12.14 hrs.

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

[English]

MR. DEPUTY SPEAKER : We shall now take up Itmes 10 and 11—Further General Discussion on the Budget (General) for 1987-88 and further discussion and voting on the Demands for Excess Grants (General) in respect of the Budget (General) for 1984-85.

Now, Mr. Kolandaivelu may speak.

SHRI P. KOLANDAIVELU (Gobichettipalayam) : Mr. Deputy Speaker, Sir, it is a maiden budget of our honourable Prime Minister. Actually, he has taken all steps to ensure that the budget is a pro-poor budget. Yesterday the discussions were initiated by Prof. Madhu Dandavate. He was actually accusing the Prime Minister and the Government and he said that it is an anti poor Budget and it is in the wrong direction.

I would say that the Budget is in the right direction. Actually it is in the right direction of eradication of poverty and it is in the right direction of taking the people to the 21st century. *(Interruptions)*

MR. DEPUTY SPEAKER : No interruptions. Nothing will go on record. Not allowed.

SHRI P. KOLANDAIVELU : There are welcome features in the Budget. The higher outlay on education of Rs. 800 crores as against Rs. 352 crores in the last year, a package of measures to encourage house building, shifting of industries away from the city in order to keep the environment clean for the people, the extension of MODVAT to the whole spectrum of industrial activity, allotment of more funds to poverty alleviation and the programmes nnder the savings scheme for the benefit of the tax-payer, all these are welcome features.

We have to congratulate and appreciate our Prime Minister for giving the Budget a greater purpose

At the same time, we have to see the seven main objectives. Whenever we prepare a Budget, we have to see what are the main objectives. One is low tax range. There must be some simplicity and also stability. There should be no secrecy at all in the Budget. Public participation must be there and faith in the tax-payer. It is also one of the main objectives. Human awareness is the seventh objective.

I would request the hon. Minister for Finance to take care of Section 115 (J) of the Finance Bill. The Government has got a right, of course, I do submit to 20% of the tax of the book profits of the company, even though it may not have any taxable income at all. If the industry is incurring losses, how will the industry pay the 20% tax ? If a company is starting on a new venture, is it to pay a crippling tax of 20% ? Is it possible ? That has to be thought over by the Finance Minister.

With regard to 115 (J), I would say that constitutionally it is illegal and commercially obnoxious. I request the hon. Minister to withdraw this Section from the Finance Bill itself.

There must be some simplicity in the Budget. If the Finance Bill is passed unchanged, it would make the Income-tax commercially complex than ever before. Every Budget has get a right to tax the citizen in terms of money. But they have got no right to tax any citizen in terms of time and energy. That must be taken into account. I am an Economics student and I will say that over-taxation always results in the law of diminishing returns. You are fully aware of this. We must be careful in preparing the Budget.

With regard to stability in the Budget,

I would say that in the last 12 months, the rates of Customs and Excise duties have been changed 400 times. Is there any stability at all ? Please go through all these things and there should not be any secrecy.

With regard to secrecy, the long-term fiscal policy document and the white paper on rationalisation and simplification mention not one word with regard to Section 115J and also Section 194 (e) of the Finance Bill. Why are you keeping secret all these Sections without mentioning them in the long-term fiscal policy ?

Another thing is about the public participation. Actually, is there any participation of the public here ? With regard to Section 115 (J), again it has been reintroduced. Formerly, under Section 80 (V) (a) of the Finance Bill, people protested that it would mean penalising companies that were investing in the nation's development. Section 194 (e) seeks to cut tax at source for professional organisations. I would request the hon. Minister to withdraw section 115 (J) from the Finance Bill immediately.

With regard to import duty you have levied import duty on the import of fertilizer equipments. You have increased the import duty from 0 per cent to 15 per cent. That will tell upon the common people ; that will tell upon the poor agriculturists. Yesterday, Chairman of the Madras Fertilizers gave a statement stating that the levy of import duty on the fertilizer equipment will result in the increase of price in fertilizers. What does it mean ? Will it not affect the common-man and the ordinary agriculturists ? Certainly, it will affect the agriculturists. So, it has to be thought over again and again, and that the duty of import of equipment on the fertilizer plants has to be withdrawn.

With regard to the computer industry you have given some concessions Actually, we are living in the world of computerisation. So, it is very very necessary. Our Prime Minister's view is also the same. I accept and I welcome it.

Sir, I would like to ask as to whether we are going to the 21st century. That is the main thing here. As soon as he occupied the post of Prime Ministership, he announced to the nation : "I want to take this nation to the 21st century as early as possible". By means of this budget, are we going to the 21st century ? That is my point. The Prime Minister wanted to give so many incentives to the poor agriculturists. Actually, he want to help the poor and the down-trodden. But upwards, there is the Poverty Alleviation Programme. With regard to IRDP, NREP and RLEGP, you have allotted more. Actually, I have to congratulate and I have to appreciate the Prime Minister and the Government. You are allotting more than what you have allotted last year. Merely, it is 63 per cent more than what you have allotted last year. It is a welcomable feature. At the same time, we have to see the other necessities of the people. We have to see whether we are able to give them food ; whether we are able to give them shelter and whether we are able to give them clothing.

With regard to the Housing Scheme, for the first time, the Prime Minister has brought it now. But, how are you going to help all the people who are on the streets ? That is why I would say that we have to study the feelings of the people first before preparing the budget. We have to take the schemes to the poor people.

I would like to narrate another incident which happened on the day when the budget was presented here. A Television interview was conducted on that day. Everybody was at liberty to say something with regard to the budget. Actually, I was also asked to come for an interview of the Television. It was in Room No. 62 or so, a television interview was conducted. I think my interview has not been telecast at all. I do not know for what reason it has not been telecast.

SHRI MURLI DEORA (Bombay South) : Something may go wrong. Dont's worry.

SHRI P. KOLANDAIVELU : Mr. Murli Deora was along with me. His interview was telecast.

SHRI MURLI DEORA : Your glass might have been reflecting on the camera...

SHRI P. KOLANDAIVELU : It is not correct. I have stated that the duty on crude oil and the duty on cigrette may affect the common-man. That is what I have stated. For that purpose alone. I think, there was a guillotine from telecasting my interview.

MR. DEPUTY SPEAKER : You have not been guillotined ; only your speech has been guillotined.

AN HON. MEMBER : You must be smoking too much.

SHRI P. KOLANDAIVELU : No I am not at all a smoker.

In toto, I can say that there are some welcome features in this budget and it is a pro-poor budget.

SHRI B. R. BHAGAT (Arrah) : Mr. Deputy Speaker Sir, I think the House will permit me to begin my remarks with a certain personal note.

The Prime Minister in his budget speech referred to the year 29 years ago when in a more difficult situation Prime Minister Jawaharlal Nehru presented the buget. The House will remember that at that time it was an unprecedented shake-up in the Finance Ministry in which the Finance Minister, the Principal Finance Secretary, the Chairman of the LIC and other senior ministers and secretaries had to leave just a few weeks before the budget. At that time it was sheer miracle that I escaped. I consider it a miracle. I was the only person to assist the Prime Minister Jawaharlal Nehru in presenting the budget and in conducting both the Houses. It is a matter of great honour and privilege which I recollect after 29 years that Prime Minister Nehru commended the work that I humbly did to assist him in those difficult times.

Today the Prime Minister Shri Rajiv Gandhi's budget speech clearly and unequivocally puts the economic development of this country on the path chartered by Jawaharlal Nehru. It is borne not only by the three quotations of Nehru in his speech, but also by the form and content of his analysis of the economic scene and the measures proposed by him. It also reflects Prime Minister Rajiv Gandhi's distinct personality. He has not given to political or populist mimicry. He acknowledges the seriousness of the challenges on the economic front and reveals an attempt to respond to them with utmost seriousness.

His speech distinguishes itself by his honesty of purpose and seriousness of the proposals that he has made. His budget speech also clears several myths. He has demolished several myths. The commitment to wage a battle for eradication of poverty has been re-imposed-whatever the Hon. Members on the other side may say. This is a rededication with all vigous and force of his commitment for the eradication of poverty.

This is also based on productive employment of the people, creating so many man-hours and man-days. It is on the basis of productive employment and not on the distribution of charity syndrome. All these proposals are linked to productivity, employment and growth because there is an inescapable link between growth, employment and productivity. Therefore, the battle for eradication of povery has been placed in the overall framework of accelerating growth and taking the country forward towards strengthening the foundation of independent economy. Because the basis of the Congress ethos and its economic and social policy has been independent national economy. A country like India if it has to follow an independent policy of non-alignment it cannot follow that policy unless it builds up a national economy. It should be an independent national economy based on social justice, commitment to socialism, democracy and secularism which Jawahar Lal Nehru put forward and behind which in Parliament and in the country there was a national consensus. Now Prime Minister, Rajiv Gandhi when he talks of the unity and

independence of the country, threats from outside and the economic imperialism that is threatening the development of independent economy the emphasis you will find is on public sector, building up the rural sector, growth and social distribution and on that basis building an economy based on self-reliance and not dependant on foreign capital assistance. The fact is that India is a shining example in the present day world when you have an adverse international economic environment when economic assistance is going down, the multi-lateral assistance is cut down, the IDA aid is cut down and policies are framed all round so that our eport trade development & our export promotion is faced with greater difficulty. Even then because of the economic policies laid down by Jawahar Lal Nehru and successively followed by Indiraji and reinforced through this budget by Prime Minister, Rajiv Gandhi it shows that this is the only way and this is the only model in which India should develop if it wants to maintain its dignity and emerge as a prosperous and strong country. So this myth is demolished that this budget is anti-poor or anti-growth or this budget is anti-social justice. Actually it aims to achieve all these objectives.

He has also demolished the myth that this Government or the Government's economic policy is not for the poor but is more concerned about the upper middle class. This is all demolished and I think it is necessary that in this House there is consensus behind the new path or rather the new enforced path that is sought to be made out by this budget.

Similarly the budget aims at promoting prowth and if you see you will find that a number of concessions have been given to industries engaged in mass consumption goods not caring to the needs of the affluent. A number of measures have been suggested. I need not go into that. It particularly tries to promote indigenous capital goods industry which is the basis of self-reliance and which is the basis of promoting growth in the future. Similarly it is the case with regard to agriculture and rural sector because agriculture is the foundation on which Indian economy grows. It is a very heartening fact that despite three below average monsoons-one bad monsoon and the other two below average monsoons-agricultural production has kept up its pace of growth. It is 151 million tonnes of foodgrains. In earlier times the House may recall if there had been a bad monsoon there used to be net fall in the production of foodgrains. In 1966-67, when there was a bad monsoon, there was a fall in foodgrains; 15 million tonnes of foodgrains loss in one year. But despite that very below average monsoon, the food production has gone up. We expect when the cycle of the bad monsoon is over, the measures that have been taken to accelerate the growth in agriculture, will lead to a big spurt in food production.

12.36hrs.

[MR. SPEAKER *in the Chair*]

Similarly, the emphasis—which has another canard or another myth—is on the public sector, which the Prime Minister described as a core of the industrial sector as the core of the Plan. It was said that the public sector was being decried. The Budget speech and the policies formulated establish that the public sector is not only the commanding height of the economy. In order to achieve that position, the public sector is being reinforced in many manners, in many ways. In the first three years of the Seventh Plan, a record 63% of the total Seventh Plan outlay in real terms has been provided. If you compare with the earlier Sixth Plan, it was 46%. This is in real terms and not in financial terms. This is an important aspect. This is despite the fact that there is an enormous compulsion of the increase in the non-Plan expenditure. The three sectors—the Defence expenditure, the large mounting interest payments and the compulsory subsidies—which provide to maintain the public distribution system or the rural sector or the fertilisers mainly account for 70% of the total non-plan expenditure. It will be 67% in the current year. It will be 70% of the total non-plan expediture in 1987-88. Therefore, despite all these mounting figures, the credit goes to the sound policies of good management, fiscal management of the Government that

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they have been able to maintain a moment of the outlay in the public sector to 63% which is a record in all times.

In the public sector; industrial sector, the emphasis will be on modernisation, accountability, through better management increasing productivity and several other measures.

The most worrying aspect of the persent situation is the mounting deficit. The Prime Minister has said that he doesn't like it and he has, in a very unusual manner, given a commitment to the House to the country, that the plan deficit envisaged in the Budget proposals will not be increased. Only a man of great confidence, only a man of commitment can give this. The facts are in the preceding year or in the years earlier, the budget plan deficit has increased enormously. He has gone in taking a number of measures. If I may say so, the Prime Minister has expressed a grave concern If you have seen the reactions, fingers have been pointed out that this is the weakest chain in the management of the economy. If you see the structure of the Budget, the revenue receipts and the capital receipts, the expenditure is being financed more and more from the capital receipts; the non-plan expenditure being financed even more by the capital receipts. These are the concerns that have been expressed and, therefore, not only has the Prime Minister given a commitment, but he has also provided inbuilt mechanism to control deficit. For example, the Budget deficit will not be allowed to increase. Firstly, he has mentioned about the setting up of a Cabinet Committee to monitor it more regularly. Then, the emphasis is that there is no room for wastage, there is no room for ostentatious expenditure and no room for unproductive expenditure. Thirdly, the public sector must generate resources more than what it is doing. Then, there is the cost benefit ratio being estab ished. Every rupee that is spent must give maximum results. Financial outlays must match the achievement of physical targets. Marrying of the financial outlays and the achievement of the physical targets is a very important phenomenon and I commend the Government for giving emphasis to this and making inbuilt arrangements, inbuilt mechanism, to achieve this.

Another important factor is the cost of delivery programmes. We are going to spend a large amount, Rs. 2000 crores, on the anti-poverty programme, which is a very important programme. But there have been reports from the Implementation Ministry or the implementation machinery that the programme is not being implemented in the manner it should have been and not producing the desired results. It is, therefore, very important that the cost of delivery of these programmes is reduced and we are able to produce better results, and we are able to achieve our ultimate aim. In the present situation, we are having such a large phenomenal expenditure, astronomical public expenditure and in order to have a control over expenditure, it is necesary to create a situation in which the entire financing of the scheme becomes non-inflationary. It is very important to control the expenditure It is also important to see that for every rupee spent we are able to produce maximum benefit.

Another innovation has been the introduction of quarterly budgeting. There is a zero based budget and the entire policy of subsidy that is being given is that it must reduce overheads For that it is necessary that there is a mechanism of quarterly budgeting, and that has been introduced with a purpose It is not that a cut in expenditure on certain items here and there is going to help, what is going to help is something else. There are slow moving projects and fast moving projects There are projects which will increase productivity immediately, there are projects which are not proceeding further in a manner they should What is required is that you have to slow down, postpone and, if necessary, completely abandon the projects which are not making progress and transfer the funds to the projects which are making progress. For that, quarterly budgeting has been introduced; this is a qualitative and effective mechanism to control the expenditure and make expenditure cost effective. All these things are going to produce the results

The mounting, galloping public expenditure, mainly financed not out of real resources, but out of public debts or borrowings, creates an internal debt trap and that can be only matched or met by seeing that whatever money is spent is spent productively and all the money that is not being spent productively is cut out. There is control on expenditure. I think this mechanism will be much more effective when put in operation and it could control the deficit that the country has experienced.

Now Sir, the objectives and philosophy of the Plan squarely put as the Nehruvian model are 'growth with social justice based on modernisation. Our economy has progressed on these lines and the entire industrial sector is in the midst of a new industrial revolution.

This new industrial revolution formulated by the ideas of the Prime Minister, Shri Rajiv Gandhi, is that there should be increased productivity and efficiency. It also reflects the modern management technique. All these are the qualitative aspects of the new industrial revolution that is ushered into the country as the second industrial revolution. The first industrial revolution was ushered in by Pandit Jawahrlal Nehru when the Second Plan was introduced whose main goals were public sector, building up capital good, agricultural production and self-reliance of the economy. The country has progressed in this direction and India is now one of the most industria ised enonomies. But there are large gaps. And Prime Minister Rajiv Gandhi has introduced the second phase of the Industrial revolution with its emphasis on modernisation, efficiency and productivity. This applies not only to public sector but it also applies to the new technologies that are being used in the agriculture sector. The break-through in agricultural production is concentrated only in certain region. While there is great resurgence in certain areas of the country, other areas have difficulties. Only a certain class of people are benefiting because of the agricultural development. Water management, technological management and other inputs used in agriculture are costly and the result is that the cost of production in agriculture is as costly as the industrial production. Therefore, by introducing the new management revolution in agriculture and industry, there will be more and more emphasis on modernisation, efficiency and getting the best results out of the investment. I only like to point out that it must be made more broad-based in the sphere of agriculture. It must extend to other areas where it is not existing now. For example, we should put in more efforts in North East and Central areas. It must get out of the regional trap and spread to the whole country. In addition our agricultural products must be less costly. There was a time when we could not export even though we had produced more. We could not export because we have to subsidise our agricultural products. Reducing the cost w ll improve our exports also. This is the techno-economic articulation as presented by the Prime Minister in his budget. This is the philosophy of the budget on which he focusses attention. He charters a new path that the budget will be pro-poor, growth-oriented and this budget will for equal distribution and social justice. The whole package of these specific measures is oriented towards this goal. The budget should be non-inflationary and with tight control on expenditure we shou'd try to get the best out of every rupee that we spend. This is the philosophy that he has placed before the country and he wants to take the country on the road to prosperity.

Similarly, the structure, the techno-economic architecture is no less profound. If you see the measures, if you take the demand and supply management, the need is to curb the aggregate demand. There is a massive jump in internal debt, i.e. from Rs. 85,213 crores to Rs. 98,150 crores, during the coming year. The interest charges alone come to 27 per cent of the non-plan expenditure. Defence and other things, like subsidies, take it to 70 per cent of the non-plan expendiure. It is a very challenging and daunting task, how to restore the balance and put a curb on the mounting internal debt so that we may not be faced with the internal debt trap. India has successfully avoided any kind of debt trap—external debt trap. Actually, if you see the report of the world Bank

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or the International Monetary Fund or any other orgainsation, India is a shining example of development, compared to any other developing country. On such and such a scale, never in the history, an atempt has been made to build...

[Translation]

SHRI D. P. YADAVA (Monghyr) : Mr. Speaker, Sir, not even a single member of opposition is sitting in the House at the moment.

SHRI BHAGWAT JHA AZAD (Bhagalpur) : Two Members are present. Our hon. Deputy Speaker is representing all of them.

[English]

He represents the whole opposition.

[Translation)

MR. SPEAKER : No, they are 111 ?

SHRI D. P. YADAVA : You may please chide them also. *(Interruptions)* You ring quorum bell again and again, but at the same time, they should also be vigilant about their own quorum.

SHRI JITENDRA PRASADA (Shahjahanpur) : You may please talk to them as to what is this all.

SHRI D.P. YADAVA : Kindly speak a few words to them.

MR. SPEAKER : Do you think that I call any particular person ? I invite all the members. There should be quorum in the House, it may be from either side.

[English]

SHRI NAWAL KISHORE SHARMA (Jaipur) : It is a sad commentary,

[Translation]

MR. SPEAKER ; This is your view.

[English]

SHRI NAWAL KISHORE SHARMA : Sir, it is a sad commentary. It is a very important issue which is being discussed here and practically there is no Opposition present here.

DR. A. KALANIDHI (Madras Central) : The Ruling Party Members are more because our hon. Prime Minister is present here.

SHRI B.R. BHAGAT : So, I am saying that structurally, the Budget is also sound and sensible. As I. said, the biggest problem the country is facing today is the rise in expenditure. Enough steps are being taken to control the expenditure.

Similarly, the Budget strikes a new path, a Gandhian approach, if I may say so, in bringing about simplicity in administration by giving up all ostentations projects, all ostentatious way of spending by governing the country. This is being reintroduced in this Budget which has removed all the frills and ostentations by cutting down and postponing all the slow moving projects and replacing them with fast moving ones If you see the emphasis on projects which helps the people, which helps in growth and also the measures provided for development and growth, development of capital goods sector, it is really tremendous. Large funds are allocated for the rural poverty alleviation, through increase in productive employment—I emphasis the word productive employment—and improving the delivery system in the anti-poverty programme in the rural areas.

