

cantonment Secunderabad are very poor indeed. The approach roads into residential areas are in a bad state. The public lavatories are of very old type. The water facilities are totally inadequate. The drain conditions are imaginable. There is also the problem of inadequate schools, poor street lighting and poor medical facilities. In spite of these things, unplanned rapid housing construction is going on in the entire cantonment without attending to the acute problems of the residents.

(viii) Demand for stopping the system of obtaining Visas by Indians in U. K., USA, Canada, Malaysia and Singapore desirous of visiting India.

SHRI BALWANT SINGH RAMOO-WALIA (Sangrur) : Sir, Indians, particularly Punjabis living in U. K., USA, Canada, Malaysia and Singapore, are being asked to get Visas for visiting their native places in Punjab. There is widespread resentment among the Punjab is living in these countries against the Visa requirement. The people are being unduly harassed and made to visit Indian Embassies for many days and are made to stand for hours in queues. In many cases Visa is either denied or delayed even when the applicant is to visit his family for emergency reasons. There have been protests and demonstrations against Visa system for Punjabis coming back to their homes. The Government should immediately stop this system as it creates difficulties for innocent and law-abiding people. Some elements who are active to create bitterness are making use of it for creating hatred among the Punjabis and Sikhs against their country.

[12.18 hrs.]

GENERAL BUDGET 1986-87 GENERAL DISCUSSION—(Contd.)

[English]

MR. SPEAKER : The House will now take up further General Discussion on the Budget (General) for 1986-87.

Mr. Shyam Lal Yadav.

[Translation]

SHRI SHYAM LAL YADAV (Varanasi) : Mr. Speaker, Sir, while speaking

on the Budget last Friday, I had stated that this Budget has been successful in implementing those principles which had been announced by the hon. Finance Minister in December last on the statement on long Term Fiscal Policy. After going through the Fiscal Policy, it would be clear why this Budget has belied the hopes of the people that it would be an impressive Budget. A number of long term policies had already been announced which have been implemented in this Budget.

This Budget has been prepared on the principle of zero based Budget as had been announced earlier. The characteristics of this Budget are that it does not give account of income and expenditure in a traditional way but gives an account of the performance of each Ministry in relation to the targets set forth in the Budget. This Budget depicts the structure, functioning and management of the organisation of each Ministry and it has also outlined the targets set out for them. The Budget has also laid emphasis on inspection and monitoring.

I think this is the first zero based Budget. Some headway has been made this year in this regard. I hope that after we have made some headway in this principle, we shall come to know the basis on which we prepare the estimates for our programmes and also how we should analyse them. For this purpose a mechanism will be formulated to know whether the objectives, which have been set forth, are being fulfilled or not. In case the need arises to take strict action or put in more effort, it can be done.

Sir, for this we will have to increase the efficiency of our management, work hard and shall have to keep surveillance on our revenue and expenditure. The hon. Finance Minister has set forth two main objectives before us. The first objective is to accelerate the pace of development and the other is to eliminate poverty. A so called economist who was sent to America as Ambassador of our country in the Janata Party regime and who helped a lady whose shoe had remarked that both the objectives are fallacious. The hon. Finance Minister has made more

allocations for anti-poverty programmes but he has no interest in it because he is least bothered with the poor and on the other hand if the country makes progress, he has nothing to do with it also. That is why he has said so. But I am sorry that an Opposition Member has said outside the House that it is a supplementary Budget. This is not a supplementary Budget but it supplements the Budget of the poor and gives them strength and sustenance. It helps them in balancing their family budget by providing them job, loan and other things. This Budget has been presented with the aim of uplifting the poor. That is why a Rural Development Programme has been formulated to eradicate poverty. There has been increase in the allocation by 65 per cent for the next year in comparison to this year. This increase in the allocation is commendable and I hope the House will give attention to other aspects of development because these programmes are related to the Common man of the country. The development of the country depends greatly on the success of these programmes. Fifty per cent increase has been effected in the allocation for the anti-poverty programme. In 1985-86, a sum of Rs. 1239 crores was allocated for this programme whereas in 1986-87 Rs. 1851 crores have been earmarked which is an increase of 50 per cent in the allocation. Similarly, provision of 20 lakh tonnes of foodgrains has been made for distribution among the Scheduled Castes and the Scheduled Tribes. There is also NREP scheme for the development of villages and for the upliftment of the poor. You have made allocation for this scheme liberally which will generate employment of more than 30 crore mandays.

12.22 hrs.

[MR. DEPUTY SPEAKER *in the Chair.*]

This year provision to generate 25.3 crore mandays has been made. A sum of Rs. 443 crores has been provided for it in 1986-87 whereas it was Rs. 230 crores in 1985-86. The actual increase is 93 per cent but it can be called nearly 100 per cent increase in the allocation.

Similarly, there is Rural Employment Guarantee Scheme for the development of villages. Under the Scheme, 26.4 crore mandays will be generated and the total Central outlay for it is Rs. 633 crores. An increase of 50 per cent over the 1985-86 allocation is being made. The third programme is Integrated Rural Development Programme which is a beneficiary oriented programme. A sum of Rs. 428 crores has been provided for it in 1986-87 which is 51 per cent more in comparison to the provision made in the current year.

I would also like to point out that such beneficiaries, who had been given loans and in spite of this their condition could not be raised above the poverty line, should again be provided loans. In this connection the hon. Finance Minister had said in his statement that such beneficiaries, who had been provided loans once but their condition could not be improved and are burdened with indebtedness, should be provided loans again so that they may start some job afresh after repaying their old debts.

