shri Rajiv Gandhi is the efforts which have been made to solve the housing problem.

The housing problem has become a burning problem in our country. Private agencies, Government agencies and cooperative agencies are active in solving this problem. All the three agencies have formulated big programmes for this purpose. Shri Rajiv Gandhi has made an allocation Rs. 100 crores and has said that an Apex Budget will be formulated to solve the

17.18 hrs.

(MR. DEPUTY SPEAKER *in the Chair*)

housing problem of the middle class and the people in the fixed income group and the State Governments will also contribute towards it. It is a very good proposal but the main question is of the proper implementation of these housing schemes. But we have to ensure that the matters may not take the course of the cooperative societies which were entrusted with the work of providing housing facilities to the poor but which turned out to be dens of corruption.

As regards agriculture, though we have made tremendous progress, yet we have to do much more in this field. A big part of our country, particularly Northern Bihar, remains inundated for 5 to 6 months every year. It is an alluvial soil and very fertile. If we construct dams across the rivers in Nepal and prevent floods, we can have maximum agricultural production from that land.

Mr. Deputy Speaker, Sir, at present we have very good relations with Nepal. Nepal is endowed with natural resources which even the Arab countries do not have. It has a perennial source of energy which does not require renewal. They must be made aware of this natural resources from which power can be generated which would benefit not only Nepal but India also. If we construct dams on the rivers in Nepal and generate power, we can bring green revolution in the entire Northern

[Dr. G.S. Rajhans]

India. We should take this matter very seriously. Now it is time when we should take up this matter with Nepal Government and try to generate more and more power. Whatever progress we have achieved in the field of agriculture, may be nullified if monsoons fail continuously for 2 to 4 years. Therefore, we must have some permanent arrangement of irrigation and power generation. We can make use of power in the tubewells also.

When we look at our industrial growth, we feel disappointed. Our habits are fast changing whether due to radio or television. Today we see advertisements on television. The television facility had reached our villages. We have tremendous potentialities. We can set up agro-based industries like food processing industry in our villages and can provide quality products at reasonable prices to our consumers. In these industries lakhs of people will get employment and they need not go anywhere in search of job. We can set up these Food Processing Industries with small investment. If we seriously think over this proposal, we shall be able to export a large quantity of products of these food processing units to other countries also. We need to think over it seriously.

I would also like to say something about our exports. The Government has done a lot and is still doing to increase our exports. Though our exports have considerably increased during the last 5 to 6 months, yet if we look at the economy of some of the Far Eastern countries, we shall find that once there was a export boom in these countries but now, it may be Japan, Korea or Taiwan, their exports are gradually declining. It is true that we have earned foreign exchange by exporting garments but it does not have a lasting potential. Our traditional export of jute has also dwindled. Therefore, can we not do something to revive it ?

There was time when our country was leading in engineering exports all over the world and we were advancing fast in this field. But now our engineering exports have declined considerably during the last 2 to 3 years. Nobody can find fault with

our technology or the quality of our engineering goods. Even then there must be something wrong which is adversely affecting our exports. It requires some help.

So many things are said about the Public Sector. Had the Public Sector not been there, the state of our country would have been quite different. Our country would have been quite different. Our country would have been lagging behind by 50 years. It has played a vital role in providing infrastructure. I would also like to say one more thing. As I have already said corruption has become a widespread phenomenon among the executives of the Public Sector. Recently, property worth lakhs of rupees was seized in a raid conducted on the house of the chairman of the Cement Corporation. You will be awestruck by the living standard of the Chairman and Directors of all the Public Sector Undertakings. The Corporations of the Public Sector are running at a loss every year but their officers are living like emperors. We should do something in this regard and set an example before the public. I would say about that bureaucrats that they are not fully committed. I do not say that bureaucrats should be committed to the Congress Party, but I would say that they should be committed to the socialistic pattern and to the people. Today bureaucrats have one point programme. They are leading a lavish life which no other section of the society can lead. The executive body of a public sector undertaking is appointed for a tenure of five years and we expect some good results from them. You should appoint I.A.S. officers for a tenure of five years and fix a target for them and if the officer achieves that target, he should be promoted otherwise some other person should be appointed in his place. The matter requires to be considered in depth and if you do not do that, progress in the country will not be possible. Some secretaries have told me that they do convey the directives of the Ministers to the junior staff but they do not move the files. They have such a powerful organisation that we cannot take any action against them. We may raise this issue a number of times in the Parliament or outside the Parliament, but nothing happens. So long as the