He has also made positive orientations on a whole range of issues especially the vital sector of economy. He has also laid emphasis on housing. Large funds, i.e., Rs. 800 crores, have been provided for education from the Central Sector which is duly matched. Refusal to agree to any more concessions indirect taxes, particularly, the corporate tax and not yield-

ing to any pressure from the corporate sector in giving any more concessions is also a welcome step. The Budget strikes a definite and positive departure from the immediate past and charters its own path through socio-economic development based on growth, modernisation, productivity and social justice.

Finally, a word about inflation. Another point many Memers have made—and some of the economists outside have said that—is that the Budget is bound to be inflationary. Public memory is very short. We even heard yesterday a Member on the other side. When his Government was there, inflation was not only galloping, but there was runaway inflation. In one year, 22% rise in prices was there—16% rise It was not only a two-digit figure, but twice the two-digit figure, in one year. You can see that 1980 onwards, despite all the adverse international environment, despite all the factors like pressures of non-Plan expenditure, Defence and other expenditure, how the demand management, how the monetary management of the economy has been there, and it has been controlled and now been brought down to a very respectable figure of 5.3% in the wholesale prices last year, and about 6% this year.

The economy is in a growth boom today—5% growth. If you compare it with the last ten years, or particularly since 1980, we have had an average around 5%. The 6th Plan has recorded an average of 5% growth. We have had nearly 5% growth this year. I have no doubt that with the boost in the industrial sector, and programmes in the agricultural sector, production will increase.

Another point made has been that the Budget does not provide for growth in employment opportunities. I know that if there is Industrial growth and growth particularly in the small sector-concessions have been given for the employment of labour—there will be a big jump in employment, There will be a big jump in employment in the agricultural sector. New programmes are there. Agriculture is now more employment-oriented. And more important is the direct employment created by 182 million man-hours. If you translate it into productive employment, it will mean about over a million people each year. These are the direct fruits. Together with these, if you see the employment component, it will come to a sizeable figure ; and if you see the number of people below the poverty line, it has been brought down from 48% to 37%. I have no doubt that with the path that the Prime Minister has chartered, we will be able to bring down the number of people below the poverty level, further down, and achieve the objective that we have, of bringing it down to at least 25%.

So, Sir, this is the Budget. The Budget brings forward the strength, the confidence of the people. What is required is this. The Budget is a political instrument. It has a political philosophy. In the 19th century, economics was important. It is no longer economics which is important. The economy is political economy. The political economy of this country, the premier developing country which has shown a path to the whole world, is that there should be a national consensus behind this Plan. Anybody who opposes it, does so far narrow partisan considerations. There is only one path, and that path is the path laid down by the Budget, and by the Prime Minister. Thank you.

Mr. SPEAKER : Now I think we have got only one minute left. So, we adjourn for lunch, and will meet again at 2 p.m. *(Interruptions)* We will meet at one minute to 2 p.m. We will have not more than one hour.

12.59. hrs.

The Lok Sabha adjourned for Lunch, till fifty nine minutes past Thirteen of the Clock.

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The Lok Sabha re-assembled after Lunch at five miuntes 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 *Contd.*

MR. DEPUTY SPEAKER : Shri Zainul Basher.

[Translation]

SHRI ZAINUL BASHER (Ghaazipur) Hon. Mr. Deputy Speaker, Sir, the Budget for the year 1987-88, which was presented by the Prime Minister, Shri Rajiv Gandhi, will always be remembered in the history for many of its features. When budget for the year 1985-86 was presented in this august House, a number of our friends would recall that at that time I had vehemently criticised that budget. The reason was that the Budget for the year 1985-86 was a deviation from those basic principles and traditions on the basis of which the Congress Government always used to prepare budget. The basic principles and traditions of the Congress Party have at ways been reflected in the annual budgets presented by the Congress Government. The Concept of socialism, bridging of gap between the rich and the poor, putting the burden of taxation on comparatively well to-do people and providing relief to weaker sections and general public have all along been the main features of the budget of every Congress Government. The Budget for 1985-86 was slightly different from the above-mentioned principles and in it comparatively more well to-do people had been given more relief and the poor had been burdened with taxes. At that time I had said that this budget has moved a little towards the right of the Centre instead from the left of the Centre. To-day it gives me much pleasure that the budget, which has been presented by Shri Rajiv Gandhi, has once again moved from the right of the Centre towards the left of the Centre and the basic principles and conventions of the Congress have once again been reflected in this budget. This budget will be remembered in the history as a budget which has made our train return to its track which had tilted from it.

AN HON. MEMBER : It had not derailed.

SHRI ZAINUL BASHER : It had tilted. Of course, it had not derailed. The wheels had tilted a little. Secondly, the present Budget will be remembered for ever because of the Hon. Prime Minister's declaration about the establishment of Natinoal Commission on Rural Labour. It is a very significant step. The rural labour and the agricultural labour have always been neglected although the maximum percentage of our working class consists of rural labour. It is being deprived of the facilities which are being given to the working class in general. Atttention has been drawn towards this problem in this august House every year, through Questions, Budget speeches and other means. However, the setting up of a National Commission on Rural Labour, as declared by the Hon. Prime Minister, will be welcomed by a large number of people. It is a very important step, a historic declaration and would be remembered for ever.

Secondly, another historic step has been the establishment of National Housing Bank, In connection with the housing problem of the poor people in particular, both in the villages and towns, it was demanded that an institution should be set up which would grant assistance to the common people and to those belonging to the weaker sections for house-building purposes. The National Housing Bank would be a remarkable achievement, and on this account, this Budget would be a landmark and would be remembered for ever.

Again, this is a historic Budget in another way as well. For the first time, the Government has allocated Rs. 870 crores for education, when only Rs. 352 crores were allocated in the previous year. In this way, it is the first Budget in which more than double of the usual allocation has been made for education. Hence, this Budget would be remembered for ever for this feature as well.

Again, this Budget would be instrumental in removing certain notions which have been gaining currency among people. It has been clearly stated in the Budget that our Public Sector would continue to

enjoy the same importance as it has traditionally enjoyed under the Congress Governments. Doubts have arisen in many quarters about the Public Sector because of its losses and questions have been raised as to how much of support should be provided to the Public Sector through budgetary provisions. The disappointment of the hon. Finance Minister is evident in the Budgets of the last two years. He had observed that there were only two sources left for generating resources for the National Rural Employment Programmes and these are the Public Sector and increased taxation respectively. Perhaps he was not hopeful of the Public Sector earning more profits, hence he had relied on taxation. But I believe and a large number of people in this country also believe that the Public Sector is a matter of principle for us which we cannot give up on any account and if they are managed properly, there cannot be two opinions on the point that they would earn profits. I have full faith that proper attention would be given to public undertakings so that they are properly managed and earn maximum profits.

It is on account of the aforesaid points that this Budget occupies a special position and would be remembered for ever. In this Budget, a provision of about Rs 2000 crores has been made again for the rural development programmes and particularly for eradication of poverty. The amount which was earmarked last year was more or less the same. But perhaps the allocations have been enhanced this year This is a very revolutionary step taken by the Congress Government for the eradication of poverty and the effects of which are visible in the whole country today. You can go and ask the poor villagers, who hardly ever got anything to eat and led a hand to mouth life, and you will find as to what revolutionary changes have been brought in their lives by the anti-poverty programmes. Mr. Deputy Speaker, Sir. I would also like to submit that if these programmes are implemented properly, then I think, the intentions of the Government and that of our party will be fulfilled. The Hon. Prime Minister has himself visited some Adivasi villages and seen as to how the programmes are being implemented. Wherever distortions were found, directions were given for their rectification. However, the way programmes are being implemented; there is need for improvement in them. By entrusting the bureaucrats with the responsibility of implementing the programmes, we are not getting the desired results. I think if this work is entrusted to the representatives of the people, particularly to the local bodies, then proper results could be expected. But the anomaly is that there are many States where elections to local bodies have not been held and hence they are not working. The bureaucrats are running the local bodies there. Hence, elections to the Local bodies should be held. The Chairman of the D.R.D A. is the District Collecter himself at many places. However, in Karnataka, the Chairman of the Zila Parishad has been made the chairman of the D.R.D.A. In many States, the District Magistrate is nominated as the Chairman of the D R D.A. I think that if the Chairman of the Zila Parishad or some other elected representative is nominated as the Chairman of the D R.D.A., then this programme will be more successful.

In connection with the I.R.D.P. programmes, I want to draw the attention of the hon. Minister to the fact that there are two agencies functioning there. One agency is under the State Government and selects the family units and the other agency is the banking organisation which is under the Central Government and provides financial assistance. It has been evident that the benficiaries selected by the State Government agency are often refused assistance by the concerned banks. Only the families living below the poverty line are supposed to be selected as the beneficiaries. The difficulty is that the beneficiary has to first approach the State Government for recommendation and when he manages to get that, he has to approach the banks for financial assistance which he does not get. This gives rise to many problems. In this connection, I would suggest that you may entrust the work to one agency. If the State Government agency has to function, then the banks must not refuse to assist and if the

[Shri Zainul Basher]

banks are entrusted with this work, then the agency of the State Government should be done away with and sufficient number of employees should be there in the banks to carry on this work and made it a success.

I would like to submit certain points in brief. The Hon. Prime Minister has stated in his Budget speech that agricultural production has not been increasing since the last three years. It is true that the agricultural production has remarkably increased on account of Green Revolution but it is also true that the same has not increased significantly for the past three years. The reason behind it is that in areas like Punjab, Haryana, Western Uttar Pradesh and in some other areas, where greater attention was paid to increase the yield, it has reached an optimum level of production and it would perhaps be difficult to increase the yield any further, but there are certain areas where if proper attention is paid, it may lead to increased production. In this connection, I would like to cite the example of Eastern Uttar Pradesh about which the the experts are of the opinion that if all facilities are provided and irrigation, fertiliser and power are made available, then Eastern Uttar Pradesh would produce more wheat and rice than Punjab. Last year the rice production in Eastern Uttar Pradesh had increased by 40 per cent. If Eastern Uttar Pradesh continues to get such aid it can produce more wheat than that of Punjab. S milarly Andhra Pradesh, West Bengal and some other States can also produce more wheat and rice. Therefore, these States and these areas which have production potential should be given special assistance to increase their production If you leave this matter entirely to the State Governments, the revolutionary change in our agricu'tural sphere will not be possible with limited resources of our State Governments. Therefore, the Central Government should pay special attention towards those areas where agriculture production can be further increased.

I would also like to draw your attention towards one more point. The tax imposed by the Government on foreign tours is a good step. I want that 15 per cent tax should be imposed on those who are well off. But in this regard, I would like to draw your attention towards the Haj pilgrims. A large number of muslim pilgrims go for Haj pilgrimage to Saudi Arab. They mostly belong to the poor section of the society. Earlier they used to go by sea route in which the fare was quite less and they had to incur less expenditure But now only one or two ships are available and you are going to discontinue even their services also. As a result of that Haj pilgrims have to travel by air. These poor people save some money with great difficulty from their life long earnings and go for Haj pilgrimage. I think Sikh pilgrims also visit Lahore and some other religious places in Pakistan. I think that Christians also go on pilgrimage to Rome. Therefore, I would like to urge the hon. Minister through you that at least those pilgrims should be exempted from this tax. We shall be thankful to you if you grant such an exemption. You should impose tax on affluent people who go abroad for business and some other purposes. We shall be grateful to you if the piligrims are exempted from this tax.

With these words, I support this historical Budget presented by Shri Rajiv Gandhi. It is a land mark in our history which shall be remembered for ever. I hope that people will get good results from our economic policies, other policies and povery allevation programmes.

[Translation]

SHRI AMAL DATTA (Diamond Harbour) : Sir, I rise to oppose this budget. But first of all I must thank Mr. Zainul Basher for having given some support to our much maligned State of West Bengal and calling upon the Central Government to provide the much needed resources in the form of agricultural inputs which are necessary to increase production.....

AN HON. MEMBER : He mentioned in respect of all States

SHRI AMAL DATTA : He especially mentioned Bengal.

(Interruptions)

MR. DEPUTY SPEAKER : He wants to take it like this.

SHRI ZAINUL BASHER : I mentioned so many States——Andhra Pradesh, Uttar Pradesh, Bihar and other States.

MR. DEPUTY SPEAKER : But he never denied for West Bengal. That is why he likes to thank him.

(Interruptions)

SHRI AMAL DATTA : Well, I am just thanking him. Why do you obstruct me from thanking somebody ?

SHRI MADAN PANDEY (Gorakhpur) : We thank you for your thanks.

SHRI AMAL DATTA : Unfortunately in this House my experience is very short compared to many Members, but I have found that whenever the name of Bengal comes, there is derisive laughter and there is a tendency always to belittle the Government and the people who have elected the Government and whenever we have brought before this House our very genuine, long-felt grievances, they have been brushed aside.

PROF. N. G. RANGA (Guntur) : No.

SHRI AMAL DATTA : I will come to that later. I also agree with Shri Zainul Basher that this Budget may go down as unique in history but not because of the reasons that he has advanced namely. that the burden of taxation has been shifted from the poorer to the richer section, indeed it has been otherwise. Direct taxes have come from 19% to 17% and indirect taxes have proportionately gone up thereby imposing a little more burden on the poorer section of the people.

But I do agree that the Budget is unique in being presented by a Finance Minister who happens to have assumed charge only barely a month before the Budget was presented.

One may say, as Prof. Madhu Dandavate yesterday said, that the Budget is entirely rudderless, without any objective and so forth. But I join issue with him on that point.

I say it is a Budget with a definite objective. The objective of the Budget, as our Prime Minister is very fond of saying, not now, but for the last two years he has been saying this, that his intention and I think that it is the intention of the entire Council of Ministers and indeed of the entire Congress party—is to take the country as fast as possible into the 21st century. *(Interruptions)*. How does the country go faster to the 21st century ?

It is obviously on the basis of the industrial growth which can only be ushered in by import of hitechnology and by liberal import policy, the advantage of which ca be taken not by 80 crores of Indian population but by barely 1% of them ! It is a minuscule portion of the Indian population for whom the Budget has any meaning. Others are forgotten. Now it is for their benefit that this budget goes in the way that other Budgets of this regime have done namely, leaving the field of industrial progress to private initiative to see that those people who will exert the private initiative are in no way irritated by taxes. so reduce the taxes and, well, give some sop to the poor people so that they do not cry too much This is the ideology, the ideology of laiseez-faire for the purpose of reaching the 21st century but, on the other hand, of a Government not able to shake off the public sectors which has grown to such proportions because people had to be given sops, not now, from the 50s and they have told that the growth of public sector equals "socialism" and socialism was the catch-word which attracts votes. So, without 'socialism" one cannot get votes and one cannot get hold of power. So, one has to chant the word 'sociaism' just as if it is a mantra and it is a mantra so far as the electorate is concerned. That is shown by the very fact that our Prime Minister, dynamic and young as he is, has now come back to

[Shri Amal Datta]

utter the word 'socialism' which has now again triumphantly made its entry into the budget also as a word but not as a concept.

This socialism is a concept which the Prime Minister here tried to define negatively the other day saying that it is not spreading of poverty. Nobody said every—who is a theoretician of socialism—that it is spreading of poverty. I do not know.....

AN. HON. MEMBER : It was Pandit Nehru who was expressed.....

SHRI AMAL DATTA : He might have expressed this in some other context. That should not be lifted out of context. However, he did not really redefine socialism. There is no need for him to do so. He only utters the word. This word has found expression here and there in a public speech, in the T.V., in the budget speech....

SHRI MADAN PANDEY : I raise a point of Order. Is it correct to use this House for the purpose of political propaganda of his own party ?

MR. DEPUTY SPEAKER : It is not a point of Order.

SHRI AMAL DATTA : It is a convenient jargon to which the Prime Minister willy nilly had to come back after the election reverses put him wiser and since some other elections are now round the corner, the word socialism has come back. But we are not going towards socialism. Unfortunately, people's memory is very short. The same Prime Minister had stated that socialism means poverty and inefficiency—poverty, inefficiency and corruption, that is how he had educated socialism with.

SHRI MURLI DEORA : He has never said like this.

SHRI AMAL DATTA : He is not extolling the virtue but he is saying; "we are going on the socialist path."

(Interruptions)

[Translation]

SHRI BALKAVI BAIRAGI : (Mandsaur) : He is making an election speech because he has not gone to Bengal...*(Interruptions)*

[English]

SHRI AMAL DATTA : Unfortunately, the much abused word of socialism has got dissociated from its original context so far as Indian politics is concerned and particularly so far as the politics of the ruling party is concerned.

Let me move on because I think a further dose of socialism will not suit them. The budget used to be an occasion when people expected that they would understand which way the nation is moving. It is also an exercise, used to be an exercise for the Government to show that it is competent to govern that it can balance its budget, that it does not leave any uncovered deficit and so on and so forth. This sanctity is now being lost on many counts. First of all, we find that the budget is no longer an instrument for mobilising resources The resources being mobilised outside the budget are far greater—five, six, seven or ten times than the resources mobilised through the budget. Just prior to the budget, concession are given galore. In spite of the fact that this has been pronounced as something wrong by a Financial Committee of this House last year, this year again the same thing has been repeated.

DR. G. S RAJHANS (Jhanjharpur) : It has no relevance with the budget Sir.

SHRI AMAL DATTA : They don't understand what I am talking about.

The concessions which are given by notifications on customs and excise etc, are the things I am mentioning. Somebody mentioned Calcutta. That does not feature here. It features elsewhere.

This year also we have seen the unedifying spectacle of raising the postal

rates, telephone rates, railway fares and freights. All these things have been raised and more than Rs.2000 crores are supposed to be raised by that method, leaving only Rs.322 crores additional resources to be mobilised by the budget.

Another feature of it was this : if there is any deficit at all, it must be small, but that is given a go-by. For the last four, five or six years, it has been given a total go by. Now what is happening is that the estimated deficit is exceeded by two or three times *(Interruptions)*

In 1985-86 the estimated deficit was Rs.3316 crores; the actual deficit was Rs. 6565 crores. In 1986-87, the estimated deficitwas Rs.3703 crores; the revised estimate is Rs. 8525 crores and it may be more when the actual figures come in. In 1987-88 it has been left at Rs 5800 crores and it will easily rise to Rs. 12000 crores. You may compare this with next year when the budget is presented.

This is for what purpose ? What is the budget for ? It is to give the economy a thrust in some direction also to see that the inflation does not take place, the prices do not rise. Because if the prices go up, it will only inconvenience the poor people, not the richer people because their income grows even by a much higher percentage than the rate of inflation. In fact, they are happier.

The budget has become irrelavent with the amount of black money and the parallel economy which is running in this country. The growth of black money has been phenomenal. I will just read out certain figures. In 1968-69 Wanchoo Commission had estimated the black money at Rs. 1400 crores; but in a dissenting note Dr. Rangnekar had estimated it at Rs. 2833 crores. The same Dr. Rangnekar estimated the black-money in 1980-81 at Rs. 18000 crores which became six times his own figures of 1968-69, in twelve years time. This has been recently estimated in 1983 at Rs. 47000 crores. The IMF calculated India's underground economy at 48% of the GNP that is, at Rs. 72000 crores. This is Sir, the highest figure. *(Interruptions)* ...I don't know, it is an institution. You go to IMF for loans.. *(Interruptions)* ...

It is most unfortunate that this is an aspect which is seldom noticed. What is the relevance of a budget ? Really speaking, the money that we are going to spend on certain sectors is over-balanced, and totally swamped by the amount of money which is spent in other sectors or through the parallel economy, by the holders of black money. What is the meaning ultimately of the budget in that case ? *(Interruptions)* Budget has to be there but these people have to be controlled. It does not mean you give up having the budget and throw the economy in the hands of the black-marketeers.

Sir, what attempt Government has made to control the blackmoney ? Through raids only a few hundred crores of rupees have come and even then the Prime Minister has himself disagreed with these raids going on. He himself remarked that he did not necessarily approve of the raids going on at that time. Maybe that is the reason why the Finance Minister had to be changed !

SHRI MURLI DEORA : Prime Minister did not say that. You are misquoting the Prime Minister. Did you speak to him privately at the Calcutta airport ?

SHRI AMAL DATTA : It came in the newspapers.