The most important part of the Budget is that allocation has been made for houses for the Scheduled Castes and Scheduled Tribes people and the bonded labourers. Rs. 125 crore have been provided for a new INDIRA AWAAS YOJANA. I hope that this programme will be implemented successfully. I want to congratulate the hon. Minister for the new scheme because I represent a metropolitan city. There was no such scheme for the urban poor under which they could have got loans easily. In this year's Budget you have started a new scheme of giving them loans through the banks. Provision for Subsidy and working capital has been made in it. Similarly, the rickshaw pullers, cobblers, washermen, barbers, 'rehriwallahs' and other poor people will be able to take loans so that they may earn more and make progress in life. Along with it, you intend to extend the accident insurance scheme for Municipal sweepers, coolies and the poor from 100 districts to 200 districts. I suggest that this accident insurance scheme for the poor workers like municipal sweepers and railway coolies should be made applicable to the entire country. With this gradual extension, it will take

many years to cover the whole country and there will be bitterness between the different categories because of this discrimination. Under the 20 Point Programme also, you have allocated Rs. 5,998 crores Rs. 1000 crores have been earmarked for rural drinking water scheme also. You are covering only 39,000 villages for the present. I may submit that you are making such an elaborate arrangement for the economic development of the rural people, but its implementation takes place at the district level. In districts, District Magistrates have the full powers to utilise the entire amount. The district magistrate presides over the Authority Constituted in the districts and also allocates the amount. With one hand, he distributes the funds and with the other hand he starts controlling. I suggest that you may think of involving non-official agencies in this matter. These can include Members of Parliament, M.L.As and other people who can oversee the implementation and as a result it may succeed. If the targets fixed by you are achieved properly, there will be a revolutionary change in the development of the country. Therefore, in order to remove poverty, we should lay special emphasis on alleviating programmes. These programmes are implemented through the State Governments and district administration. I feel that the Central Government needs to be more involved, specially with monitoring programmes and the representatives of the people should be given more opportunities to contribute their mite. We appreciate the priority given to Agriculture and the allied sector in this year's Budget. In this connection you have provided for Rs. 2,838 crores as Central Outlay in this year's Budget which is in addition to the outlay of the States which is 29 per cent more than current year's Budget. It will prove a shot in the arm in the agriculture sector. In 99 districts of the 16 States particular emphasis has been laid on dry land farming. I hope you will try your best to expand it further and the State Governments will also extend their full cooperation. Special attention has been paid to the Ministry of Human Resource Development in the Seventh Five Year Plan which includes education, sports, women, environment, art, culture etc. and for this you have allocated Rs. 1,733 crores in this year's Budget. By

spending such a large amount you will not only open model schools in every district, you will also see to it that the primary education is universalised and made available free. If it is made compulsory, large number of people will be benefited. Today, in our country those who got BTC training as early as in 1970-71 are still unemployed. They are crossing the age limit for service. You should open schools in rural areas so that cent per cent education is imparted. This will also generate employment for people. Along with the teachers, buildings and equipment should also be made available because these are lacking now. This time, for education you have increased the allocation from Rs. 221 crores to Rs. 352 crores I hope that out of this amount, you will spend some money on schools, particularly for construction of buildings for primary schools.

I would also like to say something about the public sector industries. The country has many expectations from them. You have also emphasised in your Budget speech that they will have to generate internal resources to run themselves efficiently. The production should be of good quality and their capacity should also be increased. They should be geared up. I think in this connection the Government should emulate the example of the corporations working under the Petroleum Ministry. For example, the working of IOC, Bharat Petroleum, Hindustan Petroleum, Indo-Burma Petroleum is appreciable in every respect. If the public sector industries working under the Department of Coal, Department of Steel or other Departments run efficiently in a similar manner, I think we will be very successful.

Similarly, our State Governments also run certain public sector industries. These too are not functioning properly. I would like to give you one or two examples. For example, all the Electricity Boards and Road Transport Corporations are running at a loss. In 1983-84 the Electricity Boards suffered a loss of Rs. 948 crores which soared to Rs. 1123 crores in 1984-85 and Rs. 1373 crores in 1985-86. If the state Electricity Boards keep on functioning this way, then neither power generation will increase nor deficit in the

economy will be made up. Similar is the plight of Road Transport Corporations. It is highly unsatisfactory. During the Sixth Plan period, they suffered loss to the tune of Rs. 150 crores to Rs. 200 crores every year and their working is in no way satisfactory. Therefore, the State Governments need to pay special attention to this aspect.

I welcome the new MODVAT scheme announced by the hon. Finance Minister in this year's Budget. At the time of presenting the Budget you had anticipated that after the presentation of the Budget, the prices will come down. But from the Press reports it appears that the industrialists may not pass on the concessions given to them to the consumers. It is a matter of happiness that symposia and discussions are being arranged at different places by your Department and correct information is being given to the people.

You have taken many commendable steps regarding Income Tax, strict action has been taken against tax evaders and the amount realised through recoveries has increased. We appreciate all these steps. But at the same time this year you have given such huge powers to the Income Tax Inspectors for making searches in the residential premises that there is every possibility of these being misused. If you make this arrangement for the income tax payers in the highest bracket, there would not be any objection but the power to enter the house of general income tax payers, to my mind, is in no way proper and is not going to be of much advantage. I want that you should reconsider it.

**THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :** I want to inform you that we are reconsidering this point.

**SHRI SHYAM LAL YADAV :** Thanks for reconsidering it. But one thing I must say and that is that with this Budget you have, on the one hand, tried to maintain the growth rate and on the other hand you will succeed in checking the price line because, according to the newspapers, immediately after the presentation of the Budget there has been fall in the wholesale

price index by 1 per cent which is really satisfactory and commendable and confirms your statement that after the Budget the prices will come down and you will succeed in holding the price line. I am of the view that this Budget has instilled a new hope and faith among the people and under the leadership of the Hon. Prime Minister, Shri Rajiv Gandhi, economic policies will be followed which would provide relief to the poor and increase their income and raise their living standard. You will definitely succeed in this goal and I want to thank you for this.

This year you have supplied, along with the Budget, a booklet, 'Budget and the People' which mentions the achievements of the Budget and explains them in a manner that the ordinary men may also understand them. To understand the Budget was a complicated matter previously. This document has helped us much and I think all the people, whatever their ideologies might be, would have benefited from it. Though doubts are always there, yet everyone in general has welcomed the Budget and they have not only welcomed it, they have dedicated themselves to the task of implementing the policies of Government along with the Hon. Prime Minister.

With these words I conclude.