proper implementation of these things is not done, nothing can be achieved. If I speak on corruption, it will take a good deal of time. Is it necessary to provide five peons to an I.A.S. officer? Has anybody tried to find out the reason why only the son of an I.A.S. officer becomes an I.A.S. officer? We should think over it with a cool mind. We should think what can be done for the welfare of the people. The economic development of the country is not possible as long as we do not fix the tenure our bureaucrate.

A huge expenditure has been spent on education, but it is our experience that today the condition of education in our rural areas is worst. Half of the schools are without teachers. And where 1 or 2 teachers are available, they remain absent from the schools for 6 to 8 months in a year. Such a huge amount is being spent on education. Therefore, it must be ensured that the people get the benefit of education also. What I mean to say is that the implementation of these programmes should be such that the benefit thereof may reach the beneficiaries.

SHRI LAL VIJAY PRATAP SINGH (Sarguja): Mr. Deputy Speaker, Sir, the Budget presented by the Finance Minister is not only practical and timely but it also gives clear-cut direction.

You know that the development work has been going on in our country for quite a long time and whatever progress we have made during the last 30 to 40 years is before us. It is true that we have made considerable progress but it is equally true that we have yet to cover a long distance. It will be wrong to believe that we will have all round development of the country by leaving the work of nation building to a single individual or a coterie. The nation can be built only when all the people of the country commit themselves to this gigantic task and dedicate themselves to developing it. The entire country is engaged in development work at present. Again, you are aware that the present Budget has granted many concessions. It is a very good Budget and if we compare it with the earlier Budgets we would find that it is a very good budget. It is another

matter that the Congress Government has been in power for a long period of time. We are facing plenty of problems as has been mentioned by those who spoke before me. I do not want to go into those points but I must submit that the challenges which we are facing while marching ahead is a point which requires to be considered.

You can see that our country is progressing in every way. We are developing in the field of atomic energy, industry, education, agriculture and so on. But unfortunately, there is also a section of our population which is dragging us backwards. So this situation has to be seriously and properly considered. Our economy can prosper not only by granting facilities to the people but also by making them self-reliant. From this point of view, in the Budget presented by the hon. Prime Minister, Rs. 800 crores have been earmarked for education which would help in raising the level of education and development. This in itself is a great achievement. You may be aware that we followed the traditional system of education in our country, which had been quite successful. But in order to streamline it and enable it to cope with the future requirement, the hon. Prime Minister has proposed a very good plan which includes the setting up of Navodaya Schools, 'Operation Black Board' Scheme and the opening of technical schools. I think it is an effective step.

So far as the public sector is concerned, I am also of the opinion that it plays a very significant role and perhaps it will not be wrong to say that the economy of the country is dependent upon it. You also know that several units were running at a loss previously but the administration has undertaken the task of streamlining their functioning and has made efforts to make them viable. The results are before you. There are some Public Sector Units which have improved substantially and are playing a significant role in the economy of the country but there are some units whose performance has been shameful and we shall have to think about them afresh.

Mr. Deputy Speaker, Sir, you are aware that in the present situation, it is not enough to work for the sake of work only. It is important today that there is some

[Shri Lal Vijay Pratap Singh]

accountability for whatever we do and it must be done with dedication and honesty. In the current situation it is also important that the officer, whether he is an I.A.S. or a Managing Director of Public Sector unit or a Chairman a Private Sector firm, should be made accountable. It has to be proved by his performance that good work is being done. Unless 'productivity' is linked with 'accountability' our country cannot make progress. I want humbly to submit to the hon. Prime Minister that under the circumstances everyone must be entrusted with full responsibility. Whatever may be the level and the status of the employee, he should be made fully responsible for his work.