Then another aspect of this is the amount of black money which is allowed to be transferred out of the country. Again I have to go back to the international institution. There is a study of World Bank regarding the amount of foreign exchange held by Indians abroad—not NRIs. They are having in one country alone, according to the study, Rs. 30,000 crores and this is increasing at a fast rate helped by the liberal import policy of the Government which allows people to import as much as they want

[Shri Amal Datta]

and over-invoice the import so that they can transfer their black-money to foreign countries. There is now a great pressure on the foreign exchange because people are wanting to buy foreign exchange to shift their money out of the country. Various factors are there. One of them is the apprehension that our rupee is going to be devalued shortly. *(Interruptions)*

Sir, there is in the budget certain figures regarding revenue receipts and certain figures regarding transfer to States. Now these figures are highly objectionable because the transfers are shown as cross transfers only. It does not give the real economic picture of the resources transferred to States. According to the receipt Budget in the, 1986-87, the gross transfer was Rs.8464 crores to all States. In 1987-88 it was Rs. 9014 crores. The interest paid by these States and the repayment by the States together came to Rs 4837 crores in 1986-87 and Rs. 4740 crores in 1987-88 leaving to them net transfer of Rs. 3627 crores in 1986-87 and Rs. 4274 crores in the coming year. This amounts to only one-tenth of the total receipts of the Central Government. The Central Government got this year a total of Rs. 44,911 crores as tax and non-tax revenue. Out of this only Rs. 4274 crores are to be transferred to the States which is less than 10 per cent. This is the sort of treatment given to the States. It has created so much grievance in the States that it brought about the out-cry for re-ordering of the Centre-State relationship for which a commission has been going on since 1983.

We are now in 1987.

AN HON MEMBER : Good ; thank you for this information that we are in 1987.

SHRI AMAL DATTA : Yes, yes ; probably you thought we have reached 2001.

First of all, deficit as a proportion of the total Government expenditure has risen from 9.9 per cent in 1985-86 to 13.7 per cent in 1986-87. Against the Rs. 14 000 crores of total deficit envisaged for the entire Five Year Plan, in the first two years alone, we had a deficit of Rs. 13,222 crores. In the next year we shall add, as I predicted a deficit-forget about the figure ; that is a sop again will have a deficit of Rs. 12,000 crores. So by the end of the third year of the Seventh Plan period we will exceed the estimated deficit by Rs. 12,000 crores.

When the Government started reducing the direct taxes, the theory was : you have a low rate of tax and high collection. Sir, let us see how the tax collection has performed. Tax rates have been lowered no doubt but tax cotlection has not grown to that extent. In 1985-86, the total tax collection increased by 21.3 per cent. It went down in 1986-87 to 11.9%. The increase has gone down and has reached the figure which has been traditionally there. 15 per cent increase in tax collection every year-that has been traditionally in India. We can reach that figure but the tax rate is low. For the rich, it is a very convenient proposition. In fact, so far as corporate tax is concerned, it has gone down in 1985-86 from 22 per cent to 6.8 per cent only and it will go down further, according to budget assumptions to 6 2 per cent. It shows that all these assumptions on which this budget has been drawn up, are wrong. They have already been proved wrong but still people are being told that this is the best budget for you: Sir, let us see how this thing happens.

First of all, the rate of growth of the economy is 5.2 or 5.1. But this is very shortly explained by the fact that although there is a failure both in agriculture and in industrial sector to reach that targetted development, yet the growth rate is something like what was targetted because of the enormous growth in the service sector where the Defence and Government administration growth leads all the way by 9 per cent--a supper growth rate in wastefulness of 9 per cent.

Now, Sir, the Government wastes. On this a report has been prepared by a Ministry of which we throught very little up to now-the Ministry of Programme

Implementation. Sir, this Ministry has prepared a report-maybe for the lack of something more worthwile to do, on 264 Central Government projects. It has shown conclusively that against an estimated initial expenditure of Rs. 42,935 crores, the current estimate on these 264 projects is Rs. 64,448 a staggering 50.1 per cent increase in the current estimates. Nobody says that this is going to be the last estimate because these projects are far from complete and by the time they are finished, it will be another 50 per cent —another 100 per cent increase may be.

Sir, examples like this, Vizag Steel : original estimate Rs. 2,256 crores; current estimate is (far from complete, you know, Sir) is Rs. 7,427 crores. Time overrun already is 43 months. In the case of NALCO, the original estimate was Rs. 1242 crores and the current estimate is Rs. 2408 crores. The time lag is 20 months. One can go on with these examples.

In certain existing plants, like the Bokaro Steel Plant and the Bhilai Steel Plant, a small amount of induction of money will improve their production capacity enormously. In case of Bokaro Steel Plant, the investment has gone to Rs. 2000 crores from the estimated cost of Rs. 1000 crores and the time lag is 101 months. In Bhilai also, the picture is almost similar. The capacity utilization of the SAIL steel plants has not been more than fifty one per cent in the last year. On the other hand, we are going to import steel from abroad. Is it that somebody else is able to make money out of these transactions ? How is it that Bhilai and Bokaro Steel Plants—none of them happens to be in West Bengal—are doing so badly. Even BHEL, a prime undertaking of this Government is not able to supply all the necessary equipment for thermal power stations ; it has to run at 30 per cent of the capcity because orders for machinery which they are able to make are given abroad These cost over-runs are losing the economy to the extent of Rs. 2500 crores, the losses incurred by the public sector are losing the economy another Rs, 2500 crores and the profit which should have been made by the public sector is another Rs. 5000 crores. You can thus get here a straight estimate of Rs. 10,000 crores which the Government would have brought to its coffers or which would not have gone out of its coffers had it not been so wasteful.

Then, the price index is another fraud which is always committed by the Government on the people. We have an expenditure of Rs. 30 to Rs. 40 crores on the Statistical Organization every year. How is it that the cost of living index cannot be compiled by them and we have to depend on the consumer price index ? And this price index is also not quoted when the Government wants to take credit for having controlled the inflation. It will always quote the wholesale price index which has nothing to do with the consumer. What has the consnmer to do with the price of agricultural produce at which it will be sold in the mandis ? On the other hand, we shout that the producers are not getting remunerative prices. It is the middlemen who are enjoying all the profits ; it is the traders and these are the people who run the economy of this country.

14.53 hrs.

[SHRI ZAINUL BASHER *In the Chair*]

It is not the producers. Therefore, the Government should come out with a cost of living index and not rely upon the consumer price index which, in any case, is based on the pattern of expenditure of 1958-59. We can update anything and everything we want to update, but not this. This is the easiest thing to do with so many computers having been imported.

Another fraud is the poverty line. Poverty line has been defined long time ago, but nevertheless we are sticking to the same definition. Even under that definition the proverty has been increasing. During the successive years from 1961-62 to 1972-73, it increased from 42 per cent to 51.5 per cent. Suddenly in 1983 a new figure comes out that people below the proverty line are only to the extent of 37.4 precent. It is not correct. It is based on a survey in an year when the agricultural production was exceptionally high.

[Shri Amal Datta]

Everybody who knows anything about the Indian economy would know that the year when agricultural production is high, is the year when people eat more, have more income and more activities and thereby the number of people below the poverty line would be less It is actually giving the people a false picture, lulling them into a sense of complacency. At least some people believe for some time that that was the correct picture. Then the Government takes credit saying that because of the poverty alleviation programme alone the figure has gone down from 48 percent after 1977-78 to 37 per cent—a drop of 10 per cent in the number of people below the poverty line ' What a great achievement on the part of the Government ' But it is all due to good monsoon. Now, if you take another survey you will find that this has gone up way above 60 per cent. In fact there is nothing for the Government to take credit of in the poverty alleviation programme, particularly with regard to IRDP, which has been such a total floop as brought out by the Reserve Bank of India's survey, as brought out by the Government's own institutional survey including the Staff College of Hyderabad, because of which the concurrent devaluation earlier started has now been given up. It has been so much of a flop all over India-I am not talking of West Bengal here—not more than 20 per cent of people who have got the IRDP loans have been able to cross the proverty line which is now set at Rs. 6400 and not Rs 3500 any more.

Since you are not giving me more time, let me come straightway to the problem which is facing the country very squarely. In the coming days, it will be a great problem. I am speaking of balance of trade.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI) : Mr. Datta, is it your categorical plea that IRDP should be given up ? Tell us frankly.

SHRI AMAL DATTA : No, no. I will talk to you later about it. Foreign exchange position is very precarious in this country. Unfortunately, the Government does not seem to think so. It takes credit from the fact that exports have shown a little rise. That rise is accounted for because the value of rupee has fallen. Therefore, even if the dollar earnings remain the same, the rupee earnings go up and that is how this rise is reflected in the foreign exchange earnings. It is nothing more than that. The other side of the picture is that in spite of the fact that more than a thousand crores of rupees have been saved from the oil import because of the fall in oil prices, non-oil imports have risen by far more and therefore the imports are rising. This is the picture which is being given to us to the effect that we have a comfortable foreign exchance position which is far from the truth In fact while the foreign exchange holdings of this country, which is supposed to be equal to four months import. which is around Rs. 40 0 crores to Rs. 5000 crores, the total external account of NRI in India is more than Rs 7000 crores. This NRI money is not at our country's command This NRI money may go away from India, if they get one per cent more in any other country. Most of the money comes from America. If America increases the rate of interest, they can make us beggers overnight. This can be done by America by just increasing their rate of interest by one per cent more than what we are offering. So, we should be careful. I am asking the Government not to confuse even for a moment this money to be our foreign exchange reserve. This is not our foreign exchange reserve. We are at the mercy of the United States Government and they can take it away any time if they so wish We must build up our foreign exchange reserves and this cannot be done by the policy of liberal import. We must come away from that position and we must see that the economy is controlled and wasteful expenditures are curtailed and in the name of more competition we should not pauperise our people. What is happening in the so-called sun-rise industries the electronic, automobile industries which are supposed to take the country to the 21st Century ?

15-00 hrs.

Sir, licenses for 64 million T. V. sets

per year have been given, whereas Government itself does not contemplate that the requirement will be more than 8 million sets in the year 1990. Regarding automobiles—scooters-and such type of things, a number of companies are closing their doors, as soon as they open them. So. the investment is going waste. That is the bane of not having any planning. Government has gone off planning. It is talking of planning, but secretly it is giving away all the countrie's resources to the foreigners and ultimately, we find ourselves in such a strait that we will have to go with the begging bowl to these foreign countries and the international institutions and then we will have to accept any condition they impose. I hope, the Government will take note from now and will not drive the country in that bankruptcy.

SHRI MURLI DEORA (Bombay South) : Mr. Chairman, Sir, I rise to support the dynamic Budget, presented by our Prime Minister, Shri Rajiv Gandhi with the principal objective of elimination of poverty, building of strong, modern, self-reliant and independent economy. This has also given a fitting reply to those the so-called Lefitists, who are sitting on my right here, who use to blame Mrs. Gandhi, that she is not following the economic directions given by Pandit Jawaharlal Nehru and the same people were blaming that Shri Rajiv Gandhi is not following the economic directions given by Late Pandit Jawaharlal Nehru and Late Smt. Indira Gandhi. But this Budget has proved the path and directions of the Government are the same which were provided by Jawaharlal Nehru and Mrs. Indira Gandhi during the fifth and sixth Plan periods. I was told, my dear friend is an Advocate. When he was talking earlier interrupting the Prime Minister's speech, somebody said rightly that they are not asking him to campaign in Calcutta. I do not blame the CPM politbureau or the leadership in Calcutta. But sometimes, I wonder, if he is an Advocate, I will just ask my friend...

AN HON. MEMBER : He is a Barrister.

SHRI MURLI DEORA : If he is a Barrister, whether anybody would like to consult him, the way, he has given the figures. You have played a disaster. I hope you do not play the same disaster with your clients. I do not know, whether they will allow you to go to the Court even. The hon. Member had said, that the deficit has gone up. Of course, the deficit has gone up. And the Prime Minister said, he does not like this deficit which has gone up. There is no doubt about it. We must control our deficit.

About the figures, which he gave us, I want to give a example. He said that the deficit is 13 per cent of GNP. GNP is nearly Rs. 2 lakhs crores, i. e. about Rs. 2000 crores or Rs. 3000 crores more and 13 per cent will be Rs. 36000 crores and the deficit is Rs. 6000 crores. Last year, it was Rs. 800 crores. I do not know how he is calulating. He has said that Income Tax collections have gone down due to decrease in the tax rates. I want to quote him. In 1984-85, the net revenue was Rs. 22643 crores, in 1985-86, it was Rs. 24207 crores and this year, it is expected to be Rs. 27711 crores. I do not know what figures he is reading. Then, he said the resources are transferred to the State...

SHRI AMAL DATTA : I meant, expendiure.

SHRI MURLI DEORA : He says that he meant expenditure. When he is talking about income, he means expenditure. Now you can imagine, how are we to understand him ? When he is talking about income, he is meaning expenditure.

(Interruptions)

SHRI AMAL DATTA : Deficit is not income. Deficit is expenditure.

SHRI MURLI DEORA : You can't talk like that. You said, deficit. That is what I am trying to tell you. How can the deficit be 13 per cent of the GNP ? Nobody, will believe you.

[Shri Murli Deora]

Another thing, you said about the resources, which are transferred to the State Governments and the Union Territories Governments have gone down. He said, they have not gone down. Earlier, it was Rs. 20673 crores. Last year, it was Rs. 21195 crores and this year, it is Rs. 23250 crores. So, nowhere has it gone down. You see this book, page 21. I do not know what you are reading.

MR. CHAIRMAN : Mr. Deora, you address the Chair! don't address him.

SHRI MURLI DEORA : I am trying to say how much my hon. friend is playing with figures. What he reveals is very misleading, but what he is concealing is really a disaster. *(Interruption)* I am telling him that he can read the book "Budget at a Glance". Coming from Bombay... *(Interruption)*

MR. CHAIRMAN : Mr. Deora, this is not fair; kindly address the Chair.

SHRI MURLI DEORA : He was confusing between expenditure and deficit. How can the expenditure and deficit be the same ?

MR. CHAIRMAN : The Minister will listen to you, Mr. Deora.

SHRI MURLI DEORA : Okay, Sir; I am sorry.

The first and foremost point for which I would like to congratulate to the Prime Minister is there in paragraph 27 of his speech, wherein he has drawn the attention of the House to the massive housing shortages, specially in urban areas. We have today one-fourth of the total population of our country, nearly 175 million, living in the urban areas. There are ten cities with more than one million people. We must make more and more programmes e. g. rural proverty alleviation programme, no doubt. I am all for it. But we must do something more for the urban areas also, we must do something for the urban poor also.

What has one Judge of the Supreme Court said about the urban land ceiling programme which is in existence for ten years ? He has said that it is ill conceived and ill-drafted. I must congratulate the Prime Minister for coming out with a statement that this urban land ceiling that is the provisions in the legislation will be reconsidered, and something will come up in this session of Parliament, whereby this ULC will be re-drafted and something will be done to acquire more surplus land. Uptill now, in ten years, against 100% target, the achievement is only 0.5%. Only 0.5% has been acquired.

The other provision for massive housing construction Government has proposed in this Budget is the Rs. 120 crores for the Indira Awas Yojana, and further concessions for people to buy houses have been given under IT Act's section, wherein the interest paid for the acquiring of houses is exempt from income tax. This will really give a massive boost to urban housing in medium towns in our country.

Rural labour protection, stopping of labour and such other legislation will also help the work force of our cities and rural areas.

Prof. Madhu Dandavate—unfortunately he is not here now—said that the Budget was not growth-oriented, and that it had gone away from the long-term fiscal policies which were provided by the Government earlier. I would only quote two things; Mr. Dandavate said that the MODVAT which was incorporated only last year, had increased inflation. I would like to show him a newspaper of yesterday. An advertisement is there, inserted by Hindustan Lever which is the largest *janata* toilet soap manufacturer. They have said, and I quote.

> "Consequent to the changes in the rate of excise duties in the Finance Bill, 1987, the prices of the following are reduced. The revised prices are as given below .."

Now, there is no inflation. Prices of several commodities, due to the introduction of MODVAT and other different excise items, have gone down. There is no question of their going up.

Mr. Dandavate earlier, and and now my friend spoke about deficit financing. Everyone knows that deficit financing is not good. But when the need is so urgent, when the requirements of the people are so numerous, when allocations are needed for every sphere of activity, there is no other go for Government except to take recourse to deficit financing. But as my friend Mr. Gadgil rightly said earlier, deficit financing does not necessarily bring in inflation. Sometimes this deficit financing or inflation itself provides jobs. You think of some little higher price which can ensure growth and employment. So, it is better for a man to get a job, while another man suffers due to a 5% or 10% price rise. I agree that we should try to protect the other man also, but in case it gives growth and employment, it is also laudable. The Prime Minister could not have been more accurate when he said that he did not like deficits, and that he would see to it that this deficit would be reduced, and that it would not be increased.

I do not see any reason why my friend has become impatient and thinks that the deficit financing will go to Rs. 20,000 crores or Rs. 18,000 crores this year. This budget has given a growth to the industrialisation of our country. The capital market of our country has reached to the tune of nearly Rs. 5,800 crores in three years, during the Janata Government in 1977-78 the average yearly capital outlay was Rs. 220 crores to Rs. 250 crores, In the last three years, it has gone from Rs. 1000 crores to Rs. 5,800 crores. This is a sure indication that the government is stable; this is a sure indication that the economy of the government is good. Otherwise, nobody is going to be interested to put more and more money in equities, in debentures, in shares and in the stock market. This is a real indicator of political stability of the country.

Further incentives for savings have been increased under Section 80 (C) from Rs. 14,000 to Rs. 16,000. That will give a further boost to the capital market. The holding period of stock which has been reduced from three years to one year will further give a boost to the capital market. Tax concession for investment in new companies which was upto Rs. 20,000 is also extended further under Section 80 (C) and this will also help. However, I would like to being to the notice of the hon. Minister here two sections which are incorporated in this budget just now for the first time. They are Sections 194 (e) and 115 (J); they need to be really re-considered. We are talking about simplyfing our tax laws; we are talking about the rationalising the structure of taxes and it has paid heavy dividend last year and the year before. But this Section 194 (e) will create such colossal problems for the Income Tax Department, for the people, for the tax-payers, for the industry, for the bureaucrats, for the professionals, for the attorney like my friend here that it will not be in the interest of the government and in the interest of the people. The amount of time three years which the people will take to get 5 per cent refund back will be terrible and it will encourage corruption. So, I would like very much to request my hon. friend here to see, before it is not too late, before not too many articles come in the papers and the people get scared, that they would tolally withdraw Section 194 (e). As far as Section 115 (j) is concerned, the government has given some new incentives by providing depreciation at three accelerated rates : 100 per cent, 50 per cent and 33 per cent, which will really help new industries, but the incorporation of this new Section 115 (j), which charges 15 per cent and 30 per cent on the profit, on the book profit is not really good. When an industry starts afresh, it takes one or two years for the teething period. They do not make profit in the first two years and they had this accumulated loss; and the third year or the fourth year when they make profit, this accumulated loss has to be offset. I would request him that he must re-consider it. I do not mind taxing them on their profit; I do not mind minimum tax, what the Minister was saying earlier. Let there be minimum tax; I

[Shri Murli Deora]

am not against it. But the way it is drafted, Section 115 (J), it will create more problems than getting more money; money derived from this, I believe, is Rs. 75 crores.

SHRI INDRAJIT GUPTA (Basirhat) : How is the minimum tax ?

SHRI MURLI DEORA : After calculating, after adjusting previous year's profit and loss account if I make for two years Rs. 1 lakh loss and I carry it forward this year and this year if I make Rs. 50,000 profit, first my Rs. 1 lakh has to be offset; than the tax has to be charged from Rs. 1 lakh minus Rs. 50,000, only Rs. 50,000. And in this new scheme, it is not charging; it it charging afresh on Rs. 50,000 of profit, not on Rs. 1 lakh which I have already lost.

My hon. friend just now talked about the public sector. The Prime Minister, again and again, has said that the government's commitment to public sector has been very firm; there is no going back from the public sector of our country. Just after the independence, when the country needed real infrastructure, it was only public sector which came to the rescue of the government. If there was no big steel plants if there were no dams, NTPCs and big projects, today, we would not have come to this economic stage what we are today. But this does not mean that we should not manage our public sector properly. Regarding public sector contribution, Mr. Datta has given wrong figures. In the third year of the Seventh Plan, it is 63 per cent of the total plan while in the Sixth Plan, it was only 46 per cent of the total plan outlay. So, this further shows the Government's commitment to the public sector and the public sector which runs efficiently, the public sector which runs, not the public sector of West Bengal Government where nothing really works.