**SHRI BRAHMA DUTT (Tehri Garhwal) :** Mr Deputy Speaker, Sir, this is the second Budget by the present Finance Minister. Before we assess it in detail, let us have a look at its salient features. First, let us see the impact of the last Budget i.e., whether the policies announced were fully implemented or not; secondly, the amount earmarked for the Budget and the total Plan outlay; and thirdly, the Plan perspectives incorporated in the Budget. I congratulate the hon Finance Minister and the Government that in spite of the severe strain, he allocated Rs. 22,000 crores for the Plan and it is clear that had the Plan outlay been the same as was projected last year there would have been no need to impose any fresh taxes or increase the prices. It is heartening to note that the Plan outlay for the States has been increased by 20 per cent over last year and

[Shri Brahma Dutt]

the Centre has allocated Rs. 5,880 crores more for it. In spite of all this, the best thing is that we shall depend on foreign assistance to the extent of merely 5 per cent of the total Plan outlay. The proposed 48 per cent of Plan expenditure earmarked for infrastructure for a better future is welcome.

Prior to me, Shri Shyam Lal Yadav mentioned a few schemes launched by Government, like, Rural Development Programme, Rural Landless Employment Guarantee Programme (RLEGP) and a new INDIRA AWAAS YOJANA under which it is proposed to construct over 2 lakh housing units. I welcome it. But I would like to point out that merely providing grants to Harijans and Tribals for construction of houses is of no use because our past experience shows that the grants are not adequate for construction of houses and these are therefore, misutilised. The Government has, therefore, evolved a scheme in Uttar Pradesh under which the grant amount is deposited in the banks and the concerned person is given a built-house for which recovery is made through bank. It will work only if they are given built-houses. Past experience shows that merely providing grants will not be of much help.

Sir, grave concern has been expressed regarding the uncovered deficit of Rs. 3,650 crores in the present Budget, but I do not think that it will have any serious impact on the economy, or increase inflation. The expected Gross National Product is Rs. 14,84,454 crores. We have 2.5 crore tonnes of foodgrains as buffer stock. The foreign exchange reserves are of the order of about Rs. 7,000 crores. I can say it with conviction that because of the given factors, inflation cannot rise. Another proof of the fact is that inflation has been the lowest during the last year as compared to the past seven or eight years.

Secondly, it has been pointed out in the Budget that the share of States in the Central taxes is very little and an hon. Opposition leader pointed out that the recent hike in prices has been effected with a view to deprive the States of their share. The share of the States is on the high side

and I would also clarify that despite 36 per cent increase in the income tax collection, 85 per cent of it goes to the States, and this year it is expected to be about Rs. 500 crores which is a record. There has been an increase of 20 to 21 per cent in the Plan allocation of the States this year. The gap between import and export which is around Rs. 6000 crores is causing grave concern and it has to be bridged. We should try to find substitutes, wherever possible.

It is sad the Government also agrees that the production of petrol during the Seventh Five Year Plan will not be as high as it was during the Sixth Plan and, therefore, we should try and utilise the solar energy which can prove a useful alternative source of energy. Another method is to convert molasses into alcohol and use it as energy. Uttar Pradesh, Bihar and Maharashtra are the biggest producers of sugarcane in our country. When a country like Brazil can operate 10 lakh Vehicles on alcohol, why can we not use an alcohol as an alternative to petrol? Molasses can provide a strong base for chemical industry. It can prove useful in the production of synthetic rubber as there is acute shortage of natural rubber in the country. I was highly disappointed when I did not find a mention of it in the Five Year Plan or the annual Plans. I had mentioned about Brazil in this regard in a note to the hon. Finance Minister. I agree that there is a big difference between Brazil and India as has been pointed out by the Industries Minister also. There is another reason also for using it as alternative source of energy. Sugarcane is the biggest cash crop for the North Indian farmer, but he is not satisfied with the price it fetches him. We are not able to pay him remunerative price of Sugarcane because it is linked with sugar recovery only and this has resulted in sharp decline in sugarcane production. Therefore, price of sugarcane will have to be linked with sugar, molasses and alcohol recovery. Alcohol can be used for rubber manufacture chemicals, life saving drugs and as an alternative to petrol. We must examine this aspect. Some people are not in its favour and, therefore, a study should be made by visiting those countries where it is used and efforts should be made to find

other alternatives, otherwise the trade deficit cannot be bridged.

The increase in taxes on luxury items will reduce the trade deficit. We must also examine whether we are paying foreign exchange in hard currency for the import of machines, particularly power generators, equipment for power houses and other spare parts. It should be looked into if we are spending more on this account.

The foremost thing which we feel should be done is to raise the efficiency of the Public Sector. Power is the core sector of the Public Sector and therefore, its production should be increased. I am in favour of using BHEL machines but I would like to point out that when some equipment is supplied by any company, it ensures its after-sale service and guarantees its repair and maintenance etc. BHEL should also provide after-sale service to ensure maintenance of equipment.

Once, perhaps, in 1978-79 a major agreement was signed with Siemens Co. or with some Western Country. The Government will have to ensure that it gets spare parts and equipments on suitable terms and conditions. Is it a fact that we are getting a product for Rs. 3, which is easily available for Re. 1 ?

Neither the size of the Plan nor the Plan allocation is the key factor. What is important is how those funds are utilised? This shall have to be ensured

Last year I had suggested the constitution of an implementation Committee in every Parliamentary Constituency under the chairmanship of the concerned Member of Parliament. This would provide an opportunity to people belonging to all parties as also the MLAs to contribute their mite.

I would like to raise an important matter regarding hill areas. A comprehensive Plan has been formulated for UP and it has been allocated Rs. 553 crores. This has created an incongruous situation which we feel is illogical. There is a clash bet-

ween environmental protection and development. In fact environmental protection as well as development should go side by side. There are many roads in our areas which could not be constructed because forest have come in the way of construction of roads. Several industries also could not be set up because of forests. The Government should try to understand that unlike plains there is no other category of land in our area except private land or the land owned by the forest department. The forests which are being denuded should be saved but in the areas which are rocky, roads should be constructed, drinking water and electricity should be supplied and irrigation facilities should be provided and soil erosion should be checked. The Government has been kind to Dehradun. There is a Hill Development Department, Doon Valley Board and also the State Government to ensure environmental protection. This Board has decided that industries would be set up in not more than 2 per cent of the area. I agree that no industry which spreads pollution in the area should be set up but what is the difficulty in setting up electronics industry which is often discussed here. Electronics industry should be made a cottage industry. Is there any restriction on setting up optics industry, which is pollution free and could provide employment as well.