Likewise, I want to submit a small point regarding my own State and my constituency. You are aware that Sarguja is a rather undeveloped and backward constituency in Madhya Pradesh. A lot of things are still to be done there. Our leaders, particularly the State leaders, have made significant efforts to bring the people of that area to the mainstream, but I would humbly request that it is not enough to make several facilities available to them, to provide cheap foodgrains and cloth, but the most important need is to enable the people to become self-reliant. If the unemployed are given employment then, it would be an important achievement in the present situation.

The hon. Prime Minister has made several important provisions about which I would not like to mention because it would be a repetition of what has already been mentioned before I started speaking. I do not want to repeat the same points but I would like to add that under the present circumstances, it is indeed an excellent Budget and I fully believe that it would help in the progress of our country. Thank you.

DR. CHANDRA SHEKHAR TRIFATHI (Khalilabad) : Mr. Deputy Speaker, Sir, in regard to the Budget-I want to submit, that howsoever much we may praise it, it will not be enough. I can claim that in this Budget all provisions have been made for providing maximum facilities to every area, every State, every class of

people and for raising their standard of living. However, I would like to draw your attention to 3-4 very significant points.

In regard to the much-discussed deficit financing, I want to submit that though it is true that it is essential for the developing countries to resort to deficit Budget or deficit financing for increasing the purchasing power of their people, yet there should be a limit to it. If the deficit is not controlled, then production of goods and services will not be proportionate to the expenditure which would result in inflation, rising prices and it may destroy the whole country. Hence if someone advises the Government on the basis of his theoretical knowledge or as being an economist that deficit Budget should be encouraged, it would not be appropriate. Goods and services must keep pace with the money supply made through the budget; only then the economy of our country would be balanced and our price level would be stabilised and we would be able to provide relief to our people and make our country prosper. I am happy that the hon. Prime Minister has made a courageous declaration about improving the functioning of the Public Undertakings and reducing many unnecessary expenditures and that a white paper would be published regarding their contribution and extent of utility to the society. It has been a laudable step. We all welcome it on the floor of the House.

Sir, I would like to draw your attention to a second important point. Our Finance Minister has from time to time tried to remove regional imbalance. Sometimes allocations have been made for the development of the desert areas of Rajasthan, sometimes for the improvement of the jute mills of Bengal and sometimes allocations have been made to solve the problems of a particular State. But more than one fourth area of our country remains inundated during the 4-5 months of the rainy season and it is known as Cachar. No separate provision has been made for the Cachar area. In nutshell, for six months in a year crores of people inhabiting the Cachar area remain confined to their houses because the area is flooded. Their children are not able to go to schools, patients cannot be taken to hospitals and essential commodities cannot

be bought from the market. Just as you have set up the Hill Development Board for the development of the hill areas and formulated certain schemes for the development of the desert areas of Rajasthan, a Development Board should be set up and separate allocation made for it so that the people make faster progress. I think there is no scope for the improvement of their lot in this Budget.

Sir, the pace of industrialisation in this country should be accelerated. In this connection, the Government keeps providing incentives from time to time. Enough attention has been paid in the Budget for speedy expansion of our industries. Two or three speakers who spoke before me including Dr. Rajhans made their submissions in regard to the bureaucracy. I want to submit that effective schemes are formulated but these bureaucrats put hindrances at the implementation level while their benefits are to reach the beneficiaries. They indulge in dishonest means and do not allow the benefits of the schemes to reach the beneficiaries. I can offer several examples in this regard but I do not want to waste the precious time of the House. There are certain obstacles in the path of industrialisation. First, whenever an entrepreneur, regardless of whether he wants to set up a large scale or a small scale unit, approaches the Ministry with a project, the Ministry makes him run from pillar to post unnecessarily for 3-4 years before issuing a licence to him. The situation reaches a point where the cost of the project increases two to three times and the industrialist gives up the idea of setting up that industry. I would request that the Ministry and the Government should insist that there should be a time limit within which the licence should be issued to the industrialist. The industrialist, who wants to set up any industry, should be issued licence within two or three months of his making the application subject to his fulfilling all the requirements. If he does not fulfil the conditions, he should not be issued the licence. Unnecessary delay causes hindrance in the process of industrialisation.