SHRI AMAL DATTA : You have no knowledge at all.

SHRI MURLI DEORA : I just want to say how the public sector is.....

(Interruptions)

MR. CHAIRMAN : Please conclude now.

SHRI MURLI DEORA : Only just now I have started, ten miuutes more I need.

MR. CHAIRMAN : No. already 15 minutes are over. You conclude.

SHRI MURLI DEORA : In the power sector, the plant load factor is highest since 1976-77, in our power sector plants. On the oil side we have explored three times the oil in the Sixth Plan period This shows our commitment to the public sector Unfortunately, Prof. Madhu Dandavate is not here just now. He again gave wrong figures. He said that the allocation to the Railways was Rs. 2000 crores. It is not correct. The allocation to the Railways is Rs. 2980 crores and what is really missing is, that Mr. Dandavate should have got up when Shri Madhavrao Scindia was speaking at the time when he was talking about the Railway Budget. He said, the budgetary support to the Railways in 1977-78 in the Fifth Plan was 74 per cent and the internal resource generation was only 34 per cent; and today it is just the reverse. The budgetary support is 26 per cent of plan of Railways and the internal resource generation is 63 per cent. Rs. 69 crores goes to Railways, in real terms. The budgetary support, in the way the Janata Government was calculating at the time when Mr. Dandavate was the Railway Minister the profit of the Railways or the surplus of Railways will come to Rs 1050 crores. If we measure with the same yardstick giving the money from the Plan than it can make more and more profits What is the use of doing that ? What I am trying to say is the Railways, power, Tele-communications, oil, all these fields are doing well and it will show we need a work culture amongst our public sector, our people, professionals who are managing this public sector, they must manage well. Otherwise, they have no role here.

Prof Madhu Dandavate and my friend here mentioned that we announce a

concession on excise duty etc., in the mid-year. It is not really a long term fiscal policy. I want to tell you that it is just not possible for any Government not to announce these measures in the mid-year. I will give you one examp'e. The excise duty or customs duties depend on the international prices and if the international price goes down because of the Dollar and parity changes, you have to increase or decrease the duties. You cannot help it. If the Government has to come in between in the mid-year they have to give some concession or increase or decrease the duties, they cannot do anything That does not mean that the Government is not adhering to the long term fiscal policy. Long term fiscal policies are directives of policy. The way it is suggested, giving small small increase which means 20 per cent increase or 30 per cent is not done.

(Interruptions)

SHRI AMAL DATTA : I said the sanctity of budget.

SHRI MURLI DEORA : There is nothing like the sanctity of budget. If in the mid-year when the Government thinks that the price of some commodity in the International market has gone down, it has to increase the duty. It will have an effect in our own internal market and it will create unemployment otherwise in our industries. *(Interruptions)*

MR. CHAIRMAN : Do not argue, you continue your speech.

SHRI MURLI DEORA : I would like to give only a small example, how our economy is behaving and what should really be contained in the tax structure. The correct tax structure and liberalised licensing policy are helpful. Let us take the example of cement. About 19 million tonnes we were now manufacturing. During the years 1977 and 1978 there was a loss of Rs. 30 to Rs. 50 on every *boree* of cement. And now? What do we see? The Government of India came out with a positive programme, further liberalising the cement licensing. They allowed everyone to manufacture cement. Today we are manufacturing 41 million tonnes of cement. Whatever is the cement needed by the people, in the books of the big companies, and the States, and the cement is available. Just to give you one figure, in 1980-81 the next tax collection was Rs. 137 crores, and today it is Rs. 820 crores. Six times!

SHRI AMAL DATTA : That is because of recession.

SHRI MURLI DEORA : No recession. We are collecting six times more taxes by producing more cement, and there is no shortage. This way the economy will lead in cooperation and coordinating the industrial licensing policy and the fiscal, monetary policy are working together.

I would like to give you one example of textiles. Seventeen per cent of the total organised workers in our country are employed in textiles. There was a time when people used to say that we are importing every fabric in our country and now there is no textile which is not manufactured in India. We can compete with and we can afford to export to any country in the world. But what is really happening to our textile policy? We say that the Government will see that the fabric will be available to every poor person at affordable price but actually it is not available. And this is the reason that I would like to appeal to the hon. Minister that something should be done to follow what was announced in the textile policy. The difference between the international price and the local price is so vast-six times, seven times. A polyester shirt in Bombay costs Rs. 30 to Rs. 40 because it is smuggled from Taiwan or Hong Kong or South Korea, and the same shirt. if it is manufactured in a mill in Bombay or Calcutta, costs about Rs. 120 to Rs. 130. How are we going to compete? This has really encouraged smuggling. So, I would request the hon. Minister to see that this tax system is devised in such a manner that there is not so much difference between the international market and the local market because this will always encourage smuggling. Even though there is increase in the standard of living in our country, the per capita production of textile has not gone up. Where is the fabric

[Shri Murli Deora]

coming from ? Where is the colth coming from ? This cloth is coming by smuggling. So, I would request the hon. Minister to please do something...*(Inte ruptions)*

SHRI INDRAJIT GUPTA : Why do you close down so many textile mills ?

SHRI MURLI DEORA : You are right. We have closed down so many textile mills in Bombay thanks to Dr. Datta Samant. He is not here now. For two years all the textile mills were closed but still there was no shortage of textiles in India still the cloth was available. Where was it coming from ? It was coming from smuggling...*(Interruptions)*

SHRI INDRAJIT GUPTA : It was coming from powerloom.

SHRI MURLI DEORA : From powerloom to some extent, but the synthetic fabric was coming from smuggling, Gupta Ji, I want to tell you. I agree that it was coming from powerloom, and handloom. There is nothing wrong if it was coming from powerloom. I am not against that. What I am trying to say is that smuggling of synthetic textiles must be stopped. It is better to feed our own textile mills in Bombay and Calcutta and Delhi than to feed the textile mills of Taiwan and South Korea and Hong Kong. That does not do any good to us.

The Prime Minister says that the employment will be meaningful only if proper education is given. His commitment to education has been shown by increasing the amount from Rs. 300 crores and odd to Rs. 800 crores. The anti-poverty programme, the rural development programme has gone up to Rs. 2,000 crores and I am very sure that this budget will help to improve the lives of our people more and more.

One line on the urban poor I want to say. The only one programme that the Government of India had given last year was SEPUP—Self-Employment Programme for Urban Poor. Rs. 200 crores were provided for five lakh families. It was announced in the last year's Budget but was started from first September. It has not done very well. So, I would request the hon. Minister through you that something should be done for the urban poor. We must do more and more programmes for the rural poor. If a man is poor while he is in the rural area, just because he migrates to Bombay city, he does not become rich. Just outside the border somebody is rural poor but if he migrates to Bombay, he becomes urban rich. This is not true. There are poor people in urban areas also. After doing something for the rural poor, we must do something for the urban poor. I would request the hon. Minister that this programme of SEPUP for the urban poor and the big cities needs to be redesigned and something should be done very quickly for fulfilling the aspirations of the urban poor.

SHRI SURENDRA PAL SINGH (Bulandshahr) : Mr. Chairman, Sir, a great deal has been said for and against the Budget but despite what the critics of the Budget say, there is no gainsaying the fact that the Prime Minister has presented an excellent Budget, a Budget which does not impose very heavy taxation or burden on the tax-payer, a Budget which gives tremendous relief to the poor, and a Budget which has ample financial provisions to ensure that all our developmental activities continue unabated and they do not suffer because of paucity of funds. There is only one feature of the Budget which is causing some apprehension or fear in the minds of even those experts who know something about the Budget and who favour it That fear is also in our mind That feature is the big deficit in the Budget.

There is no doubt that even the Prime Minister himself is not very happy with the deficit. But it is something which cannot be avoided at the moment. He has given a categorical assurance to the House that everything possible will be done in the management of the Government expenditure, etc. That the ill-effects of the deficit would be neutralised towards the end of the year. That means the Government expenditure will be watched very carefully and monitored; and new

and on-going Central projects are completed in time so that no escalation takes place. These are measures which the Prime Minister has promised to take. I am sure by the end of the financial year he would be able to narrow this gap and will not allow it to create any mischief.

The Prime Minister in his speech has laid a great deal of emphasis on the alleviation of poverty. This a very important subject, no doubt, for the development of any country and especially our country where 1/3rd of the population lives below the poverty line. Unless and until we can remove poverty, we cannot say that the country is prosperous or is getting very strong economically. I am very happy that the financial allocations made by the Prime Minister have been enhanced. He has been very generous and with this additional amount for this programme we will make tremendous progress in future.

This problem of poverty is being tackled in two ways by giving cash or loan directly to the beneficiaries, and secondly, by selecting poverty prone area and then creating necessary facilities and infrastructure in that area so that people living there can take advantage of those facilities and do something on their own. So that they learn how to stand on their legs through their own efforts.

I have seen the implementation of both the schemes from very close quarters and I can say with certain conviction that as far as the first scheme is concerned where the cash amount or loan is given directly, it is not giving so much of benefit to the poor as it should do. I think Mr. Chairman you also mentioned in your speech that the benefit accruing to the beneficiaries is not commensurate with the amount which Government is giving and that is because a lot of corruption has crept into it. There is corruption at the level of the selection of the beneficiary. There is corruption at the time of disbursement of the benefits and unfortunately there is corruption also at the end of the beneficiary because he or she does not utilise money for the purpose for which it is given.

These are minus points or the shortcomings to which I might invite the Government's attention so that proper use of the money is made. Otherwise, my suggestion would be to concentrate more on the second courses, that is, provide facilities and to strengthen infrastructure so that people learn to stand on their feet. That is a better course and that can be done by constructing more roads in the rural areas, by providing transport facilities, giving more electric power, more schools, more hospitals and educational facilities. If electric power and roads alone are given to the rural areas, you know, Sir, you come from the rural area also, people by themselves will do something to pull themselves out of the morass. So, our concentration should be more on that work.

Another important matter on which the Prime Minister has thrown some light is our education. He has very wisely allocated a large amount of money for the spread of education. He has gone to the extent of formulating a new education policy which has been thoroughly discussed and approved by this House and he wishes to implement that policy very earnestly and we are all with him in this matter and I hope when this new education policy is fully implemented we will be able to have the desired result. So far what has been happening in the past is that the particular subject has been very badly neglected for the last thirty to forty years and there has been so much chaos. There has been so much of deterioration in education. We had all begun to wonder where this country would go if the educational standards were so low and educated people were behaving in such an irresponsible manner. I am sure that implementation of the new Education Policy would improve the standard of education especially with the Navodaya Vidyalayas scheme which has been introduced in the villages. I think it will give an opportunity to talented boys in the rural areas and they will have equal opportunity of bettering their education and they will be able to compete with the boys of urban areas. That will give them a new opening in life. While on the subject of education, I wish to make point and that is that while we

[Shri Surendra Pal Singh]

should countinue to implement the new Education Policy as best as we can, we should also pay attention to our primary education in the rural areas. Some of the schools and colleges in the rural areas are in a very bad shape. They are utterly neglected and if you go and see the primary schools, you will find that either the building is not there, if the building is there, the teachers are not there, if the teachers are there, the roof over the building is not there, and their condition is really deplorable. I would urge upon the Central Gov rnment to do something about that and direct the State Governments to provide more funds for primary education because that is the foundation of our education and when the children are given such an education for the first time, they should be looked after and they should be given proper attention at that level.

Sir, while on the question of rural education, it reminds me of the problem of unemployment amongst the educated rural youth. The fact is that every year lakhs and lakhs of youth are pouring out of the universities and colleges and they are not finding gainful employment after coming out of the universities and colleges and that is creating a problem in the rural areas. A lot of tension is created when the boys are not able to find employment and they indulge in anti-social activities and that is a big problem. Therefore, I would urge upon the hon Prime Minister and the Government of India to draw up some schemes whereby we can give gainful employment to the rural youth and absorb them so that their talent can be utilised properly somewhere, so that they do not do all sorts of mischieves.

Now, coming to agriculture the Prime Minister has also been very generous to agriculture and rightly so as the performance of agriculture has no doubt been very very good. Indeed it is a fact that 10 or 15 years back, we were a nation begging for food all over the world. But to day we are not only self-sufficient but we are in a position to export foodgrains also. Sir, you have yourself rightly said in your speech that our agriculural production has reached a plateau. For the last so many years, it is a fact that the increase in production is only marginal, not as much as it should be. Now, looking at the future, our population is increasing and because of our poverty removal programmes, etc. the purchasing power of the poor would also increase. So, there is going to be increased demand for foodgrains in the future. Unless we are able to increase our agricultural production much more than what we are doing now, we are bound to face difficulties in future. It is quite right that the bigger farmers, more progressive farmers have reached the limit beyond which they are not able to increase their produce. There are certain limitations which they cannot get over at the present moment But it is a fact that middle farmers, small farmers are th ose vhose production is about half or less than half of what the big farmers are producing. I will give the figures. Sir, the per acre yield of wheat in the State of U.P. is like this. The big farmers, the best farmers are producing 15 to 18 quintals per acre and the small and middle farmers are producing about 10 to 12 quintals per acre and the average for the whole State is 8 quintals per acre. So, the difference is there. The reason is that the small farmers are not getting the requisite facilities. They don't get the same inputs as big farmers get. The big farmers are not depending on the Government Agencies. They can buy the best seeds, best fertilisers in the open market because they have money. The small farmers who have not got money, don't get money and inputs from the Government in time. The fertilizers given to them are generally bad or they are given at a time when they are not wanted, and even the seeds provided to them are not of very good quality. My purpose in saying that is that the poor farmers and the small farmers want timely help either directly from the Government or from cooperative agencies. If you give them the same inputs and the same facilities as are available to the bigger farmers, I know for certain that their production will go as high as that of the bigger farmers. They do not lack in techniqe or the knowledge. It is first that they do not

have the wherewithals to produce. So, our concentration from now on should be on the small farmers—as you yourself said, Sir, in your speech, if we can bring their production to the level of bigger farmers, we will be in a very happy position and we do not require anything more to increase our production. Of course, research work etc. should go on side by side and our scientists should come forward with better seeds, better techniques, so that we can increase our production in future.

Sir, the last subject which I would like to touch upon is very important and that is Defence preparation. Our Defence Budget has gone up by nearly 40 per cent this year. It is indeed a very heavy burden, but a burden which we are prepared to bear because the circumstances in which we find ourselves are such that we cannot avoid heavy expenditure on Defence preparations But the only thing one has to be careful of is that we should ensure that there is no wasteful expenditure in the armed forces. There has been wasteful expenditure, there is a lot of criticism in the press and outside about it, and I would urge upon the honourable Prime Minister and the Defence Minister to see that the money is not wasted by the Defence Forces and whatever money is granted by the Parliament – Of course, Parliament will never grudge any expenditure on this account—it should be properly utilised

One other matter, Sir, to which I would like to draw the attention of the hon. House and the Prime Minister is that certain ominons developments have recently taken place across the border in Pakistan. It is a known fact now that Pakistan possesses an atom bomb about which we have been talking for years now. Whatever they may say, they may deny every day, but the fact of the matter is that Pakistan has a bomb or they have the capacity to produce one within a matter of minutes or days, and no amount of persuasion, no amount of speaking to Washington to persuade Pakistan to give up this activity will do. They have made up their mind to have the bomb. I think the best thing for us to do is to appreciate this reality and we should say to ourselves 'Well, Pakistan has a bomb, we will have a bomb, too, whether we like it or not'. Under these circumstances, what have we to do ? Are we going to review our policy and change our options or not ? If we don't go in for the manufacture of bomb ourselves, would it be fair on our part to commit our Forces in a conflict against Pakistan when our Forces know fully well that their adversary has got the atom bomb and they are going to use it ? Would that not demoralise our Forces ? Would that not demoralise our countrymen also ? So, unless and until you have a proper reply to their bomb, this blackmailing by Pakistan would continue for all times to come. I see no reason why there should be any hesitation on our part to manufacture a bomb. What harm is there when so many other countries in the world have it ? Israel has got one, nothing has happened. South Africa has got the bomb, Pakistan has one now, China has it, Britain has it, France has it, USA has it, Brazil has it, like that there are so many other countries. Why can't India also have it ? Heavens will not fall. And besides we are a democracy, we are a very sober nation, we have the system of checks and balances, it is not as if a bomb in our hands is very dangerous. We won't go and use it just in a light manner, but because we happen to be in such circumstances, where two of our main adversaries have atom bombs with them. How long can we exist as an independent nation without one ? So, I very strongly urge upon the Prime Minister that we should review our policy in this regard, and the time has now come when India should go in for a nuclear bomb, and that is the only way in which we can contain Pakistan and we can keep them in their proper place. Otherwise I am afraid we will be subjected to a nuclear blackmail all our lives and that, I am sure, the country will not like.

With these words, Sir, I am very grateful to you for giving me time. I once again commend the Budget.

[Translation]

SHRI DAMODAR PANDEY (Hazaribagh) : Mr. Chairman, Sir, I not only wholeheartedly support this Budget,

[Shri Damodar Pandey]

but would also like to congratulate the hon. Prime Minister for providing relief to the poor in the Budget, especially to the working class. At the time of independence we had three major problems before us i.e. the problems of food, cloth and shelter. Our farmers have solved the problem of shortage of food. Today we are self-reliant in the field of foodgrains. It is really a matter of pride that we have achieved self-sufficiency in foodgrains within a very short period after our independence. Similarly, our industrial sector has made us self-reliant with regard to availability of clothes.

Besides it, our salaried class, who leave their native places and work in factories and mines, were facing a big problem of housing. Every time it was thought to do something to provide hou ing facility to them. But it is for the first-time that it has been visualised in this budget to provide an opportunity to those who have capacity to construct their houses and the Government will assist them and will also give tax relief to them to some extent. The working class very mach commends the hon. Prime Minister for providing this relief It is a great relief to the working class, particularly to the salaried class for which our hon. Prime Minister deserves congratulations.

In this regard, I would like to submit one or two suggestions. The national resources are utilised for the development works of the country and our working class plays a vital role in the mobilisation of our resources. Their amount of provident fund not only remains as fixed deposits, but they keep their money with the Government till their retirement. National Labour Commission had suggested much earlier that contribution to provident fund should be raised to 10 per cent. There can be no other noninflationary measure of resource mobilisation than this. If the provident fund contribution is raised by 2 per cent, Government will get more money and it will also provide some relief to the workers But I do not know as to why it can not be done. When we take up this matter at Tripartite level, Government gives assurance to us, but afterwards no attention is paid towards it. I think, the Government will pay attention towards it and the provident per fund contribution will be increased as the recommendation of the National Labour Commission.

Secondly, today the different public sector organisations are issuing bonds for the purpose of resource mosilisation. Different schemes are announced from time to time to attract black money and tax relief is provided to them. At least 15 per cent interest is paid on these bonds. The provident fund of the workers is not a black money but a hard earned money. It is a fixed amount with the Government for unlimited time or till the retirement of the workers and which is assured income of the Government. But even then the rate of interest paid on it is quite low. I think the Government will pay attention towards it. It is a matter of regret that 14 to 15 per cent interest is paid to the black marketeers who purchase bonds with their black money, but 15 per cent interest is not paid on the provident fund of the workers which is a hard earned money I hope that the Government will think over this matter and will provide some relief to the workers also.

Now I want to submit one or two points about my own constituency. Today Bihar State has a unique position in the map of India. It is that part of the country which has about 35 per cent mineral resources of the country, but from the income point of view, there are hardly one or two States which have less income than this State In spite of so many natural resources, there is still acute poverty in it. The attention, which was given towards this State in First, Second and Third Five Year Plans, has almost been diverted in the later Five Year Plans. Today they are making fun in the name of irrigation. On the one hand in other parts of the country, 70 to 75 per cent area has been brought under irrigation and on the other hand, in Bihar, not even 7 per cent area has been covered under assured irrigation. Where will these people go and what will they do in

agricultural sphere ? In Bihar, Ganga has maximum of water flow and there is no shortage of water. The areas on both sides of Ganga face flood problem. The Southern Bihar also has big rivers, but that water is not utilised for the benefit of the State. Ganga water is only used as Ganga Jal for religious ceremonies and bathing. Can we not make use of this water for irrigation ? Can we not make some arrangement to make use of this water in our agricultural fields ? Everybody knows that the soil collected by the Ganga river is very fertile and if some irrigation arrangement is made, it can produce plenty of foodgrains. It is a matter of pride that green revolution was brought about in some parts of the country and our country has become self-reliant in the matter of foodgrains. If irrigation facility is provided in Bihar, we can produce much more foodgrains there. We are already self-reliant in foodgrains, but we can set up a glorious example by feeding a major part of the world. We could have so much production of foodgrains in that area, but no attention has been paid towards it.