We cannot enter the 21st century without the help of electronics and the Government is imposing restriction on it. There is no development in hill areas today. It has not been possible to construct roads, canals or to provide drinking water and power because of the indifference of the forest department. In this connection, I would like to cite an example. A person in my area planted trees in 10 acres of land and migrated to other village. Now, 50 ft high trees are standing on that piece of land which the concerned person wishes to hand over to the Forest Department and he is even ready to take a barren piece of land in lieu of this land but the authorities are not yielding. This is ridiculous of course, this is a single instance. The development has come to a grinding halt. I think the Government for making separate allocation for the development of hill

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areas. I request the hon. Finance Minister to monitor the schemes and remove the hurdles. Sincere efforts should be made to utilise the funds properly. The existing installed capacity of the major irrigation projects is not being fully exploited. Similarly, we are unable to make capacity utilisation of power houses and big factories.

I would like to say a few words regarding encouragement to exports. Export Councils are there but they are monopolized by big exporters. They formulate a policy which is detrimental to the interests of small exporters and thereby create problems for them. You will have to give full attention towards it. Then only you can achieve those aims which have been set for the Seventh Five Year Plan and which our Prime Minister and our Party want to fulfil.

With these words I would like to repeat that in the present circumstances this is the best possible Budget. Most of the programmes which had been announced by the hon. Finance Minister last year have been achieved. You are formulating administered pricing policy. It should be ensured that this policy should be a rational one. You propose to formulate long term policies in regard to the agricultural prices. Therefore, you must formulate policy in regard to the cost of production of agricultural produce. There should be coordination and parity between the two.

With these words, I support the Budget presented by the hon. Finance Minister.

[English]

SHRIMATI GEETA MUKHERJEE (Panskura) : Sir, thank you for giving me this opportunity.

The budget for 1986-87 with all its cosmetics is intended to create an atmosphere which is most aptly described in a Bengali poem saying :

*E Duniya Sakal Bhalo. Asal Bhalo, nakal Bhalo.*

That means everything in this world is good. Genuine is good and so is the fake— Like that this budget also seems to have pleased everybody. At least that is the claim being made.

PROF. MADHU DANDAVATE (Rajapur) : You are also pleased. The Minister should not foist pleasure on us.

SHRIMATI GEETA MUKHERJEE : That is why we have been severely criticised by our Prime Minister here because of our failure to clap at the so called appropriate moment. It seems, we have been open to the charge of turning pink from red.

Unfortunately I am now reminded of the other part of the same poem. It says :

*Kintu Sabar Chalte Bhalo, Paoroti ar Jhola gur.*

That means the best on the bread and the molasses. That is the literal meaning. In mundane language, I translate the bread and molasses and subsistence to the poor.

My problem is that I find everything wanting. Therefore, naturally, I cannot commend the budget. I consider the budget to be an exercise in giving a false gloss of pro-poor bias which is meant to cover up the departure from nationally accepted policy of planning, public sector, self-reliance and social justice. Along with the price hike its real thrust remains the same, namely, throwing the lion's share of the burden on the poor people and therefore risking the ire of one handsome gentleman—the present Finance Minister is also handsome.

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : I am getting appreciation.

SHRIMATI GEETA MUKHERJEE : In the long-term fiscal policy you have already promised that all the concessions given to the rich will remain available for five years. In fact, you have followed that, that is added new concessions even in this Budget to the rich. You can't deny it. There is

gift tax concession, withdrawal of the surcharge from the next assessment year and even on the question of standard deduction business. It is true those having an annual income of Rs. 25,000 will get a relief of Rs. 250. Probably that is to silence the kicking middle class at the moment. But may I know what is the justification of giving standard deduction to those who have more than Rs. 1 lakh annual income? In my opinion standard deduction need not be given to anybody at this moment because after all the beneficiaries would be only 35 lakhs out of a total of 75 crores of population. Therefore, this cost will have to be borne by others. That is why I say I do not like this cosmetic budget. While the promise given to the rich in the fiscal policy has to be honoured yet you could have at least said that you will be making an exercise about lowering the indirect tax. Let us see what happened to that? While the direct tax in this budget brings only Rs. 21 crores net the indirect tax brings Rs. 467 crores which is 22 times greater than the amount of accrual from the direct tax. Actually this year the share of indirect tax is 80 per cent of the total tax revenue whereas the share of direct tax in the GDP has decreased. In the year 1985-86 the ratio was 2.41 and now for the year 1986-87 it is 2.25. So, it seems there is a difference between a promise and a promise. A promise to the rich has to be honoured but the promise given to the poor can be ignored. This is the direction of the tax policy. You will not give me time otherwise I could go in detail.

**MR. DEPUTY-SPEAKER :** If you have many points you can write and send.

**PROF. MADHU DANDAVATE :** Sir, the written word he is not compelled to read whereas spoken word he is compelled to hear.

**SHRIMATI GEETA MUKHERJEE :** In 1985-86 revised estimate Rs. 3118 crores were expected to be realised from corporation tax. What is the rise in corporation tax? It is only Rs. 2 crores this year. Look at the excise and customs. Here the growth of excise duty is Rs. 2862 crores for the

same period and the growth of customs duty is Rs. 704 crores and here the reliefs given in the indirect tax also benefit relatively richer people.

Much has been said about MODVAT, and you said it is not MADVAT. I do not want to go into the details of it. But one thing is very clear that it is not only for small scale, it also applies to large scale. Mainly, it will go to large scale, because many of the small scales are labelled as small scale under the indirect ownership of big business houses. But let us imagine that it will at least benefit some sections of the small scale as well.