I would also like to point out that the financial institutions and the banking institutions take considerable time in providing loans. The Government should instruct

the financial institutions to provide loans to those who fulfil the conditions within the stipulated time so that the entrepreneurs, who want to set up industries, may do so without any difficulty.

I would like to speak on the agricultural sector also because the agriculturists account for three fourth of our economy. I am happy that the production has increased in every field. We have become self-sufficient in the matter of foodgrains but I would say that the production of sugar is going down successively for the last two to three years. More than 50 per cent of our oilseed requirement is met through imports. I am happy that the hon. Prime Minister has taken effective steps to increase the production of sugar and has saved foreign exchange by cutting down the import of edible oils. The Government has taken commendable steps to make the country self-sufficient in the field of oilseeds and sugar.

Similarly, the concession granted in the Capital Gain Tax under Housing will help in the speedy construction of houses. The Government has exempted stove, hot plates etc. from excise duty thus giving relief to the crores of villagers. The exemption which has been granted is a praiseworthy step.

I would like to say that the provision of levying 15 per cent import duty on the fertiliser plants in this Budget does not seem to be proper. Even today we are not self-sufficient in the field of fertilisers and by levying 15 per cent import duty, the cost of plant to be set up by the Indian entrepreneurs will be added in the cost of the fertilisers and ultimately the prices of fertilisers will increase which cannot be termed as proper. I would request the Prime Minister that for making the country self-sufficient in the field of fertilisers, the Government should withdraw this duty.

With these words, I conclude.

SHRI R.S. KHERHAR (Simarhi) :
Mr. Deputy Speaker, Sir, the steps taken in this Budget, which has been presented by the Finance Minister, will speed up the development and there will be all round progress. Almost all the speakers have emphasised that we should ameliorate the condition of farmers and a lot of discussion

[Shri R.S. Kbirha]

has taken place on how to improve the lot of the farmers. I would also like that the lot of farmers should be improved and the farmers should be given special status in the society. Shri Balkavi Bairagi has said a lot in his speech that the farmers are backward and it is for the progress of the society that special attention may be paid towards them.

I would particularly deal with irrigation. I would draw the attention of the Finance Minister towards the projects formulated for Bihar from which I have been elected. The hon. Minister who is sitting here may note it. What is the situation in Bihar at present? There was a time when Bihar was prosperous in every respect and the north Bihar was known as the granary of rice. But now the condition has changed. We have tried our level best to control the floods and provide irrigation facilities and we have spent a lot of money on it in recent years. The Government has made allocation therefor in this Budget also. But what is the situation? The present situation is that due to non-completion of the Gandak project, Bagmati project and some other major projects, we have not been able to control the floods.

Major projects were started to control the floods and to provide irrigation facilities. Although 15 years have elapsed, yet no headway has been made in the implementation of these projects. Had those projects not been taken in hand and had the farmers been left to their fate, the conditions would have been much better and agricultural production would have been more profitable.

Now, I would like to deal with the present situation, particularly the Bagmati project. The Bagmati river passes through my constituency Sitamarhi. About Rs. 125 crores have been spent on the Bagmati project to-date. But what have we achieved from it? About 125 to 150 acres of land has been locked up in the construction of fence or in the construction of canal. But neither the fence has been completed nor the canal. Such a large area of land has become a waste land. No cultivation is taking place there. It has turned into a desert.