The situation is almost the same with regard to industrialisation. Of course, it is said that Bokaro has been set up, H.E.C. started, Sindri has been commisioned and there are a lot of big public undertakings of the Central Government in Bihar, but has it ever been thought of that not a single brick has been laid in Bihar thereafter, and the factories in the name of H.E.C. and Sindri in Bihar are in very shabby condition ? Did you ever have a look at it ? If you go through economic survey, H E.C. would occupy the first position in the matter of incurring losses.

It is not so that the people of that area are not skilled and do not want to work. The biggest problem of this area is that they do not get electricity for their industries for 8 hours continuously and due to non-availability of electricity, these industries have to incur loss. Had there been proper supplly of electricity, a large number of such industries could have been set up. A lot of allocation has been made for electricity and there are a number of ambitious plans regarding generation of electricity. I want to submit that though coal is produced in Bihar, but electricity is generated in Ropar, Bhatinda and at other places. The electricity that will be generated in Singrauli, will not be supplied towards east, it will not move towards east. If some thing will happen, it will be just like some crusaders who offer their Namaz turning their faces towards west. Likewise, the electricity also finds its direction towards West and it does not get any opportunity to go eastward. You have set up N T.P.C. on national level, but you do not think about the east. If electricity is supplied to industries and other works in our area, than the ill-fame we earn and the losses we suffer due to inadequate supply of electricity will not be there. You should formulate schemes to generate the cheapest electricity. We have been facing shortage of electricity and we also have the constraints of resources. as a result of which we cannot set up more power houses. But has this aspect ever been taken into account that those who think of setting up power houses, they think of generating electricity at those places where the electricity so generated becomes costlier. They cannot think of generating electricity at the cheapest rates and provide relief to the country.

We generate electricity at a place where loss of 100 rupees per tonne has to be incurred on coal and it will be the costliest. Such schemes are prepared which cause loss to the nation. We had once suggested that there is the biggest coal deposit of the country in North Karanpur, Singrauli, Talcher and North Karanpur are the future of the country. You can generate electricity at cheaper rates and thereby earn profit in generation of electricity.

The Electricity Department submitted a report that water was not available at that place. Perhaps they thought that water must be available in the power house itself. They did not see anything and they submitted such a report. Thereafter a committee was set up. The committee observed that there is plenty of water at that place. For supply of

[Shri Damodar Pandey]

water, canals could be constructed there. You can generate 5000 to 10,000 MWs. of electricity provided a 50 kms. long canal is constructed. A river is also there. 2000 to 3000 MWs of power could be generated with the water available from the river. But one pretext was taken that water was not available at this place and as such a super power station cannot be set up there. The Bihar Assembly has been saying this vociferously and last year our Governor also said that there could be no major scheme than this one for the benefit of the country and for providing relief to Bihar. For the last ten years there has not been any progress in the field of generation of electricity in Bihar. Our requirement of electricity has been continuously increasing, the demand of the people goes on increasing. If you talk of industrialisation at a rapid pace, and if there will be no supply of electricity, the position will remain stagnant. You may also talk of constraint of resources for electricity. You may supply us electricity from other places also so that we may be able to make good the shortage going on for the last 10 years, but we will still be lagging behind others. If you wish to bring us at par with other States, you will have to double the allocation for electricity in our area and then only we will be able to reach nearer the level of other States of the country. In spite of that, perhaps we will be lagging behind. Therefore, I think that the hon. Finance Minister will pay his attention towards this area.

I want to say a few more things. Public sector is an important part of our economic system. We want that with the helps of it, the country should develop and the country should make progress at a rapid pace. Through it, we want to proceed on the path of progress. But we do not pay any attention towards its development. Our opposition parties are determined to see that somehow or other, the public sector is ruined. You have seen that Mr. Murli Deora was saying that an hon. Member is sitting to our right who is an industrialist. The industrialists mostly sit on his right. They do not go on strike. Have you ever heard in the country that strikes were resorted to by the industrialists. They find it easy to organise strike in the public sector. Now they have fixed a date on 21st instant for organising a strike in public sector. Why do you organise strikes in the public sector ? It is said that they are going on strike to protect it. If the Government wants to protect the public sector, it must work in a planned way. We should protect the public sector from those leftist people, who are planning to ruin the public sector by their wrong actions. If you do not look into it, you will face difficulties.

Mr. Chairman, Sir, the industrial labour of this country is looking towards this Government with high expectations. You know that the Trade Unions Act was passed during the British days in 1926. Sixty labourers unitedly can form a union for industrial relations. Now it is not an impossible thing to get 60 labourers for formation of a union in any industry or unit. Labour unions have been formed in almost all the industries and the result was that every union tries to compete in doing more and more damage. Could we not think about it ? There is freedom to form unions, there is freedom to form labour organisations, but there can be no freedom to do wrong deeds in the name of organisations. Those who are true patrons of labourers, should pay attention towards it. We have to take them ahead, we should pay attention to ensure that they think in the right direction, their steps are put in right direction and the steps are strong.

It is being said that on Industrial Act will be passed We have been listening this thing for the last two years that Bill is ready and may be introduced any time. But it has not been introduced so far. Until and unless we tak steps in this direction, we will not be able to make improvements in the public sector. To-day you expect the labourers to co-operate with you. No trade union in the public sector will betray you. You have been betraryed by the strike notice given by the leftist parties. The leftists and rightists, all adversaries, have united. All the people of the opposition unitedly thought of stopping the work, but despite all these

things, 80 per cent workers in the public sector did not pay any attention to strike call and worked that day. Does it not indicate, does it not show that majority of workers in trade unions of the country are still with us, they have faith in the leadership of the National Mazdoor Congress and they want to strengthen the national economy and the public sector by working shoulder to shoulder with all the people of the country. With that point of view, when we talk of workers participation in the management, then the question of unfair means comes up before us, when we talk of seeking co-operation of all, then the question of recognition is raised. Such kind of things are raised due to which public sector has reached such a stage that if it is allowed to proceed further in this direction, it will cause great damage. Therefore, I would like to request the Government to pay attention towards it. We should work properly to utilise the 43000 crores of rupees, which we have already invested in the public sector. We should remove the faults, the shortcomings found in this system, and we should think as to how to make improvements in it. When we talk of all round development of the country, if some part of the country is left behind, more and more development is not done in it, we cannot talk of all round development in the country. Then how solution will emerge? If one part of the country marches much ahead and the other part is left behind, if we do not give it an opportunity to march ahead, then it will lag behind and it will create imbalance and we will not be able to handle the situation properly then. You have seen that where such type of mistakes took place, especially in Bihar, no work was done for 10 years due to political instability. To-day an opportunity has come, when the question of marching ahead unitedly has come up. A time was there when we were not able to spend even 300 crores of rupees during a year. We are now thinking of spending 1100 crores of rupees during this years. Coming year's plan has also been propared. We will do all that for creating aninfratstructure, but if you do not give their due right to them regarding infrastucture like electricity, water, irrigation, road, transport, rail etc., then we will be left behind in the race of development and we will not be able to march ahead. Therefore, when the Government has started paying attention towards the entire country, then this part may also be allowed to march ahead by paying more attention towards this part.

[English]

DR. A. KALANIDHI (Madras Central) : Mr. Chairman, Sir, I thank you for having permitted me to speak on behalf of the D.M.K. Party.

The Budget presented by our beloved Prime Minister of India is a mixed one which deserves both appreciation and criticism.

Being the maiden budget presented by our honourable Prime Minister, he can be excused this time, with the hope that he will present a pleasant budget at least next time —satisfying all sections of people — provided he continues to hold the Finance portfolio.

It is worthwhile to take into account the comments made by various people belonging to various sections. Chamber of Commerce people believe that instead of giving relief to corporate sector, Government has taxed 30 per cent minimum tax which will hamper the growth of the corporate sector.

This would offset the liberalisation on depreciation allowance and would create a serious impact on the share market.

The TV is no longer a luxury item and is a med a for propagating Government policies and programmes and it is a media to educate the illiterates who form a major part of the population of our country. Hence, the price rise is unjustified and unimaginable.

Salaried people are the honest tax payers in this country. They all expected a higher ceilling limit for tax eligibility but no mention has been made. This has totally disappointed them. Of every rupee that accrues to the Central exchequer, according to 1987-88 Budget proposals, four paise only come through Incometax,

[Dr. A.Kalanidhi]

Money sdent for collection of these taxes is on the higher side. Hence, I request the honourable Prime Minister to have a rethinking and remove the Income-tax in to as it has been done in Japan. If it is not possible, at least Rupees 25 to 30 thousand should be the ceilling limit for tax eligibility.

15.59 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

In this Budget, it is worth to praise that housing and education have been tgiven a boost. This will create a motivaion among middle class and upper middle class to have their own shelter. It is a legitimate duty of the Government to provide such shelter. In that case, our Prime Minister has made a sincere effort in this budget. I welcome this wholeheartedly.

In the name of preservation of forest wealth, 35 per cent duty will be levied on plywoods made from prime timber and wood products. It is not logical as on one side you want to encourage housing and on the other side, woods and products would become costlier by this levy. This will cause a further hike in the cost of building construction. I feel this is pennywise pound-foolish.

16.00 hrs.

But, our hon. Prime Minister has made a humble plea that he invites suggestions from Members and other conservationists. He should, therefore, revise his opinion on taxing wood products which would form part and parcel of the building activities.

More allocation to education is a welcoming measure which can turn our illiterate masses into literates and increase our literacy rate, so that the people can judge things well and they cast their votes properly without being carried away by the smpathy waves.

Excise duty on acrated soft drinks and soda being 20 paise and 15 paise per bottle is unwarranted. Soda is not used for mixing up with hot drinks alone by affluent sections, but also used by the poor and middle class people to quench their thirst. Even the politician while speaking on the platforms drinks soda but he does not pay for that, the organizers of the meeting only pay. So, it has become an additional burden for the people of the lower rank of the party who form the rank and file of the organization. Hence, it is unjustified to increase the excise duty on soda and soft drinks. I will appreciate the hon. Prime Minister if he puts excise duty upto 30 to 40 per cent on hot drinks so that the people can be relieved from the clutches of the devil of drinking habits and also the exchequer gets more money.

Though snuffing and chewing tobacco is really harmful to health, people in the rural areas to forego their food while at work and also when they are not able to take one square meal a day, indulge in chewing tobacco and snuffing. So, increasing excise duty on these substances is going to hit the common man and not the richer perople. Hence, I request the hon. Prime Minister to withdraw the excise duty imposed on tobacco and snuff.

It is regrettable that our hon. Prime Minister has forgotten the forty thoustand sick units in the small scale sector. Neither he has made an honest attempt to nurse them back to health from sickness, nor has he made any provision in the Budget presented Hence, I request the hon. Prime Minister to take into account the problems faced by the sick units in the small scale industries.

It is unfortunate that the hon. Prime Minister has not encouraged the banking industry which has a major role in the national development like tax incentives to facilitate mobilization of the savings. While creation of a National Housing Development Finance Bank is appreciable, nationalized banks should be made to involve in these activities with a due caution not to allow favouritism or ruling political party's interference.

There are certain featuers present in the Budget to be praised and applauded. One is any compensation received by a workman at the time of his retirement is exempted from tax. Similar exemption is being extended to payments made under voluntary retirement schemes for public sector enterprises. The other is reduction of basic customs duty on P.V.C. rexin which helps the housing and industrial schemes and insulation to be cheaper Further, the lower rate of excise duty of five per cent will reduce the cost of cheaper toilet and laundry soaps I am quite happy that you have accepted the Janta soaps, even though you have an aversion towards the word 'Janta'.

Now, as a doctor, I will be failing in my duty if I do not congratulate our hon. Prime Minister for the concessions that he has given in the medical and pharmaceutical field, namely full customs duty exemption for import of life saving equipments and also its spares. It is really ogical, practical and sensible for which our hon. Prime Minister deserves all the appreciation and praise. Here, I would like to mention that instruments used for opthalmic surgery gastro-enterology surgery and neurosurgery should also get the same exemption as life saving instruments get.

Exemption of additional customs duty for 35 more drug intermediates is a laudable one. I request the hon Prime Minister to remove the customs duty in toto for drug intermediates required for manufacturing pyrizinamide.

Items like note books, letter pads, blotting papers, accounts book, registration papers, file covers etc. are exempted from the excise duty altogether. This will help the parliamentarians to use more pads, write more letters to the non-listening bureaucrats and to some of the adamant Ministers who never reply at all. This will also help to increase the literacy rate by encouraging people to develop the habit of writing more and learning more.

Then, increase of excise duty on viscose staple fibres from Rs. 5 per kg. to Rs. 7 per kg. and increase in viscose filament yarn by 12.5 per cent of the existing rate is going to crush the entire industry. In Tamil Nadu rarely we have any big industry. We have Southern Viscose Ltd. in Sirumugai in Coimbatore district which produces viscose products. So this is going to hit the industry very badly and would result in hardship to three thousand employees working in that industry. In view of the real backwardness in the industrial sector in Tamil Nadu, I request the hon. Prime Minister to restore the tax pattern existing on viscose staple fibre and filament units. The status quo may be maintained.

The excise duty on cigarettes is based on the length of the cigarette and our Prime Minister hails that it is his innovation. Filter cigarettes are less harmful than the normal smaller cigarettes. Unfortunately, the lengthier cigarettes which are less harmtul are made more costly now. So people go for smaller cigarettes which are more harmful to them and invite more troubles. Hence the logic and innovation of increasing the excise duty on the basis of the length of the cigarette cannot be acceptable just because it is followed in other countries. Even though this method is followed in other countries. They always stick on to their limits either in drinking or smoking, habits. But in our country people always exeeed the limits and finally they spoil their health. Hence I request the Prime Minister not to compare our people with the people of other countries and I request him to reduce the tax on the filtered cigarettes which are a better devil than the small cigarette which are a greater devil. I would suggest to mop up the loss incurred in this process by increasing the excise duty on Indian-made foreign liquors like whiskey, brandy and rum so that we can get more revenue for the Government and also make the people not to drink more which will bring partial prohibition.

It is more worth while for my State namely Tamil Nadu, because the entire arrack shops are recently converted into whiskey and wine shops.

Increase in excise duty on fuel efficient motor vehicles with engine capacity not

[Dr. A. Kalanidhi]

exceeding 1000 cc is to be increased from 20 per cent to 25 per cent and on spare parts from 50 per cent to 75 per cent. This has resulted in an increase of Rs. 5000 on Maruti cars and Rs. 6000 on Maruti vans. These small cars are the pet children of late Sanjay Gandhi The basic idea was smaller. the car, more fuel efficient the car would be and middle class people and office goers can afford to go by four wheelers. Now after the present increase, the Maruti cars' price is Rs. 88 000/-. The car cannot withstand even a blow, which results in dents and as a result of tinkering and painting costs about Rs. 5000. The shock absorbers of Maruti car is Rs 500 per pair compared to Rs. 200 per pair for Ambassador cars. So maintenance of these Maruti cars is already costly. If the price is increased due to the excise duty, it is not going to benefit smaller and fuel efficient cars and the basic idea of late Sanjay Gandhi gets defeated. So at least for his memory namely for his brother's memory, I reqnest the hon. Prime Minister not to increase the excise duty on fuel efficient cars with an engine capacity of less than 1000 cc. Kindly withdraw the present hike and allow the status quo to contiune.

You have allotted more funds for IRDP. Though it is a welcoming measure, it should be monitored well Otherwise the beneficiaries will not be the deserving poor or rural people but the influential ruling political rural people only.

So, in this matter great caution has to be taken not to allow the exchequer to be drained wastefully.

Eventhough the intentions of the Prime Minister are good, lot of good things have been omitted in this budget. No concrete steps have been taken to improve the standard of living of the farmers. No proposal has been spelt out in this budget by the hon. Prime Minister to tackle the growing unemployment problem among the frustrated youth. There are no concrete proposals or steps for alleviat ng the poverty. There is no thrust in the budget but even the thirsty tongue is denied of taking even soda because of the increase in the excise duty.

The gross deficit shown in the present budget presented by our hon. Prime Minister is certainly going to have an impact or set an inflationary trend in the country.

Additional budgetary allocation for the defence is very high. A great caution has to be taken to check expenditures made in the defence department. That does not mean that we can have ban on recruitments. Ban on recruitment in vast prejects and other projects in Avadi Clothing Factory has resulted in retrenchment of workers and fear among the employees. We borrow money to pay the borrowings already made. So, no fresh investment has been made for any productivity.

Naturally this is going to increase our national debt Hence proper plans on income and expenditure will definitely reduce the gap and bring down the national debt. In this context I would like to quote from the *Financial Express* of today where they mentioned a printer's devil on Oil and Natural Gas Commission. With your permission I would like to quote it. For fabrication work of platforms SQ, ST and SS for Bombay High, a plan was charted for 78 3 metres whereas the depth of the water was only 72.3 metres and because of the wrong drawing and wrong planning it has resulted in an anditional expenditure of Rs. 25.74 lakhs or $257400 which the Company has claimed for which the Government of India has paid. So, we should be very careful about the expenditure. This should also be followed.

To put it in a nutshell—though, the present Budget contains some welcoming measures; it has got its drawbacks like not solving the unemployment problem; it does not contain any step to alleviate the poverty; it does not have any effective measures to control the inflation and also, it does not have step for closing the loopholes which are existing in the distribution system of the foodgrains and other essential commodities.

Sir, one has to come to a conclusion, after going through the Budget properly that you have drifted from the way of socia listic path and have given goodbye to

socialism. So, it is an ordinary Budget without any additional burden on the people or additional benefit for the people. It is a Budget that does not have any special thrust on export promotion. So it is a Budget without fragrance and insipid in taste.

My city, particularly Madras City, is facing with an acute scarcity of water. There, women folk are getting up in the early morning at 1.00 A. M. and wait till 4.00 A M. to get a bucket of water and not only the women, but also their children, who stand in the queue to get a bucket of water. Over and above, the women folk have a so to do the domestic work and send their husbands either to the offices or to the factories. Some women folk have also to attend to their office work. Hardly, they have a sleep for about one to two hours.

So, I would request the hon. Prime Minister to allot Rs 6 to Rs. 7 crores for Madras city to dig borewells to meet demands of water supply and also,as Mrs. Gandhi did some time back in 1983, when Krishna water from Vijayawada was brought by a special express train, the same should be done here also. I would also request the hon. Prime Minister to take into account the drought that is existing in Ram Nad, Madurai Tirunelveli, South Arcot, North Arcot, Coimbatore, and Chengalpet districts These districts are in the grip of drought. I do not want to politicise this issue. Let us not wait for the final report to be obtained from the Government of Tamil Nadu. Before, we get the final report, at least, the Prime Minister should come forward to give an interim relief of at least Rs. 60 to Rs. 70 crores.

Finally, before I conclude, I want to say one thing about the ethnic issue, that is prevailling in Sri Lanka. You have been raising so many crores of rupees for military every year, but at the sametime, our Tamilian brothers are killed; our Tamilian women are raped and butchered and I request the hon. Prime Minister, not to waste time in negotiations,

I am telling you because, recently Mr. Jayewardne in the meeting with the Members of Parliament had discorded the warning given by the Indian Prime Minister in the Lok Sabha. He said, he is not going to care about the Indian Prime Minister's word. He said, that just by one step, he cannot stop miliiary proceedings. That is what he had said. So, I would request the hon. Prime Minister to take into account these things and need not waste time on negotiations because Mr. Jayewardne will not come for negotiations I know his mind. He is a person who has mobilised Sinhalese against the Tamilians. He is the persons who has mobilised all the monks against the Tamilians. He is the person who has conducted the *Pada Yatra* from Colombo to Kandi. So, he is the person who is responsible for every butchering and atrocities, that are happening in Sri Lanka. I request the hon. Prime Minister, not to waste any more time in the name of negotiations. I request you to come to a final solution, either the military solution or whatever solution, he thinks is the better solution and try to free the Tamil Eelam which is the only one solution to save the onslaught of the Tamilians there.