The Minister's contention is that this relief will be passed on to the consumers. Has it ever happened? What new situation has arisen? Is it because just you have given a cosmetic budget speech that all benefits will be passed on to the consumers in the form of lowering of the price of the final products? Can you even guarantee, leave all one MODVAT benefits, that the excise relief that you have given for the bulk drugs and formulations will be reflected in the drug prices? I tell you that I shall take away my ears during the next year's budget speech if this is reflected in the drug prices.

Much ado has been made about increasing excise duty on some luxury consumption articles such as motor cars, T.V., refrigerators etc. But the range is only about half a dozen and the quantum is insignificant. Though it is a supportable measure, it can hardly have the desired cosmetic effect on beautifying the ugly face of the total direction.

Let us now come to another question, the question of deficit. Everybody knows that the Minister has taken subterfuge of comparing the coming year's deficit with the budget estimates of the current year which has, in the revised estimates of the current year, gone up very much. The real deficit is much more than shown by the Minister. The price rise which is not directly indicated in the budget, cannot be separated from it in its impact, if you look

[Shrimati Geeta Mukherjee]

at the budget in full. It would be a *Yagna* without *Shiva*. That is not possible. If you had taken it as a part of the budgetary measures, than at least the States would have got some share.

SHRI VISHWANATH PRATAP SINGH : Then, it would have been all right.

SHRIMATI GEETA MUKHERJEE : No, we do not want it. But that at least would have prevented you from using make-up for lowering your deficit. Your overall deficit would have run into at least Rs. 1000 crores more than the present deficit, and which will go up later.

The question of deficit is a difficult one. Many of the economists have said that the bank loans contracted by the Government should also figure in the deficit. If that was done, I understand from the economists, that the real deficit would go beyond Rs. 10,000 crores.

Now, about its inflationary effect. It seems that you are not very much worried about the inflationary effect. You said in your budget speech :

“In relation to the size of economy and the stock of money the deficit is reasonable and non-inflationary”.

He also said that the current year's over all deficits has been absorbed by the economy. I do not know what is called absorption. You take the wholesale price index for computing inflation. We find that the consumer price index goes very much up as compared to the wholesale price index. While the wholesale price index went up by 3.86 per cent, in that period the consumer price index went up by 7.5 per cent. And everybody knows why it is manipulated so. The agricultural workers price index went up by 8.1 per cent. Do you think that for an agricultural workers, this increase of 8.1 per cent can be absorbed? Yes, of course, it will be absorbed at the cost of his belly; We do not agree with

your absorption theory because if it is absorbed, it is absorbed at the cost of severe constraints and severe difficulties to the poorer sections of our population.

13.00 hrs.

Let us now come to the most lauded item, 'quantum jum in the poverty alleviation programmes'. So far as raising the amount is concerned, it is welcome. But is all that adulatory claim justified? You said that you have increased it by 65 per cent. Now, if you compare the Revised Estimates, the increase is only 30 per cent.

SHRI AMAL DATTA (Diamond Harbour) : It is 22 per cent only.

SHRIMATI GEETA MUKHERJEE : I have seen both the figures and here I have taken the bigger one.

SHRI VISHWANATH PRATAP SINGH : It is always compared B.E. to B.E. only.

SHRIMATI GEETA MUKHERJEE : Naturally. What is compared should be to your advantage, whether it is BE or RE.

This allocation in regard to poverty alleviation programmes also raises several questions. Now the thing is, if the Seventh Plan stands, what do you propose to do in the next years, when you have already given 40 to 42 per cent in two years? Is it the beginning of a go-by to the Plan? Wherefrom will the resources be collected? You do not collect from the rich and the rural rich is left out altogether. General burden is on the poor. How will this Seventh Plan be taken up? How will the so called quantum jump come up? Is it going to be done at the cost of other sectors such as public enterprises, etc.? You have not dealt with all these questions at length. Instead of all that adulation of this particular scheme which by itself is a good one, you should have answered these questions which have already arisen. But you have not done so.

Even this 30 per cent increase is nominal in the terms that you have assumed

and with an implicit inflation rate of 11.1 per-cent in working out a plan outlay for the year 1986-87, it is going to be less than 20 per cent in real terms. Then, where is the quantum jump?

What is the point in increasing the price of rice and wheat? How will you raise the poor from below the poverty line? Actually, it is computed that poor people, excepting those in the ITDP areas (and there are millions and millions of poor people outside the ITDP areas) have to pay at least Rs 100 crores extra for this rise in issue price. Is that also poverty alleviation? I do not understand this when the food stock is rotting. I do not know whether this food stock is the immediate inspiration for this big jump. Why should these food stocks rot at all in the first place? Better allocate twelve hundred million tonnes for these programmes and save the wheat from becoming non-edible.

I have just two points more and I will finish. Everybody is worried about your low allotment for the public sector. It is the lowest ever in the Plan period, with only 3.2 per cent increase. At several very important spheres, actually it is decreased. So, do we take this to be in keeping with your privatisation about which you are so enamoured at the moment, may be you are not talking of that very loudly because of the pressure? But here itself, it is evident that it goes up. One little thing I would like to point out regarding the allocation for Central law and order. Why this Central law and order should go to that terrible height of Rs. 350 crores or something like that? The law and order is a State subject. Is it so that in Delhi alone the law and order is in such a state that you have to allot such a huge sum more than many welfare measures proposed by you?

SHRI AMAL DATTA : The whole of West Bengal is best policed than Delhi.

SHRIMATI GEETA MUKHERJEE : Therefore, I think the direction of the Budget which I have earlier mentioned is

a out by these evidences. And if I had much more time, I could have mounted more evidences.

MR. DEPUTY-SPEAKER : Madam, please conclude. You had already given lot of evidences.

SHRIMATI GEETA MUKHERJEE : I will conclude by saying that in your last part of the speech, where you referred to Gandhiji's quotation you called for...

(Interruptions)

PROF. MADHU DANAVATE : He has quoted all the three Gandhijis.