Now periodical monitoring of those projects was undertaken, on which huge investments had been made. It proved to be wastage of money. The people are concerned about it. When we visit our constituency, we see all these things. We just spend money and every year budgets are also presented. We realise taxes also from the people. In whatever form we realise money from the people, but we must spend it judiciously

In our region L-Y-4 formula is followed. Whatever funds are granted by the Government under this allocation, they are misappropriated by four categories of people. This is said particularly in respect of this Bagmati project. The Government have spent about Rs. 125 crores on the Bagmati project but nothing has been achieved. There the entire land has been converted into desert.

All the major projects to be taken up should be completed within a specified time. Only then the expenditure of the Government will be fruitful and the farmers will be benefited. If we do not do this, the farmers will not be benefited. Whenever Budgets are presented, taxes worth crores of rupees are levied. If that money is not spent properly, we cannot get relief from it. If the Government wants that Bagmati project should be completed in time, it should take Nepal Government into confidence. In case the Nepalese Government constructs its own barrage and reservoir, it will release water at will. In case no water is released, the entire prestigious project will go waste. We would like the Government to pay attention towards it and consult the Nepal Government about this project and to implement it as a time bound project.

With these words, I support the Budget.

SHRI MANOJ PANDEY (Bettiah):
Mr. Deputy Speaker, Sir, I rise to support the Budget for 1987-88 presented by the hon. Prime Minister.

It is a matter of gratification that this Budget has proved that how much our hon. Prime Minister is alive to the interests of farmers and workers living in the far flung villages. This Budget reflects it clearly.

We have been discussing this subject for many days. Before this a number of Members have also said during discussion that the most acute problem relates to the agricultural labourers in the villages. Unfortunately, the number of agricultural labourers is on the increase. Sir, I would also say that a survey of villages should be conducted. We all know that the number of farmers is decreasing in the village and the number of landless labourers is increasing. The person who is engaged as an agricultural labourer with the farmers also used to have some land 20, 15 or 30 years back. He was called a farmer then. But now a situation has come when he has no land and his entire land has been sold out; he is now working as an agricultural labourer with a farmer to earn his livelihood. In this way the number of agricultural labourers is increasing. It is a matter of concern for all of us. The Hon. Prime Minister has proposed to set up a Board taking into consideration this situation. It is a very good step and we all greatly commend it. This situation is affecting the economy of the country adversely. We always discuss how to improve the lot of the farmer. Unless he has money with him, it does not make any difference whether we produce foodgrains three times more. We cannot appreciate a situation where the godowns are stocked with foodgrains but the farmer has no purchasing power. Sir, for this reason, the hon. Prime Minister has made an allocation of Rs. 1250 crores in the plan outlay under the anti-poverty programmes this year also. This is a very praiseworthy step because it increases the paying capacity of our village workers and they can also purchase items of their daily need from the market.

Sir, another thing, which is very important, is that we all know that out of the population of 75 to 76 crores, about 56 crore constitute farmers and agricultural labourers who live in the far flung villages. We have not provided them the facilities as have been provided to the people living in the cities. The supply of drinking water is the first priority. The hon. Prime Minister has made adequate allocation in the plan for providing drinking water in the village. One can live without food for 10, 7 or 5 days according to one's capacity but one cannot live without water. Sir, water is a

very important item. The Government has made sufficient allocation in the Budget for the supply of water in the villages. I welcome it.

The most important question relates to housing in the villages. We all know this and Shri Balkavi Bairagi, who is sitting here, has dwelt on this problem in a very beautiful way. Every family wants to have a house of its own, the significance of which has been outlined in our Puranas. Taking this into consideration, the Government have formulated Indira Awaas Yojana. I also very much praise our hon. Prime Minister for this and convey my thanks to him.

[English]

MR. DEPUTY SPEAKER : Let him finish. There are many Members who have to speak.

I allow you two minutes more. Please conclude.

SHRIMATI SHEILA DIKSHIT : The hon. Member may be allowed to complete his speech.