I just thank the Chairman for having given me the permission, Before, I conclude, I would say Never Before, Never Again, the present day Budget like this is presented.

[Translation]

*SHRI C. K. KUPPUSWAMY (Coimbatore) : Hon. Chairman Sir, I feel extremely happy to rise in support of the Union Budget for 1987-88.

The wisdom and sagacity of the hon. Prime Minister and Finance Minister in presenting a Budget which is widely acclaimed by the whole nation have excelled even those of the Chanakya of the ancient ages.

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*The Speech was originally delivered in Tamil,

[Shri C. K. Kuppuswamy]

Let me now express my views on the budget. As far as agriculture is concerned the farmers are not getting remunerative prices. The Government is fixing the prices of agricultural commodities on the basis of data supplied by the bureaucrats and other authorities Prices are not fixed after taking into account the factors that are vital for cultivation. This has affected the small cultivators. I, therefore, suggest to the hon. Minister to nominate agriculturists and farmers to the Commission for Agricultural Costs and Prices. They should be in majority in the Commission The farmers must express their views freely and, thereafter, the prices of agricultural commodities must be fixed taking into account many factors like climatic conditions, financial and irrigation facilities etc. available to farmers. The prices would, than authomatically vary from State to State and district to district.

As far as irrigation facilities are concerned, Tamil Nadu, is lagging behind in such facilities. We have many scientists and engineers amongst us. They must utilise their talents. The Govt. must prevent rivers emptying their water into the sea. This is an enormous waste. Many West-flowing rivers in Kerala may be diverted to east and, thus could be utilised to irrigate dry land. Govt. must consider this. The same opinion was very rightly and emphatically stated by Shri C. Subramanaim, our hon. former Finance Minister. Instead of the Ganga-Cauvery Project, the Central Govt must come forward to complete many of the long pending river water projects in Tamil Nadu like Moonaru Project, Ponnamphuzhs and Pondy river Project.

I would like to ask the Government whether they are aware that many acres of land have gone dry in Tamil Nadu. Drought is a perennial problem in Tamil Nadu. However, adequate relief measures are not being taken.

As far as Coimbatore is concerned drinking water is not available there. Cattle do not have fodder I have stated this several times in this House. Today once again I restate these problems.

Next. I will now dwell on the debt burden of farmers. In Tamil Nadu, many farmers are crouching under the burden of agricultural debt. I request the Govt. to write off these loans especially when monsoon have failed continuously and the State is in the grip of drought. This would help small farmers. In 1986-87, loans to the tune of Rs. 8835 crores had been disbursed to farmers through commercial and land development banks. The sad thing about the loan is that one uniform interest rate is applicable to both big agriculturists and small farmers. This is an anomoly which should be removed. Along with this, interest-free loans must be given to small farmers. Further, debt of small farmers who have been affected by failure of monsoon and drought must be written off.

The whole State of Tamil Nadu is reeling under a severe drought. When the poor and landless are suffering from starvation, the Tamil Nadu Govt. is not undertaking relief measures in time. This is a sorry state of affairs. Why I say this is that as far as I know, our hon Prime Minister Shri Rajiv Gandhi is very much willing to grant any amount to allievate the people's sufferings But it is very sad to note that no demand has come from the other side.

I request the Govt. to appoint a Committee to monitor the implementation on NREP and RLEGP programmes in the drought-hit areas. This is because there is growing misuse of power by those in authority as rightly pointed out by Dr. Kanimidhi.

As far as Banks are concerned, persons with a bad record are promoted but sincere officials are transferred to far off places. Issue of loans by banks is also irreguiar. Loans are given after considerable delay and many times the benefits do not reach the poor and needy in time like small farmers. Big businessmen bag these loans by influening the authorities. I would request the Govt. to immediately appoint a National Commission to go into the working as well as misuses of power by the bank officials for disbursement of loan and other banking activities.

As far as this Budget is concerned, this is a popular budget. I feel pride in saying so.

Sir, in my constituency in Coimbatore many textile mills are lying closed for a long time. Mills like Vasanths Mills and Janardhana Mills were closed three years ago. Nearly 10,000 employees are out of employment. The hon. Minister may kindly take note of this Many families have perished out of starvation and yet the State Govt. is not in a mood to take financial aid from the Central Govt. though the latter is willing to help. *(Interruptions)* Sir, these people are interrupting.

[English]

MR. CHAIRMAN : Address the Chair, if you have got to say anything.

[Translation]

SHRI C. K. KUPPUSWAMY : I request the Govt to consider taking over these mills, since they have been lying closed for a long time.

As regards trusts in Tamil Nadu, nay, the whole India are concerned crores and crores of black money is in these trusts. The Govt. must take steps to unearth the balck money.

Further, Sir, private individuals or organisations must not be allowed to run polytechnics, engineering colleges, medical colleges and law colleges. Only Govt. should run these institutions. As far as police department is concerned a new face lift must be given to this department. The existing wage structure should be changed and a uniform wage policy must be evolved for the police all over India. I am pained to point out that the wages of policeman vary from State to State.

As far as Tamil Nadu is concerned, a police man gets Rs. 450. In Delhi, a police man gets Rs. 1200 to Rs. 2000. The wages of policemen vary from State to State.

SHRI P. KOLANDAIVELU :**

SHRI C. K. KUPPUSWAMY : You keep quiet. You keep quiet. You keep quiet,**

[English]

Why are you talking ? Why are you talking ?

[Translation]

As far as police is concerned, I request the hon. Finance Minister to have a uniform wage structure all over the country. I say this because as far as I am concerned, I have served in police department for 10 years. I was a C. I. D.** I have served this country.** I feel extremely shameful. I feel extremely sorry.

[English]

SHKI P. KOLANDAIVELU : On a point of order, he cannot talk about State problems here. All these things he cannot say here. How can he ?

[Translation]

SHRI C. K. KUPPUSWAMY : At this juncture I am bound to state that as far as Tamil Nadu is concerned**

[English]

SHRI P. KOLANDAIVELU : On point of order, he has stated something with regard to the Ministers. It has to be expunged.

[Translation]

SHRI C. K. KUPPUSWAMY : This is known to every body.**

We have here a very very honest Finance Minister.

As far as I am concerned I am constrained to state all these.

As far as the Cooperative Department in Tamil Nadu is concerned, it is a

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**Expunged as ordered by the Chair.

[Shri C. K. Kuppuswamy]

den of dacoits. For a long time elections have not been held. The department which is supposed to serve the public, has become a den of plunderers. The hon. Finance Minister may kindly take note of this point. I once again reiterate that the Cooperative Department in Tamil Nadu had become the dwelling place of bandits.

Lastly, I once again welcome the budget. I feel extremely glad to speak in support of the budget. With thanks I conclude.

[English]

DR. S. JAGATHRAKASHAKAN : Tomorrow it will come in the Press. Please expunge.

MR. CHAIRMAN : I will examine and then expuge.

SHRI P. KOLANDAIVELU : We want you to expunge these words **

MR. CHAIRMAN : I will examine the record today and if anything is objectionable, I will expunge.

16.25 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

[Translation]

SHRI SHRIPATI MISHRA (Machhlishahr) : Mr. Deputy Speaker, Sir, I want to say a few words on the budget and would like to thank the Hon. Prime Minister and Finance Minister that he has shown a new direction in the Budget and has tried to show a new direction towards which he desires to take the country.

He has drawn attention towards four major points and without going into figures, I would like to say a few words about the same. One thing is that attention has been drawn towards Defence and more funds have been allocated for the same in the budget The other basic thing is education, towards which he was concerned earlier also and more emphasis has been laid on it and he has increased the provision for this purpose in the budget The third thing that he has done is about the anti-poverty programme and he has allotted more funds for it. The fourth thing concerns industrial development so that exports are increased and imports are reduced. He has taken certain steps in this regard Budget is not only an account of income and expenditure, but it also gives an indication about the direction towards which the country is to be taken forward and this thing is evident from this budget. I want to draw the attention of the hon. Finance Minister towards a basic thing and want to make a pointed reference towards it It is an open secret that 80 per cent of this country's population lives in villages and the rural economy is the foundation of our economy Just now one of our Members from Bombay was speaking about removal of poverty in cities and while making a mention of it he said that the mention about removal of rural poverty has been made but more steps should be taken to remove urban poverty Both are co-related. If you did not remove the source of urban poverty i. e if the rural poverty is not removed then you may perhaps check temporary urban poverty, but it cannot be removed altogether. Keeping this thing in view, I would like to ask as to what is the thinking of our economic thinkers who give direction to economic policies, about these 80 per cent people ? Today, when we talk of farming, let me know if any commission has been set up to find out as to what kind of tools are used in farming, what type of manure is used and time and again what sort of natural calamities befall on them and whether the commission has made any such analysis as to what cost does a farmer incur on his farm produce ? No commission has ever been set up to find out as to what cost the farmer has to incur on producing foodgrains per acre. No such enquiry has been conducted and without any enquiry and without ascertaining as to what expenditure is

**Expunged as ordered by the Chair.

incurred on producing foodgrains, how much does it cost. prices of foodgrains are fixed. People sitting in New Delhi fix the prices of foodrains. How do they do it is perhaps known to them alone.

There are a number of Government farms, but there is hardly a Government farm which earns profit. There may be one or two about which I do not have any information. Otherwise, Government farms do not earn profit. I am telling you about my own experience. I do not want to disclose the name of that university. but even if I do not utter its name, the people of Uttar Pradesh will automatically know it. A farm was given to the authorities of that university. There was a jail which had a very big farm. The entire farm was given to the university so that they could carry out their investigation work and research work and they could carry out the practicals of agricultural education They could personally do farming in it and see their own results. During my tenure as Chief Minister I received a demand from them that they were facing difficulties in utilising that farm and they said that it could be handed over to the Department of Agriculture. I asked their senior officers that this farm was given to them to do paactical work, this farm was given to them to put into praactice those things which they write and say in theory and let that be translated and shown to farmers. Then they said that there was labour problem and this and that problem. They said that they always remained entangled in those problems and, therefore, they were not able to do anything. Their entire knowledge is meaningless if they cannot translate their theory into practice. Those people who are pioneers in the agricultural field and who want to tell us as to how farming is done, cannot undertake farming. This matter pertains to that time when I was Chief Minister in U P. During my tenure I did not allow its transfer. This farm is still with them. Nobody knows as to what they are doing in it. Therefore, I would request that a commission should be set up on agriculture and it should examine as to what expenditure is incurred on agriculture.

It is very often said, we also learnt from the media and besides it through the Doordarshan also, that tax on agriculture should be levied. In a T V. programme a renowned economist had participated whom we were listening. He is a very renowned ecnomist there is no need to tell his name. He is also a very renowned lawyer. He was saying that there was no country in the world where tax was not imposed on agriculture. Why is it not imposed in this country also ? He was giving stress on this point. Some participants expressed the opinion that, he was right in saying so, but the circumstances were such that it should not be imposed for the time being.

I would like to say that it is said that in our country there are a large number of people, ex-princess and landlords who are in possession of huge areas of land. They have very big farms. You have passed law restricting the limit to 18½ acres of land. Then how do they possess so much of land ? If excess land is in their possession, it should be acquired from them But why do you take it for granted that if there are mistakes or if somebody is forcibly in possession of land in violation of the law, then he is engaged in cultivation. It could not be the basis for imposition of tax. You take 18 acres as a basis, it is 10 acres in Orissa and in some other State, the limit is 15 acres. Whatever limits are there, these should be adhered to and these ceiling limits should be implemented accordingly. You are aware that earlier a tractor used to cost 5000 to 10,000 of rupees, but now its price has gone up to Rs. 1,00,000 or Rs. 2 00 000. Now how is it possible to undertake farming on 5 to 10 acres of land ? How can a farmer do farming with such a high prices of fertilisers ? One gentleman from Bihar spoke. It is a Coincidence that Bihar is our neighbouring State. Being a neighouring State, we the residents of U.P. sometimes feel satisfied that Bihar is also not away from us. If we look to the other side, our heads are hung in shame, because the situation is very bad there.

There is a canal, called Sharada canal in our State and the technicians who guide

[Shri Shripati Mishra]

us, said that one more canal as big as this one may be dug along its side so that in case the water level falls, its water could be diverted in the other canal. The result of these two canals is that it has caused the problem of seepage along three hundred yards of stretch on both the sides and there is no remedy for it. There are such farmers in hundreds of villages, who have now stopped the agricultural work and they have hung their ploughs in their houses and now they do not undertake farming any more.

So far as the process of population growth in the country side is concerned, there has not been any planning as to where the houses would be constructed, for the additional population which is increasing. Space in the villages is limited and there is no space to construct additional houses. Then people will flee from these places and go to Delhi, Calcutta and Bombay and you may go on constructing as many houses as you can, but this problem cannot be solved. If you remove the slums in one area, they will develop in some other areas. Therefore, planning should be done in regard to places where it is required. This thing should be taken into account that the area coming under a village, a Gram Sabha, a Gram Panchayat is less than the population it can accommodate ; it cannot manage to give shelter to more than that. How much land can it allot ? Somewhere there is no grazing ground somewhere other things are not there. All these things need to be looked into, otherwise, 5 to 10 years later, there will be narrow streets in the villages surrounded by difficulties as faced in cities.

Similarly, I have got a suggestion that one commission should also be set up which should look into agricultural output. Why agriculture can not be considered as an industry.? Agriculture may be recognised as an industry and it should be allowed the profit it deserves. As you look after industry, agriculture should also be treated in the same way. What is the cost of production and what profit should it be allowed.? If you work out all these things and take them into account for fixation of prices of farm products, the prices will be so high that you will not be able to supply them in the cities. It will create a problem in the cities and keeping this problem in view, you will not think of composing tax on agriculture, rather you would give subsidy on farm products. These things have happened earlier in other countires, where industrilisation had taken place in U S.A. and and in Japan In these countries earlier 70 to 80 per cent of people were engaged in farming but after industrialisation the r number fell to 8 or 6 per cent. Under these conditions, where there is a need to give subsidy, our intellectual friends talk of imposing tax. I am of the view that the Government should think of giving subsidy to the farmers otherwise. they will flee to cities. A person having a pan shop in a city enjoys more facilities than a farmer working in the field in a village.

The second thing I want to say is about anti-poverty programme. You should find out some ways and means for this. People's mind has become so much polluted that they are bent upon doing wrong things, they are bent upon grebing the money meant for the poor. I have one suggestion to check it, though dishonest people find out one or the other method to indulge in dishonest means It may be that they can also sabotage the suggestion which I am giving But I suggest that a list of poor people should be prepared at the Gram Sabha level and three sources should be utilised to prepare the list. One source should be people's representatives such as M L As and M·Ps, the other source should be that of the development authorities at the block and one list should be prepared from the revenue records. In this way a list of common names in all these three lists be prepared examining all these three lists and some additional names may also be included in this list after making an enquiry. Taking all these things into account, a permanent list comprising the names of all the poor people may be prepared.

The poor will not grow rich in a short period of time. Let it take 6 months or

a year. When the Government prepares the list, identity cards should be issued and on that basis, loans should be directly distributed to the beneficiaries by the Panchayat in every village. There should be no middlemen in the process. The poor have not been allowed to get the loan directly, because it is presumed that they would not be able to utilise the amount properly. Forgive me for saying that the poor people are not as stupid as we have been thinking them to be. If they get the money, they would utilise it properly. Perhaps, if they do not utilise the money properly, it is because they need the money to get their daughters married and they want to eat proper food for one or two years. That amount has been utilised at least by the beneficiaries only and not pocketed by the middlemen.

I would also like to make my submission about education as well. The schemes are quite good and these are mostly implemented by the State Governments. The State Governments should be instructed on every aspect. The subject of basic education has been taken away from the local bodies and district councils with the result that no one bothers whether the teachers come to school or not There is a lot of mismanagement in it. Teaching-aids are not available in schools, teachers do not attend the schools and it is time we took some action in this regard. As my hon. friend has just now submitted that how long can we afford to continue to pose as gentlemen ? Would we continue to show ourselves as good, noble, peace-loving human being until an atombomb is dropped on us. It cannot be doubted that Pakistan and China are in possesion of the atom bomb. We are always saying that we would not make the bomb, but if they have it, then we cannot be left with any other option. If they say it only once that they are not going to make use of it, we should say the same one hundred times. We should say that we would keep it in reserve. I am not in the policy of denial in strongest terms. But we are compelled to do so. There can be no other remedy, if the same is happening in our neighbourhood. The only remedy can be to display our own strength to them. If we do not go for the bomb now, then we would be compelled to do so late when it would be too late and it would become useless. If we decide to go for it just now, then their move to manufacture bomb can be stopped at any point of time. If the announcement about making a bomb is made after they have already made it, then it would be of no use at all With these words, I would thank you for giving me time to speak. I support the Budget.

SHRI MANVENDRA SINGH (Mathura): Mr. Deputy Speaker, Sir, I support this Budget and also I would like to congratulate the hon. Prime Minister for presenting an unique Budget in which attention has been paid to every section of society. Facilities have been provided to all sections of our people including the working class, middle class, professionals Harijans and Advivasis. The hon. Prime Minister by this Budget has made an auspicious start in giving a new direction to the country which had its origin in Gandhiji's slogan for free India and which started in the rural areas and which was implemented by late Pt. Jawahar Lal Nehru and got further encouragement by late Shrimati Indira Gandhi in her 20 point programme. That is why the hon. Prime Minister began his Budget speech by stating that our chief aim is to eliminate poverty and to build a beautiful, modern, progressive and a stable economy. I heartily congratulate him on behalf of my countrymen and myself. He said that 90 per cent of our economy is dependent on agriculture and in the second line, he said that agriculture is the bed-rock of our economy. In order to eradicate poverty, it is absolutely essential to develop the agricultural sector. He has assured the people of the country who belong to a country which is primrarily agricultural that the development would begin from the rural areas and not from the urban areas. The hon. Members have expressed their views on agriculture. The Hon. Prime Minister has said that remunerative prices will be paid to the farmers and that he was committed to ensure supply of more water, electricity, fertiliser and seeds and to provide more loans to the farmers. It is in itself an important achievement that the Hon. Prime Minister of the country has

[Shri Manvendra Singh]

declared in the whole House that he is committed to the development of India and a beginning is being made in this direction. There can be no two opinions about it that under the leadership of the present Prime Minister those areas of the country, which had remained backward for the last 40 years, would now be able to make rapid progress. Concessions have been granted not only to agriculture, but to industries as well, particularly to the small scale units, for example, the leather industry. The small industries affect the poorer sections of the society. In case of plastics, textiles, dhoti and sulabh sarees, excise duty has been reduced to 60 per cent. Exemption limit of 36 lakh sq. metres has been increased to 50 lakh sq. metres in case of handloom fabrics This cloth is used by the poorer sections of our society. I want to congratulate the Hon. Prime Minister from the core of my heart in this regard.

Apart from it, he emphasised that the defence build-up in the world today is one of the reasons for international tension. In this situation, we are also trying to strengthen our Defence In this regard he said that in the current situation, highest priority has been given in the year 1987-88 to maintenance of tempo of the on-going schemes and to ensure the security of our borders. Budget outlay for 1987-88 is Rs. 21,622 crores of which Rs. 14,923 crores is in the shape of Budgetary support. By this outlay, if 36 per cent of the targets of the Seventh Five Year Plan could be achieved, it would be a record achievement. Our borders have become more secure and will be strengthened even more. It is also a matter of pride.

Along with it I would also like to make my submission in regard to education. The hon, Prime Minister had made announcements regarding education policy at the very outset. This year Rs. 800 crores have been earmarked for it. New through the New Education Policy we would be able to provide quality education to those children who for some reasons are not able to go to towns for higher education. The more education spreads in this country, the more will it be united, strong and integrated. Until we inculcate spirit of nationalism in our children, our country cannot make progress. Hence, I would request you to adopt a system of education by which we build national character of our children because.

[English]

"When character is lost, everything is lost".