SHRIMATI GEETA MUKHERJEE : The First Gandhi was quoted last. There the Finance Minister has given a quotation calling for sacrifice among other things. Now, it seems to me that the Finance Minister has understood that this sacrifice is to be made by the hundreds of millions of under-dogs while the order of the day for the rich will be enjoyment. In my opinion this is what has been sought to be imparted through the Government policies, reflected in the Budget despite its claims on the contrary and despite all its cosmetics. Therefore, Sir, I oppose the Budget.

[Translation]

SHRI UMAKANT MISHRA (Mirzapur): Mr. Deputy Speaker, Sir, the Prime Minister of our country, Shri Rajiv Gandhi has resolved to take the country into the 21st century by making great strides in the economic field. It is a step which would ensure tremendous progress of the country and make it a strong nation in the field of agriculture, industry, technology or science. This Budget is a step in this direction and as such we welcome it and give our wholehearted support to it.

13.05 hrs.

(SHRIMATI BASAVA RAJESWARI  
in the chair)

The main feature of the Budget is that in this Budget, guidelines have been laid down for demanding or allocating funds and

[Shri Umakant Mishra]

also how to spend it. Sufficient allocation has been made for the areas where it is needed the most.

The Members of the opposition parties raised hue and cry when there was minor rise in the prices. I would like to tell that whosoever may be the ruler, whatever may be system of Government, whether it is the democratic system of Greece, the administration of the country cannot be run without raising revenue from the people.

The great poet Kalidas while delineating the ideals of Suryavansi kings had written in—

*Raghuvansha Prajanameva bhurtham  
Satabhyo balim grihit.*

The ruler levies taxes for the welfare of his subjects. This was the motto of the Suryavansi Kings. This was the motto of the society of that time. It is further written—

*Sapita pitrishyastam janma haitwa.*

The ruler was like father to his subjects in every respect. It was his responsibility to look after them. The parents were just supposed to give birth to children. The great Greek philosopher, Plato had written that every earning person should give some part of his income to the ruler, protector and teacher. Two thousand and five hundred years ago a great socialist and philosopher had written that no State can function without raising revenue. Therefore, whatever proposals have been made by the hon. Finance Minister for collecting revenue, are meant for the development of the country, for the upliftment of the poor, for the prosperity and strengthening of the country.

Sir, let us see how a rupee collected in the Budget is accounted for 50 paise from revenue, 14 paise from internal borrowings, 14 paise, from other receipts, 11 paise from various revenues and only five paise has come from external assistance. There

is a deficit of only 6 per cent in the Budget. For a developing country, deficit of 6 per cent is insignificant. Now cast a glance on expenditure. 22 per cent expenditure is on Central Plans, 29 per cent on the State Plans and union territories, 14 per cent on defence, 14 per cent on payment of interest on loans and only 13 per cent is the Non-Plan expenditure. The 13 per cent Non-Plan expenditure speaks of the wisdom of the persons who prepared the Budget. Sir, I would like to list the good aspects of the Budget. The Budget is based on the principle of long term economic soundness. As has been said, this Budget is great step in the direction of fulfilling our resolve for making the country strong. In the Seventh Plan this is a commendable step. No burden has been put on the common man. Taxes have been levied on those who can bear them. Concessions have been provided to the small and medium scale entrepreneurs. This is the main characteristic of the Budget. Incentives have been given to the small scale industries. These industries will be set up in villages and towns so as to give employment to the people and remove unemployment.

Shrimati Indira Gandhi was a great leader of the country. The country is indebted to her. She made the country strong in every field and introduced programmes like National Employment Scheme, Rural Landless Employment Guarantee Scheme, Educated Unemployed Scheme, I.R.D.P. etc. for the poor of the country. The hon. Finance Minister has resolved to allocate more funds for these programmes. An increase of 65 per cent in allocation has been made in the Budget for the anti poverty programmes. This is a commendable step. Government must monitor how the funds allocated to states for Employment programmes in rural areas, Rural employment Programme, Landless Employment Guarantee Scheme are being spent. In addition to providing employment in the villages, permanent assets like dams, schools, roads etc. should be created. It is necessary to ensure that there is no corruption in the utilisation of funds. The setting up of the Small Scale Industry Development Fund is a welcome step.

Now the educated people will be able to take loan from the Fund and start their own business. This will help in reducing unemployment.

Indira Awaas Yojana is also a welcome step. It will be introduced in the villages and houses will be constructed for the poor. The hon. Finance Minister has taken one more important step which is commendable. Under this step assistance will be provided to the urban poor. Till now there was no programme for the urban poor and neither had any fund been provided for them. The hon. Finance Minister has proposed to give assistance to the rikshaw-pullers, cobblers, washermen, porters, barbers, hawkers, sweepers and cart pullers. I would request that cotton carders, tailors, masons *panwaris* and tea vendors should also be included in the list because they also constitute urban poor. This is a welcome step. The urban poor used to complain that nothing was being done for them. Now the hon. Finance Minister has taken this welcome step.

The prices of life saving drugs have been curtailed. This is also a welcome step. Sir, this is a common man's Budget and through this Budget it is intended to help the poor. This Budget will help in strengthening the economy of the country and fulfilling the aspirations of the hon. Prime Minister Shri Rajiv Gandhi. I hope this Budget will give strength to the country. I would also like to give some suggestions. The public sector has a key role to play in the country. In the year 1952, when the public sector was established in the country there were only five industries in this sector and a capital of Rs. 29 crores had been invested in it. But at present there are more than 200 industries in this sector in which capital of more than Rs. 40,000 crores has been invested. It is a point to ponder if a sector, in which such huge capital has been invested, does not yield any profit or does not generate its own resources. The public sector should be further streamlined and dealt with strictness. We hope that the public sector will give so much production and profit as to generate its own resources. If this does