[Translation]

SHRI MANOJ PANDEY : I was speaking about housing.

(Interruptions)

SHRI BALKAVI BAIRAGI : By the time you finish, the House may be adjourned.

18.00 hrs.

SHRI MANOJ PANDEY : Housing is a requirement for which the people look to the Government for its fulfilment. The housing scheme announced by the hon. Prime Minister is praiseworthy. So far as the farmers are concerned, I would like to draw the attention of the hon. Finance Minister towards their problems. The first thing which is necessary for the farmer is mechanisation. The present era is an era of mechanisation for our farmers and implements play an important role in it. Better fertilisers and seeds alone cannot increase

[Shri Manoj Pandey]

the yield unless there is mechanisation in farming. If we want to bring mechanisation in the agricultural front, we will have to do something for implements. There is need to bring about relaxation in the taxation. This is also one of the reasons for the increase in the prices of tractors. I am talking of a middle class farmer. It is the duty of a middle class farmer to buy a tractor and increase his yield. But when he buys a tractor, he has to pay high interest on the loan taken from the bank. The interest on the loan is so high that he experiences great difficulty in repaying it. Also, the compound interest is so high that it works out to Rs. 25 per hundred. When you want to promote mechanisation, you should at least forego the compound interest. If interest is charged on the principal, it should at least be not more than the principal amount. The farmer should be given this much facility. If he is unable to repay the loan in one year, two years or three years due to natural calamities like floods or drought, compound interest should not be charged on the loan taken by him. Only simple interest should be charged and loan should be provided to the farmers accordingly. (Interruptions)

[English]

MR. DEPUTY SPEAKER : I am giving maximum ten minutes to each hon. Member. You have already taken ten minutes.

[Translation]

SHRI MANOJ PANDEY : Only eight minutes have passed. There are a number of points relating to the farmers. The hon. Minister of Agriculture is sitting here.

[English]

MR. DEPUTY SPEAKER : He will take note of your points.

[Translation]

SHRI MANOJ PANDEY : Many hon. Members have already spoken on dry land farming. The hon. Prime Minister has understood its importance. When we think of the interest of the farmer, we should see how we can make his land more fertile and

how more and more land can be made cultivable. Its importance has increased to a great extent. We must bear in mind the fact that out of 330 million hectare land in India, 175 million hectare is wasteland or barren land and nothing grows on it. Only 140 million hectare land cultivable.

[English]

MR. DEPUTY SPEAKER : You can speak on the Demands for the Ministry of Agriculture when it is taken up for discussion in this House.

[Translation]

SHRI MANOJ PANDEY : There are a number of points and I have come well prepared.

[English]

MR. DEPUTY SPEAKER : I accept everything that you say is very important. I never dispute that.

[Translation]

SHRI MANOJ PANDEY : Dry land farming is very important. There are a number of subjects related to it which should be discussed here. The hon. Members will agree with me that it has a significant bearing on the economy of the country. We grow 151 million tonne foodgrains which is static for the last three years. On how much land we grow 151 million tonne foodgrains? This is a point on which we should ponder. At present, crops are grown only on 50 million hectares of land which has an assured irrigation and about 70 million hectares are under dry land farming. The importance of dry land farming has increased these days and our hon. Prime Minister has announced a special programme for it. A substantial sum has been allocated for this purpose. This is a praiseworthy step and we wholeheartedly praise the Prime Minister for it. We are growing 151 million tonne foodgrains on 50 million hectares of land and it is static for the last three years. This is a matter of concern. In the next 13 years our population will increase to 100 crores. The foodgrains requirement of 100 crore population will be 268 million tonnes. Will we be able to meet the target of 268 million tonnes of

foodgrains on 60 million hectares of land? This is an important question and a Dry Land Farming Board has been set up for it and other things have been done in regard to this. Sir, you have given me time and I am thankful for it.

18.08 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, March 10, 1987/Phalguna 19, 1908 (Saka)