[Translation]

Hence, our education policy should be such which would build the character of the children and this thing should be emphasised

Today we see that the state of our primary education in the rural areas is very miserable. The buildings of the primary schools have fallen to the ground and the children study under the shade of trees. The schools remain closed during the rains and the winter season and in most of the schools, the teachers do not even attend schools regularly. When I went to my constituency during the elections, a little child asked me a question in a very simple language, which though would make one laugh if taken lightly, but the depth of it can be gauged only after listening carefully to what he has said. He asked me :" Tell me, Sir it is all right that your have come here to seek votes but if you win the election, would you ensure that teachers come to to schools" regularly. You can easily, infer from it that even a little child knows that the teachers do not attend schools. It is a very serious matter and it should be given due consideration Such laws should be framed so that there could be maximum spread of education in the rural areas.

Now I would give some suggestions. Under the D.R.D A , N.R.E.P., R.L.E. G.P. etc., certain programmes have been announced in regard to development of roads, supply of power and drinking water and whatever amount is allocated in this connection is given to the States which distribute it among the districts. I would

suggest that you should grant this amount directly to the districts. I am saying this on the basis of my experience in the previous years. Allocations made for my district of Mathura under the above mentioned schemes for road building and other purposes were not received. The same might have happened with other districts to which the other hon. Members might have drawn your attention. It is on account of this that development work has been stalled. Corrupt methods are also adopted about which I have already drawn the attention of the House on the previous occasions. It is due to corruption that 50 per cent of the amount earmarked for the various schemes is not utilised in development works and is pocketed by the officials and middlemen. The contractors etc. are also involved in misappropriating these funds. Such malpractices have become a common feature. I had requested on an earlier occasion also that stern action must be taken against the culprits and they must be awarded stringent punishment so that the allocations made for rural development are utilised for the purpose of developing the rural areas.

Apart from this I want to state two more important points. As I requested on earlier occasions also, rural development programmes should include housing schemes in the rural areas as it is being done in the urban areas. Why is it so that the farmers, workers and others living in the rural areas are not able to get those benefits which are available to the urban people ? If the people in the cities can get loan for house-building purposes and repay that in instalments, then I would suggest that the similar schemes should be started in the villages also so that people in the rural areas can also take such loans and build their own houses. One point which has been stated in the House in this regard is that adequate land is not available for housing purposes in the rural areas. I would suggest that the land should be acquired in the rural areas also in the same manner as has been done in the cities, and houses should we built there.

Apart from this, another scheme should be formulated for the development of the rural areas. One model development Centre should be established to cater to 50 to 100 villages which include a Super Bazar, a health centre, an entertainment centre, work shops, institutes and a law court so that the people do not have to run to the district headquarters. Small courts should be set up there. The Tehsil headquarter does not have any provision for separate civil and criminal courts. Besides, training in rural handicrafts should be imparted to the people there. Such industries should be set up which are labour intensive and provision should be made for imparting technical education to children. *(Interruptions)* I would take two more minutes.

I want to convey my heart-felt congratulations to the hon. Prime Minister for the allotment of funds for the Indira Aawas yojana by which about 10 lakh families will be benefited. It will benefit the people belonging to scheduled castes and scheduled tribes, the Harijans and the adivasis. I want to request that the allocations should be increased so that maximum number of people are benefited.

Again, allocations have not been made for the development of urban areas in the Budget. Today in the cities the system of electricity supply and drinking water supply is not proper. The roads are not in good condition. Sewage system has not been provided. There are many cities where there are several open drains, which pollute the atmosphere. Provision should be made so that funds are available to keep the cities clean, to beautify them and supply drinking water.

Apart from that, development of the rural areas is undertaken under the rural development schemes. Some development is taking place in the cities. There is need to develop the towns as well. But no provisions have been made for the town areas for this purpose. The Chief Minister has to be approached for sanctioning special funds. I would request that funds should be alloted for those towns which have a large population.

In the end, I want to submit that

[Shri Manvendra Singh]

although our country has made great progress and has made all round development, yet our family planning programmes are not implemented properly and so our population is increasing at a rapid pace which is negating all our efforts directed towards development. Hence, maximum funds should be allotted for family planning programmes. Attractive gifts or cash should be provided as incentives so that maximum people make use of family planning programmes. Sex education should also be made a compulsory component of this programme.

I would make another demand for increasing the exemption limit for income tax to Rs. 25,000 which would specially benefit the middle class people.

No provision has been made in the Budget for health. In the rural areas, the state of health is very poor. I would suggest that one hospital with 30 beds should be provided in every block so that complete health facilities are available in the rural areas. Latest equipments should be made available there. It would benefit the rural masses and would reduce the pressure on the hospitals in the cities. With these words I would thank you once again and congratulate the hon. Prime Minister wholeheartedly on behalf of people and on my own behalf for presenting a very good Budget.

17.00 hrs.

[English]

SHRI BHADRESWAR TANTI (Kaliabor) : Sir, the other day our hon. Prime Minister has placed the budget in this House for the country. My anxiety is not on this budget because every year this is the practice to place the budget in the House. My anxiety is only for the growing tendency of the total unhappiness of the people in the country. By this budget no doubt my friends on the other side of the House are happy but we have to see whether the people at large are happy with this budget,

Sir, the Prime Minister said that our industrial base has widened. I admit our industrial base has widened. It has widened in the strong and powerful States but not in Mizoram, Manipur, Arunachal Pradesh, Assam, Sikkim and Meghalaya. Have you taken any note of developing these States even after 40 years of independence? What is your commitment to the people, you have no commitment to the people. You go to Meghalaya, Nagaland, Sikkim, Mizoram, and Manipur. You will find not a single public sector industry there and you are telling about the industrial developmedt of the country. I had said the other day that the country does not consist of the strong States alone. It equally consists of smaller States also. We must not forget the development of those States.

Sir, Government says it has taken a number of welfare measures for the workers in the last two years You say you have created a number of laws after the independence of the country but, what is your commitment to the workers' section in the country? The Industrial warkers, the bidi workers, and coal mine workers are all living below the sub-standard level and you are telling about the welfare of the workers. Do you know till today the tea garden labourers in Assam are getting Rs 2 a day. They do not get medical facilities. There is no hospital. They are not provided with accommodation. They do not get ration In lieu of subsidised ration the management pays them 30 paisa per day. There is no authority to look into it. That is your commitment.

No dobut by this budget some capitalists will be benefited but the poor people will not be benefitted. You have been neglecting Assam for all these 40 years of independence. We have forest products. We have coal and crude but till today you have failed to set-up a big oil refinery in Assam even after the historic accord of 1985. There are two refineries. But what is their capacity? The capacity of Gauhati refinery is 75 million tonnes and Digboi refinery the capacity is .05 million tonnes. The capacity of Gujarat refinery and Barauni refinery has gone up from 6 milliom tonnes to 7—9 millon tonnes. That is your integrity.

Now a word about anti-poverty programme. The budget says you are going to eliminate poverty but I say you are going to eliminate the poor and not poverty. That is our worst experience. The people are rotting. The poor people are building the nation but, in return, they are getting nothing.

Now, new education policy-what is that ? Do you really want to educate the people ? No, you don't want to educate the people because you want them to remain uneducated for all times to come because of your power and political gain. Out of 55 lakh tea garden labourers in Assam, till today, if you go and see-it is your own assessment-even less than .01 per cent are educated in these days of Sputnik.

When there is drought in Mizoram, in Manipur, in Arunachal Pradesh, in Assam, you don't provide anything. You make your commitment here alone and confine it here. You don't extend your commitment to those places. When people will die, after months or years together, you will throw something because you do not consider them to be a part and parcel of the country.

Last year, in Assam—as everybody knows-there were heavy floods. Four districts were inundated with flood water and you kept silent here. When I raised the matter in the House, only after that the Minister concerned visited the place. The Prime Minister visits the places when there is an election I want to say why the Prime Minister did not visit on other occasions. After all, they have no commitment. Nothing has been sent from the Government of India. It is the local people and the State Government there who have taken care of the affected people. So that is your commitment! That is your unity and integrity ! Simply saying this phraseology will not do.

We are producing crude. But how much royalty we are getting? What is the percentage of profit we have been given ? We have been given nothing. In other countries and in other States, you will find the profits are also shared. But in the case of Assam, we have been given a stepmotherly treatment. We have not been given royalty.

What is the condition of the national highways in Assam ? If you go 200 to 300 miles from one place to another place, it will take about 12 hours. Even you cannot reach your destination. That is the present position of the national highways in Assam.

Every year, drought comes. People are assured that water will be preserved properly so that the people there are protected. But nothing has been done Every time the Kaziranga National Park is eroded by the Brahmaputra and inundated by the flood water, and you are keeping a silence here.

So, I humbly request the honourable Prime Minister to look into it and do something about it.

[Translation]

SHRI PRATAP BHANU SHARMA (Vidisha) : Mr. Deputy Speaker, Sir, a discussion on the Budget presented by our youthful Hon. Prime Minister is in progress in the House. I rise to present some views and certain suggestions in support of it.

76 per cent people of this country and particularly the rural people have welcomed the Budget wholeheartedly. On the one hand, this Budget would accelerate the pace of development, strengthen the economy and on the other, it is hoped that there will be far-reaching consequences for agriculture and industrial development.

As my friends have pointed out that the aim of Budget is not merely to present an estimate of income and expenditure. Instead, its aim is to point out as to what direction the economy would take in future, what percentage of people would be benefited, what are the priorities and so on. It is through the medium of Budget that the Government gets an opportunity to convey all such matters to the public.

[Shri Pratap Bhanu Sharma]

Among the priorities which have been fixed by the Hon. Prime Minister in the Budget of 1987-88, rural development and poverty elimination programmes have been given a special emphasis. The setting up of the National Labour Commission for improving the life styles and economic standards of the unorganised labour in our rural areas is due to his insight and imagination. It shows his concern for the poor and his socialistic way of thinking. According to an estimate of a national newspaper, about 20 crores of people fall in the category of agricultural labour and to whom the basic necessities of life that is food, clothing and shelter are not available even today, and they must get these facilities on a priority basis.

I want to congratulate the Hon. Prime Minister for paying his attention to that section and for making special efforts to uplift them by setting up this Commission. This work should be done properly, suryeys should be conducted and proper direction should be given for implementing the various socio-economic programmes in the rural areas. It would not be correct to think that we would achieve success by merely setting up a Commission.

Similarly, Rs. 2000 crores have been earmarked in the Budget for poverty alleviation programmes like I.R.D.P., N.R.E.P. and R.L.E.G.P. Two points are clear from this. The young educated people in the rural areas want to get employment. The Integrated Rural Development Programme might help in this direction and in the Sixth Five Year Plan and Seventh Five Year Plan 2 crores of people have been benefited under this programme which no one can deny. Rs. 310 crores have been allocated under I.R.D.P. Rs. 780 crores under N.R.E.P. and Rs. 725 crores under R.L.E.G.P. for the next year. It would enable 40 lakh people to get employment under I.R D.P. Under N R.E.P., more than 752 crores of mandays will be created. It is in itself an ambitious project. I have seen the good results of it in the rural areas of my own constituency. The unemployed people in these areas have got employment, agricultural labourers have got employment. When earlier, people used to get work for 3 months or for 6 months in a year and earned only Rs. 4 or 5 per day, now-a-days they get employment more frequently and earn Rs. 10—12 per day as wages. The earnings have increased.

Secondly, an important proposal has been made in regard to the housing schemes and I would like to praise the Hon. Prime Minister for it. Highest priority has been given to the housing schemes in both rural and urban areas for which I want to congratulate the Hon. Prime Minister on behalf of crores of people of this country. It has been lauded in all the national newspapers and in regional language newspapers as well. According to the Seventh Five Year Plan Document, by the end of 1990, about 5 crore familief will require houses, about which it has been estimated that an investment of nearly Rs. 29,000 crores will be required. Keeping this in view and through coordinated efforts of the National Buildings Organisation, Housing Development Finance Corporation and other nationalised Housing Banks, we should ensure that the benefits of the scheme reach the lower income groups in the districts and to those who want to build houses privately or through cooperative societies. Hence, it is a very good scheme and we would be surcessful in the construction sector in the future years. It would generate employment and the connected industries like steel: cement, energy, coal and power, which form the country's infrastructure, will also prosper. Therefore, it is essential, that the allocation of Rs. 100 crores for NHB should be increased to Rs. 1000 crores so that an ambitious project like this does not suffer on account of paucity of funds.

Similarly, in the field of design technology, NBO has developed some very good house plans, but the designs are not easily available to the cooperative societies in the districts. For this it is essential that there should be an office of the NBO in every region and material and other essential details should be made available to the cooperative societies. For the low and middle income groups 4-5 standard designs should be made available so that they are

able to get ready-made plans and the work progresses speedily and they may not have to run hither and thither for this purpose.

Similarly, priority has been given to the public sector in the Seventh Five Year Plan which shows that what our national leaders late Pt. Jawaharlal Nehru and late Shrimati Indra Gandhi had envisaged by giving priority to the Public sector, which is to streng'hen our economy and our socialistic system is being carried forward firmly by our Hon. Prime Minister, but when the vested interests were attacked, they did not like it and made efforts by adopting other methods to downgrade the Public Sector by insisting that the Government is neglecting it and by other similar propaganda. I want to state clearly that till March 1986, Rs. 50341 crores have been spent on Public Sector and there cannot be any question of neg'ect of it after such a huge investment.

Our Hon. Prime Minister has allocated Rs. 47000 crores as fresh investments for the public sector during the Seven Five Year P'an. We hope that investment in the public sector would rise upto Rs 86000. crores by the end of the Seventh Five Year Plan. It is yielding very good results. A sum of about Rs. 1200 crores has been received this year in the form of income and 24 to 25 lakh people, youth and technicians are employed in the Public Sector Units. The public sector has made commendable contribution in making the country selfreliant, in strengthening the economy, in the development of the country, in removing industrial imbalances and in the development of basic facilities of infrastructure. The decision of the Government of India to appoint technical experts as Chairmen of Public Sector Units deserves our appreciation. Only earning profit has never been our target, but economic and industrial progress has always been our aim. I would also like to make my submission about the education policy. The education policy is connected with our future and that of our youth. The population of people belonging to age group of 14 to 35 years is about 30 per cent of our total population. The perception that has been made by our young Prime Minister, is to make every one educated in each and every village and efforts to develop the country and bring about a new awakening could succeed only through the public cooperation and public participation. After 40 years of independence, only 37 per cent of our people are educated and it will be a great achievement if goal of hundred per cent education is achieved by 1995 or 2000 A.D. A provision of 800 crores of rupees has been made for education under the Ministry of Human Resource Development. The provision made therein for Navodaya Vidyalayas,for rural education and for opening new schools is a commendable step and we heartily welcome it. It requires providing employment to the young prople in th-m. Education, traning and employment, these should be the three integrated phases of human resource development. Only education would not provide means of employment. Along with education, training should be provided to the youth in the field of electronics, automobiles, rural development and housing engineering. The training provided through technical training institute or I T I. at the district level yields very good results in the practical life, whether it is of one year or of a duration of six months. The training course should be diversificed more expeditiously. Attention should be given towards technical education so thal it may cope with the increasing needs of the coming generation. The national youth policy has also been a subject of discussion. Our National youth policy will also be presented in the House during this session and through it our Government would try to give a national shape to the youth welfare programmes.

*SHRI A. C. SHANMUGAM (Vellore) : Hon. Deputy Speaker, Sir, I rise to welcome the Union Budget for 1987-88 presented by hon. Shri Rajiv Gandhi.

The budght has further testified that our hon. Prime Minister is not only an able administrator but also a Finance Minister par excellence.

*The Speech was originally delivered in Tamil.

[Shri A. C. Shanmugam]

Even the hon. Chief Minister of Tamil Nadu, Dr. M.G. Ramachandaran has commended the budget proposals as propoor and opined that budget will give a new thrust in our quest for progress and development. I once again welcome the budget and hope that this will put the nation on the wheels of progress towards the 21st century.

However, I am constrained to state some of the short comings that I find in the proposals. During the year 1985-86, the deficit in the budget was of the order of about Rs. 4000 crores. I do not know how the defict was made up. Likewise, during 1986-87, the deficit was about Rs. 3650 crores. During 1987 88, the budget leaves an uncovered deficit of Rs. 5600 crores. I am very much awed to think how this big deficit is going to be covered. On the revenue side, the Govt is going to net only Rs. 322 crores by direct and indirect taxes.

I welcome the duties imposed on cigarette. This would redeem millions of people doomed in the bad habit of smoking. The pension scheme also is praiseworthy.

The increase of duties on TV sets is somewhat harsh, though the Prime Minister has assured that it will not directly affect the people. Despite circulars having been issued not to raise the prices of TV sets immediately, the sellers have hiked the prices by Rs. 500 —Rs. 1000 per set. I, therefore, request the Prime Minister that this sudden price rise of TV sets should be monitored closely and to see that the middle class and commonmen are not affected by this.

I welcome the doubling of allocation to Rs. 800 crores. This is more than 100% increase over the last year. As many members have pointed out, more than 50% of our people are illiterates. This shameful condition must go. I, therefore, warmly welcome the increased allocation and even if the Govt. allots Rs. 1500 crores, that would also justify, as far as education is concerned.

My previous speakers from the Congress benches pointed out that adequate facilities for imparting education are not available in the villages. But I could say with pride that in Tamil Nadu all basic facilities including buildings have been provided in each & every village Our hon. Chief Minister of Tamil Nadu Dr M.G. Ramachandaran is vigorously implementing the midday meal scheme so that even children in the age group of 2 to 3 years could receive education with nutritive food. We are, therefore, fighting illiteracy under the able leadership of our Chief Minister Dr. M.G. Ramachandaran. The children population in schools has gone up by 5 to 6 lakhs. We earnestly believe that this would be a model to be followed by other States. On this occasion, I would like to make a fervent plea that Rs 400 crores incurred on the midday meal scheme by the State Govt. may kindly by compensated by the Central Govt. Hon. Chief Minister Dr. M G. Ramachandaran has gone a step further. He has announced that 80 to 90 lakh children will be distributed free chappals. This reinstates our faith in upliftment of the poor and down-trodden.

The Central Govt. has proposed to open 150 Navodaya Vidyalayas. We welcome it. However, I would like to suggest to the Govt that these Vidyalayas must spread basic education amongst the poor in their mother tongue These vidyalayas must not function as instruments for propagation of Hindi. I would like to draw the attention of the hon. Prime Minister and suggest that importance should be accorded only to the language of each State and along with that English should also be taught. Navodya Vidayalayas must adopt this two language formula. At this juncture I very clearly State and restate vehemently that the two-language formula is a principle of the people of Tamil Nadu which is in their blood and breath. We will not allow Hindi at any cost to be imposed on us. The people of Tamil Nadu will resist any such attempt and this sentiment of our brethren must be respected. I do hope the hon. Prime Minister would agree with me. I, therefore, plead with the Govt. not to convert these Navodya Vidayalayas as tools for propagation of Hindi. Instead, they should

be used as centres for promotion of regional languages.

The prices of diesel has been raised indirectly. The OPEC countries and Mexico have reduced the price of diesel while the prices in India are gradually rising. I request the Govt. to take steps to contain the price of diesel at least for three to four years. The users of diesel are not only rich alone but even poor men, agriculturists and those who are two-wheelers consume diesel In this connection I draw the attention of the Govt. to the disadvantages inherent in the prevailing contract system for the purchase of diesel. This inflates the price by 40%. This contract system must be abolished and Govt. should directly purchase diesel from other countries.

I also draw the attention of the Govt. to the abundant availability of oil in Cauvery basin. Many experts have opined that this should be tapped and if done, this should be used for the benefit of South Arcot, Thanjavur and Trichy districts of Tamil Nadu.

The Prime Minister may please note the plan allocation to States is gradually being reduced in every plan The plan allocation for States in the Fifth Five year Plan was about 41 5%. This was reduced to 31.6% in the 6th Five Year Plan. This was further reduced to 23% in the Seventh Five year Plan. He may kindly note that there is a steep drop in allocation to the State from the 5th to 7th Five Year Plans. If the States should implement various schemes and projects without delay, if the States are to prosper, I request that the Central Govt. should not reduce the plan allocation for States.