not happen, it will be very unfortunate for us. I would like to submit further that it is not proper to be solely dependent on the public sector in respect of industries like power, steel, fertilizers, petroleum, petro-chemicals. There is a demand among the people that since these are basic items, private sector should also be encouraged to produce them. Those entrepreneurs, who want to invest their private capital in these industries on a small scale and not on large scale, should be given the opportunity and they should be encouraged. The farmer does not need subsidy any more. Now the farmer is enlightened and has been instrumental in raising the honour of the country high. He has strengthened the economy of the country. So, special attention should be paid towards the farmer. Stress should be laid not on the subsidy but on other basic things. 3 to 4 mandis should be established in every development block. The villages should be linked with roads and they should be provided facilities like electricity, water and markets. If the farmers get remunerative prices of their produce, they will be encouraged to produce more. Agriculture is at the centre of our development strategy and as such special attention should be paid to the farmers. Speedy action should be taken for the development of backward areas. The eastern Uttar Pradesh is the most backward region in Uttar Pradesh. Crores of people of Uttar Pradesh have gone to Mauritius, other countries and Bombay, Calcutta or Arab countries. Pressure on agriculture has increased there and as a result development is not taking place in that region. The Chief Minister of Uttar Pradesh has sought special allocation of Rs. 4,500 crores for the development of eastern Uttar Pradesh. I would request that this amount of Rs. 4,500 crores should be sanctioned and the traditional industries like carpet, handloom sari industry of Banaras, utensils of Mirzapur and the handloom industry of Azamgarh should be encouraged. Lakhs of people are earning their livelihood through these industries. By giving encouragement to these industries, job opportunities will be generated and in this way the development of eastern Uttar Pradesh will take

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place. The Northern Part of my constituency, Mirzapur is industrially backward. The people are migrating to other places. Mirzapur city is getting deserted. So in the backward region of eastern Uttar Pradesh like Jaunpur, Ghazipur, Varansi and Allahabad which are situated around Mirzapur, a large scale industry should be established in every region. It is very necessary to set up large scale industry in Mirzapur. With these words, I welcome the Budget wholeheartedly and thank the hon. Finance Minister and the hon. Prime Minister for taking a positive step in the direction of the progress of the country.

DR. PRABHAT KUMAR MISHRA (Janigir) : Madam chairman, I support this Budget and I want to draw your attention to the last sentences of the hon. Finance Minister which he spoke while presenting the Budget. He had said : "In times to come the people will not judge us by the creed we profess or the label we wear, or the slogans we shout but by our work, industry, sacrifice". I want to express my views on the Budget based on these words of the hon. Finance Minister

Our young Prime Minister had declared last year that when in 1990 we shall go to the people again, we shall take the 1984 manifesto and tell the people that we have fulfilled the promises we had made to you and it is for the people to evaluate the extent to which we have fulfilled, the promises. Here I want to draw your attention to the backward region of Madhya Pradesh, which is predominantly a Harijan and Adivasi area and which is a very backward area. Fortunately, recently Shri Rajiv Gandhi visited that area. I do not want to go into the statistics but certainly dwell on certain points which are practical and pragmatic.

Ours is an agricultural country and the centre provides substantial funds to the states for different schemes. How much that money is properly utilised and what is the return we get from that money, I want that its monitoring must be provided for in the

Budget. I want to give you an example. Madhya Pradesh has remained a very backward country in the matter irrigation. Many a time it is either lashed by hailstorms or heavy rains. Sometimes it is ridden by crises like gas tragedy. In this way it remains affected by one or the other trouble. In such a situation we are unable to utilise the whole amount for the purpose for which it was earmarked and it has to be diverted to certain other purpose. I want to talk about the funds allocated for irrigation. In Chhatisgarh, several irrigation schemes are in hand and crores of rupees have been invested on the establishment, motor cars and staff but on account of non availability of the full assistance from the Central Government or the World Bank in time, neither the farmers are getting full benefit of this establishment nor are we getting full achievements. The provision you have made in the Budget for the weaker sections is definitely commendable and this Budget is a historic one put at the same time unless you allocate funds on priority basis for completing the incomplete projects, you will not succeed.

Here I want to mention the names of certain schemes of Chhatisgarh. For example, Arpa and Bango schemes have been lying incomplete for the last 8 to 10 years due to financial constraints. Their cost is increasing every year. In the absence of any time-bound programme, it is a problem to meet that cost. Same is the situation in case of certain hydel electricity schemes. I would like that special attention should be paid to them also and funds should be allocated so that those programmes too are completed within a specified time.

I want to bring to the attention of the hon. Minister that medical facilities in villages are inadequate. The funds are allocated in the Budget every year on the basis of very old norms when population in the villages used to be quite less but today the situation has changed. At present the population there has increased manifold and accordingly the requirements for the medicines have also increased. In spite of that, due to lesser allocation of funds, there is shortage

of the medicines and the poor remain deprived of medicines. I would, therefore, like that special provisions should be made for district hospitals and villagers should get sufficient quantity of medicines. When we talk of traditions and culture in our country, we know there has been a system of medicine in our country since ancient times from which people have been benefiting in a natural way and that suits them also. I would therefore, wish that there must be a branch of Indian system of medicine in every hospital, be it Ayurvedic, Unani or Homoeopathy system and it should get equal status and special provision should be made for that and a separate branch should be opened in every small and big hospital.

Thirdly, I would tell something about the Public Sector. Though the Public Sector produces commodities to the desired extent yet we must exercise control over the production costs. Korba falls under my constituency. In Korba area, you have acquired the agricultural land from the people and have established big industries. I would call it their exploitation. Now the original inhabitants of that area should get the benefits of all these projects. But what is happening is that these people are not getting the benefits. The result of the establishment of these industries is that the people of that area are leading a miserable life in cities like Delhi, Bombay and Calcutta by living in slums. I would, therefore, request that for this a procedure should be evolved under which the Personnel Director or such like officer in the Public Sector is appointed from among the local people who may ensure that the oustees are fully protected and provision should be made to ensure employment for them. In this connection I want to bring to your notice that at the time of setting up of industries, it is stated that they need skilled workers and they start recruiting trained persons from outside. The result is that the local people are neglected. I, therefore, request that at the time of setting up of such Public Sector industries as in Korba or like BALCO, NTPC or any other industry, ITI or Polytechnic schools should also be opened there so that the local

children may get training in those schools and are employed in these factories. Provision should be made for this in the Budget so that the oustees whose lands have been acquired, may get employment in them and are benefited.