There is severe power scarcity in Tamil Nadu. Even the price of coal, we purchase is very high. If the price in North is Rs. 1000, in South it is Rs. 1200. This is the case with steel and other items. The increase in price is attributed to the transportation cost. If we say India is one country, there should not be different prices for coal and steel anywhere in India. There should be only one price all over India. 80% of power generated in Neyveli and Kalpakkam units must be given to Tamil Nadu as it is in the grip of severe power scarcity. The second mine in Neyveli must be completed early and the third one should be started immediately.

The Okkanakal hydel power project is an important project. It is not only the concern of the State but a boon to the whole nation. Sir, I think this pertains to the constituency of our hon. Deputy-Speaker. This is a long pending project. This could generate 1200 megawatt of power. However, the Govt's of Tamil Nadu and Karnataka are disputing over this project. Sir, there is a vast difference between hydel power and thermal power, as far as the aspect of cost of production is concerned. The hydel power will cost only 10 P or 11 P per unit. I, therefore, request the Central Govt. to take over this project and complete it on priority basis.

Sir, about the farmers' problem I would like the Govt. to constitute a committee to go into their grievances including remunerative prices for agricultural Commodities. The Committee should also suggest measures to rehabilitate the landless labour. The Committee's recommendations must be implemented expeditiously. The farmers do not get remunerative prices. This may lead to farmers' unrest all over the country. Already there are agitations in Maharashtra and Uttar Pradesh. This should be looked into by the Govt.

My previous speaker Shri C.K. Kuppuswamy referred to the agricultural debt of farmers. He requested the Govt. to write off this debt. In this connection I state that Dr. M.G. Ramachandaran has written off farmers debt to the tune of Rs. 300 crores. despite the warnings of the Central Govt. and the RBI. No other State Govt. has written off agricultural debt to the extent. I request the Central Govt. to compensate the State Govt. by a suitable grant.

Many States are lagging behind in the implementation of 20-point economic programme. However, Tamil Nadu is in

[Shri A. C. Shanmugam]

the forefront of its implementation. Funds are lying idle in States where the implementation is slow or nil. The Prime Minister has assured our leader Dr. Kolandaivelu during the question hour in this House, that such idle funds will be released to pilot States like Tamil Nadu for vigorous implementation of the 20 point economic programme with greater stress on Family Planning.

Defence is very essential for a sovereign country. Rs.12,000 crores have been allocated on this account. I welcome that. In this connection, I mention that the Sathu Samundra Project must be taken up as a defence project. Even an expert committee on this matter submitted a report in favour of this suggestion. I reiterate that the project should be taken up as defence project. The Indian ocean is no more a zone of peace. Millitary experts have opined that the Sethu Samundra project will stand India in good stead in case of any threat from a foreign country in this area. This would also obviate Indian ships from Bombay circumventing Sri Lanka to go to Calcutta.

Sir, there are 90,000 sick mills all over the country. Rs. 3600 crores of capital borrowed from banks is blocked in these sick mills. Hon. Prime Minister must look into the matter and come forward with a solution.

The hon. Member Shri C.K. Kuppuswami was absolutely correct when he talked about the corruption prevalent in banks. You cannot get Rs.500 from a bank. But an influential rich man easily gets Rs.5 lakhs and cheats the bank. I request the Govt. to take effective steps to obliterate corruption in the banks.

About the loan melas, Sir, even the Congress member Shri C.K. Kuppuswamy referred to it. The loans are made available only if a Congress member signed for it. It is sad to note that Congress members assure the loanees that they will be exempted from the payment of Rs 5000, in case the members certify suitably in this regard. Why the Congress member should bring a loss of Rs. 5000 to the Govt. ? I fear, Sir, that in these cases the intermediaries pocket half of the exempted money i.e. Rs 2500 and thus lead to loot of public exchequer.

The Govt. should also take staps to monitor public sector companies. The Govt. has invested Rs 40,000 crores in these companies. Technocrats and experts should control these companies for effective management. 43 posts of Chairman are lying vacant. These vacancies must be filled early.

Tamil Nadu is reeling under severe drought. The State Govt. has allotted Rs. 31 crores to give relief to the victims and is taking measures on a war footing. The Central Govt. must immediately send a Central team and release funds quickly.

Hon. Member Shri C.K. Kuppuswamy imputed wrong motive to the removal of Ministers in Tamil Nadu. Even in the Centre the Prime Minister reshuffled his Cabinet 11 times. We do not misconstrue it. I therefore, appeal to the hon. Member not to attribute political or wrong motives to the removal of Ministers in Tamil Nadu.

I thank you for the opportunity given to me to speak.

SHRI HAFIZ MOHD. SIDDIQ (Moradabad) : Mr. Deputy Speaker, Sir, I am grateful to you for giving me an opportunity to speak on the budget. I congratulate the Hon. Prime Minister for presenting such a good budget which is in favour of the poor. To-day, while supporting the views of my colleagues, I would like to say that our poor people will be benefited by the concepts on which stress has been laid in this budget.

Education, export, industry and housing schemes etc. are our very basic requisites. By presenting this budget, our Prime Minister has proved that our Government intends to work for the poor and the

helpless to take them forward. As has been told by all my colleagues that so much money has been provided for education this year, which had never been provided in the past. It is a fact that keeping in view the need for education, our Prime Minister has given us an opportunity for laying stress on education He feels and he desires that our children and youth should be of good character and they should be given good education so that they may achieve self strength and they are in a position to get employment and march forward in their lives.

There is no doubt that our country has progressed in the field of agriculture and the country has marched forward in this field. As all the colleagues have expressed their views, even today it is necessary that farmers are extended more facilities so that they could maximise the food production and take the country forward. 80 per cent population of our country consists of farmers and our country is progressing with the co operation of the farmers.

So far as industry is concerned, there is no doubt that late Pandit Jawaharlal Nehru gave us such a direction in this matter that our country is proud of its achievement. Not only in India, but in foreign countries also, we have established good reputation in their markets. To-day, Our Prime Minister is also moving forward following the same policy. So far as the question of prices is concerned, prices have also stabilised. It is the endeavour of our Hon. Prime Minister and the people of our country also realise it very well that our Prime Minister has such feelings for the poor, the tribals and the farmers so that they could also get an opportunity to march forward.

As has been said by a number of our colleagues, duty on the imported fertiliser is being increased and this will increase the burden on the farmer. I feel that the above duty should not be increased.

Similarly, our middle class people, whether they are in service or in business, should be given relief in income tax and exemption limit for income tax should be raised to at least Rs. 25,000 so that their morale is boosted and they could lead a good life.

The Government has laid much stress on increase in production in the country. There is no doubt that such schemes have been formulated which will increase production in our country and will help in the developments of the country and our country will get an opportunity to make rapid progress. I understand that the amount of Rs. 2050 crores provided for this purpose in this budget had never been provided earlier.

Similarly, a sum of Rs. 2000 crores has been earmarked for rural schemes. There is no doubt that we have been largely benefited by rural schemes. Whereas there were no roads in the rural areas earlier now we find roads there. This has provided good facilities to our farmers for moving from one place to another. The poor farmer has gained a lot of strength by it who used to carry the load on his back earlier.

The N.R E.P. and R.L.E.G.P. have benefited the poor very much. I understand that we have been able to extend a lot of help to the poor people who live in rural areas and are unemployed.

With these words I support the Budget and congratulate the Hon. Prime Minister.

[English]

DR. DEPUTY SPEAKER : Shri Sriballav Panigrahi. Eight minutes I am giving to you, therefore, you try to adjust within eight minutes.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Sir, nobody before me has completed before ten minutes.

MR. DEPUTY SPEAKER : You please help me because there are other Members also who are pressing me that they want to speak today itself.

SHRI SRIBALLAV PANIGRAHI : All should be given equal opportunity. Sir.

MR. DEPUTY SPEAKER : That is why I am saying uniform eight minutes to everybody.

[Translation]

SHRI RAMSWAROOP RAM (Gaya): Sir, other Members have been given more time. Why then should you put a restriction on us ? Other Members have been allowed 15 minutes each.

[English]

SHRI SRIBALLAV PANIGRAHI : Mr. Deputy Speaker, Sir. I have the pleasure to support the progressive budget for 1987-88 presented by our dynamic Prime Minister, Shri Rajiv Gandhi ji.

The performance of our Government and the performance of our Indian economy have proved beyond doubt the age-old saying prevalent from British days about the Indian budget as wrong What is that saying ? That saying is that the Indian budget is a gamble on the monsoon. It has been proved wrong by the economic situation of the country today. Despite odd weather conditions, despite unfavourable weather conditions and erratic behaviour of monsoon for the last two to three years, the Indian economy has taken off with regard to growth in industrial sector, that is about eight per cent and the overall economic growth of about five per cent for the last several years. I congratulate the Government and particularly our Prime Minister for such record success, resounding success on the economic development side of the country. I wonder how the Opposition describes this progressive budget, this dynamic buget, this growth-oriented socialist budget as anti-growth, anti-poor and also inflationary in nature. I wonder and I am at a loss to say what to do with such suppositions. When there are heavy taxation measures, they come down heavily on the Government, as we have seen in the past. Even when there has been any tax proposal with good motive, with good intention, they have criticised it, and now when there is no tax proposal, no taxation on the poor, particularly the common man, they say that the Prime Minister and the Finance Minister has not been bold enough and is not taking the country in right direction They say that this budget lacks in lustre, lacks in direction. This is what they have described the budget here.

Sir, as you have warned me about the time I am not going to speak in detail as to how it is growth-oriented. There are several features in the budget itself which prove beyond doubt that it is very much promising in respect of growth, precisely, they are as follows :-

1. Introduction of a liberalised depreciation scheme

2. Extension of MODVAT to all but three industries.

3. Import of textile machinery at a vastly reduced duty of 65%.

4. Encouragement given to food processing industry.

5. Improvement of the prospects for the domestic capital goods industry.

6. Package to be announced to help it to get out of the doldrums.

What does all this mean ? Would they not promote growth ? Are all these measures anti-growth ? I would like to ask this pertinent question to the oppsition. Unfortunately, they are not here. I would like to know which provision of the Budget presented by our Prime Minister is anti-poor ? This I would like to know from the Opposition Members. Is there any tax proposal on the poor ? Instead there are many reliefs given to the poor. In fact taxes have been reduced on goods of common use during their daily life.

This Budget is aimed at all round

development in agriculture, industry poverty alleviation. It is a sensible Budget, a realistic Budget, a forward looking Budget. People all over the country praise this Budget. They praise the Prime Minister.

Ever since Rajivji has taken over the reins of administration of the country, the Opposition has always been dwelling on criticism that the Prime Minister is anti-public sector and pro-rich. This Budget has proved beyond doubt the commitment of the Government to socialism, to planning and to public undertakings. The political philosophy, of the Congress Party, the economic policy of the Congress Party are very well reflected in this Budget.

We have twin objective—

1. Growth.

2. Equity.

Both these objectives have been well taken care of in this Budget.

The Opposition is criticising that there is record deficit, uncovered deficit and it is bound to encourage inflation. This also is far from truth. Prime Minister himself has given a categorical assurance in his Budget speech that all efforts will be made and by all means this deficit figure wil' be contained. You will see that this figure does not exceed as has been in the past I am happy that there is such a deficit and such an announcement, because it will promote growth. At the same time it is a challenge. The Prime Minister has accepted the challenge. What is the challenge ? It is a challenge to contain, to curtail wasteful expenditure, un productive expenditure and to promote and to ensure successful commercial working of our public undertakings and also a crusade against black money—that will continue Tax collection will improve at the rate of 30% on the book profit of the industry. With the tightening of all economic measures, I am sure that this deficit will prove a boon for the Indian economy. At the same time there will be growth and overall improvement in the working of different organisations—public sector and others.

There are several welcome features in in this Budget. For instance, it is housing. So far it has been a neglected area. This area has been given priority. Professor Dandavate has said that this Government has wrongly fixed priorities. Are housing, education, poverty alleviation wrongly fixed as priorities ? These are priority sectors in this Budget. Which one is wrong ? Let him come out and say which does not deserve priority in the Budget ?

Rs.375 has been fixed as the minimum pension. It is welcome. Six lakh employees will be benefitted.

Sir while welcoming the Budget, I would draw the attention of the hon. Finance Minister to the imbalance which it is going to create among the poor people in some fields. There are millions of farmers in the country whose net income will be less than the aunual pension amount that a pensioner will be getting. The agricultural labourers are not getting Rs. 10 per day and also the poor farmers who are working very very hard on the land, are getting an income far less than the pension amount of a retired employee entitled to get So, Sir, this imbalance is going to create problems and this point should be taken care of.

About land reforms, I may submit that there are some imbalances. When I was the Minister in charge of Revenue, I vigorously implemented the land reforms Act in Orissa fixing 10 standard acres as the ceiling. Now, I feel guilty when I find that some other States are not implementing the land reforms Act and also they ignore the ceiling law on urban property. This is creating imbalance and as such anger and bitterness among the peasan'ry are created. This imblance should not be allowed to continue any longer.

About housing, I would like to mention that I am a loanee and I have taken

[Shri Sriballav Panigrahi]

loan from the LIC for constructing my house. The procedure is so cumbersome and complicated that people are generally harassed. If you fail to pay an instalment even for one day you will have to pay compound interest. I request that th s should be simplified and liberalise.

Now, I come to education. Right from the days of independence, Mahatma Gandhi and Pandit Jawaharlal Nehru had been laying emphasis on reforming education. Several Commissions were appointed and they had come out with voluminous reports. But they were gathering dust. They were not implemented on the plea that sufficient funds were not available. Now, in the present Budget, the hon. Prime Minister has provided a sum of Rs. 800 crores to implement the New Education Policy. This is a very Commendable step that he has taken. Educational institutions are the temples of learing. The conditions prevailing in the temples of learning need immediate attention. These are our factories to produce citizens who will take up the challenge of 21st century. Any amount of investment made in education will definitely help in raising the standard of education. Sir, while moving about in the constituency, students come to us, teachers come to us, the guardians come to us and they complain about the rotten conditions of educational institutions It is very distressing to learn that the percentage of failure at the primary levels and matriculation level is gradually going up Only about 25% of the students are passing. There is something wrong somewhere. Therefore this point should be considered and something should be done in raising the standard of education even at the primary level. According to teachers the syllabus is quite heavy and above the standard for the common students.

In regard to anti-poverty programme, I would submit that it should be properly evaluated and the evaluation should be done by an independent organisation. It is very very important programme and unless we eradicate poverty, we cannot bring the people above the poverty line and the planned development will be meaningless for them. There should be proper monitoring to see whether the funds are spent properly.

As regards Orrisa which is a backward State and which is now passing through power famine, I would request the Government to give top-most priority to the following projects. Orissa has got enormous coal deposits. But it is a matter of regret that there is no Coal Division located in Orissa so far. far from a company. A coal company should be set up with two divisions. This State is lagging behind in the field of irrigation, power generation and also industrial sector. The IB thermal Power Plant and the Talcher Super-thermal Power Plant should be taken up immediately and the Sambalpur-Talcher Railway line and also Jagpura-Banspari railway line should be constructed on priority basis. Sambalpur Railway Division should also be made functional without delay.

Sir, Paradip Port which is the gateway to the prosperity of the State deserves immediate attention. The second Steel plant which was sanctioned is not coming up. A project with a new technology of DR and KR process which was experimented with Daitari in view is now being located somewhere else. This project should be set up in Daitari to develop into a steel complex in future. In respect of irrigation and agriculture also, Orissa which is lagging behind should be given due attention.

So, Sir, with all this there would by considerable development of a backward and poor State like Orissa contributing thereby to the overall development of the country in general.

With this, Sir, I support the Budget. This is a wonderful budget, a memorable budget, a historical budget, and here is a youthful Prime Minister who has taken the country in the right direction. It is now for all the political parties to rise above the narrow, partisan spirit and support him and cooperaet

with him to take the country in the right direction along the cherished path.

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

[Translation]

*SHRI R. ANNAVIAMBI (Pollachi) : Hon'ble Deputy Speaker, Sir, I thank you very much for giving me an opportunity to speak on the Budget for 1987-88.

This Budget is thoroughly a nice Budget. The young Prime Minister has proved that he can take the country to the 21st century. I commend his achievement. He is a lead kindly light of this country. His Budget does not oppress the poor. Neither it crushes the rich. It is the maiden Budget or our Prime Minister and, in the first instance itself, he has brought out this unique Budget. I am boundlessly glad and I cannot, but applaud his wonderful feat.

I also welcome the number of welfare schemes provided for the upliftment of the oppressed suppressed and the downtrodden lot of this country. Each and every proposal of his in this Budget is praiseworthy. In this connection, I feel extremely glad to inform this House that even our Hon'ble Chief Minister Dr. M. G. Ramachandran has hailed the Budget as a trend-setter.

I welcome the allocation of Rs. 310 crores for IRDP, the crown of all anti-poverty programmes in India. In the same way, the Government has allocated Rs. 480 crores for NREP so as to eradicate unemployment among the rural masses. This would create 273 million man-days of employment. I also appreciate the Government's allocation of Rs. 725 crores for the RLEGP. This programme will guarantee employment to atleast one person from a family for 100 days.

This year the Government has allocated Rs. 370 crores for supply of drinking water to villages. 50,750 villages would benefit by this.

However, I may also point out certain lacunae in the Budget. I am very sorry to state that no National Highway was constructed in Tamil Nadu over the past 12 years. I had been reminding the Government of this for the past 2 years but without any result. I, therefore, urge upon the Hon'ble Minister to take steps to construct one in Tamil Nadu.

Tamil Nadu is in the grip of severe drought. People are undergoing untold ordeals. I shudder to think that an ancient civilization of the Tamils should be allowed to be revaged by drought in this manner.

18.00 hrs.

Sir, many villages in Tamil Nadu do not have road access to the nearby towns. This hampers effective communication between the people and also hampers the development of the State as a whole. Though the Central Government has programmed and implemented many schemes for the welfare of the rural masses, I feel my constituency, Pollachi is still backward. I request the Government to construct a National Highway in Poollachi and, thus, help its development.

Further, I had been insisting upon the Government to connect Samraj Nagar, Sathiamangalam and Tharapuram in my constituency by rail so that trains coming from Karnataka may traverse through these areas and then go to Palani. This has been frequently voiced by the Palani Constituency Member Shri Senapathi Gounder. The area was surveyed by the British and, however, the plan to bring these areas on the railway map was later dropped. I hope the kind-hearted Prime Minister will look in to this and do the needful. I hope he will complete the project.

The rural folk in my constituency belong to the economically weaker section. They are very poor and the farmers do

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*The speech was originally delivered in Tamil.

[Shri R. Annaviambi]

not have good harvests for long. Successive failure of monsoon and consequent drought conditions have further aggravated their problems. Their standard of living is very low and many go without a single meal a day. I bring this to the attention of Hon'ble Prime Minister and the Minister sitting on the other side of this House.

I request the Government to establish a heavy industrial unit in my constituency. At least a paper mill can be established.

Lastly, Sir, the Hon'ble member from the Coimbatore constituency, Shri C. K. Kuppusamy has told a gross untruth in this House that 10 Ministers were removed in Tamil Nadu on corruption charges. This distorts truth and misleads the House. Dr. M. G. Ramachandran removed the Ministers only for the sake of administrative expediency as Shri Rajiv Gandhi had done in the case of 7 Ministers recently. This is a routine exercise. Shri C. K. Kuppusamy's charge is, therefore, baseless and I request the Hon'ble House to take cognizance of the real position in the matter.

With these words, I thank you, Sir, for the opportunity given and conclude.

18.02 hrs.

MESSAGE FROM THE PRESIDENT

[English]

MR. DEPUTY SPEAKER : I have to inform the House that the Speaker has received today the following message dated the 4th March, 1987 from the President :

> "I have received with great satisfaction the expression of thanks by the Members of the Lok Sabha for the Address which I delivered to both Houses of Parliament assembled together on 23rd February, 1987."

BUSINESS ADVISORY COMMITTEE

[English]

Thirty-Fifth Report

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHIELA DIKSHIT) : I beg to present the Thirty-Fifth Report of the Business Advisory Committee.

MR. DEPUTY SPEAKER : The House stands adjourned to re-assemble tomorrow at 11.00 A. M.

18.03 hrs.

The Lok Sabha then adjourned till Eleven of the clock on Wednesday, March 11, 1987/Phalguna 20, 1908 (Saka)

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