Besides this, I would like to draw the attention of the hon. Finance Minister towards the subsidy aspect. Last time one of our hon. Members had raised a question but so far we have not received any reply from the hon. Minister of State for Finance. I would specifically like to draw the attention to the fact that when we see the figures of subsidy in the Lok Sabha and when we go to the villages and meet the people for whom the subsidy is intended we are surprised to see that they do not get that much subsidy. I, therefore, request you to collect information in this regard. One thing has been observed in the case of cooperative banks as well as nationalised banks that subsidy to the farmers, be it for purchase of fertilizers or pumps, is not deposited in their accounts properly because of which farmers have to pay interest on inflated loans and the bank officers utilise that money for themselves, for their vehicles etc. Therefore, this requires special monitoring.

Sir, now I will draw the attention of the hon. Minister of Finance towards industry. Industry is being developed at the cost of agriculture. It is a big problem before us. When the traditional farmers compare their work with the industry, they find a lot of difference and find more profit in industry. In this way as compared to the industrialists, the farmers are earning very less. The result is that the agriculturists are diverting their attention to the industry and the agricultural labour is migrating to industry. In this way the traditional agriculturists are now facing labour and finance problems with the result that they are unable to compete with the industry at present. Therefore, I submit that the industry which you set up or promote should be agriculture-based so that our people remain involved with agriculture and they may get employment in the projects. It may not happen that our agricultural

[Dr. Prabhat Kumar Mishra]

labour may get employment elsewhere and the Government which proudly says that we are self-sufficient in the matter of food-grains may have to cut a sorry figure. I therefore, request that you may set up agriculture-based industry so that we may not have to feel sorry and we remain involved with agriculture. Industries should be based on agricultural produce.

I would also like to draw the attention of hon. Finance Minister to pollution in the area. Special provision should be made in the Budget in this regard. Just as Ganga is an important and major river of the country, every river which flows through a village is important for it. I would like to point out that whereas on the one hand industrialisation is being encouraged, on the other hand steps should be taken to check pollution that is growing as a result thereof. In this regard I would like to cite an example of a factory in my area, Bilaspur, which is spreading pollution. The Brooke Bond tea Company has set up a paper mill, probably Madhya Bharat Paper Mill in Bilaspur, which is discharging its effluents in the nearby nullah and thereby posing health hazard to the people. Repeated complaints have been made to them but in vain. Neither the district authorities nor the State Government has made any provision to check pollution. I would like that besides industrialisation, attention should also be paid to the other aspect, i.e., pollution and arrangements should be made so that the effluents of the mill which are causing inconvenience to the villagers and posing a health hazard can be checked. Special provision should, therefore, be made in the present Budget to check pollution in the area.

India is predominantly an agricultural country. Livestock is very important for our farmers. As our agriculture is dependent on livestock, in the absence of sufficient allocation in the Budget for livestock we are not able to look after our cattle properly. Livestock which comprises dairy, poultry and fishery should be encouraged so that economic condition of farmers may improve.

Regarding forestry, I would like to point out that though the forest department plants trees on both the sides of roads yet in the interior forests are being denuded. I would like that some provision should be made in the Budget so that at least 5 acres of village land is covered under forests in every village, thereby checking land erosion, and helping in rainfall.

I would draw your attention to communications also. Our hon. Railway Minister rightly pointed out that when we talk of development, every Member of Parliament wants to have a railway line in his area. In this connection I would like to say that when we talk of the Twenty First Century, development and progress, it is obvious that the representative or the people of that area will demand better means of transport and rail, air and road links. The people in backward areas and the villagers have to face great inconvenience in the absence of means of communication because without these facilities their produce cannot reach the market and they are also deprived of education facilities. Therefore, special provision should be made in the Budget in this regard. The funds which are allocated by the Centre should be utilised to provide more facilities to the people.

I would also like to draw your attention to energy or power generation. A lot of progress has been made in that regard and provision has been made in the Budget as well but the State Electricity Boards should be given special assistance by the Centre because the electricity generated is not properly utilised by the States. More provision should be made in this regard in the Budget so that power can reach the farmers.

In the end I would like to congratulate the hon. Finance Minister and I think that our young Prime Minister Shri Rajiv Gandhi has given a new thrust to the Budget through his progressive announcement. Besides, I expect the Government to work in a systematic way in future to provide schools, roads, potable water and public health facilities in every village.

I conclude with these words and thank you for giving me an opportunity to speak.

[English]

**SHRI RANJIT SINGH GAEKWAD** (Baroda): Madam Chairperson, you have always borne with me and I hope you will allot me some extra time. I come from an area which is highly developed but there are many areas which are very backward also. So, it would not be justifiable if I just take up points which pertain to the highly developed areas and ignore the backward areas or vice versa. Hence I request you to allot me some more time ... (Interruption).

AN HON. MEMBER : Double time.

**SHRI RANJIT SINGH GAEKWAD :** Double time ..... (Interruptions).

**MR. CHAIRMAN :** You make only points, don't make introductory speeches. Those have already been made.

**SHRI RANJIT SINGH GAEKWAD :** Madam, I rise to support the General Budget for the year 1986-87 for the reasons, firstly, that the allocation of more funds has been made to fight poverty and to remove poverty. Secondly, we find that the financial policy is intended to support the farmers and given relief from financial burden for the urban poor and the common man and lastly there is the long-term fiscal policy to which the Government since last year has been adhering.

Let me start with the backward area. It is a good policy that the Government is thinking of allotting more funds for the upliftment of the backward areas through rural development programmes. These programmes have been functioning for the last four years but the result that should have been achieved is not that satisfactory. The benefits that should be reaching the beneficiaries are not reaching them. In many cases, because of illiteracy, the beneficiaries are not able to take full advantage of this programme. Hence,

though a very large amount has been allotted for this programme, I would request the Minister to make a proper survey of this programme. Every State has got its own peculiar problems like the State of Himachal Pradesh and Kashmir, for instance. It is very difficult to implement this programme because of the terrain and because of the difficulty of communication. So, different types of arrangements have to be made to monitor these programmes. I will give you one example of milch animals being given to poor families. That is given to substitute the farmers income or to add to his income. But does it really work? It does not work. The families are large. The milch animal dries up; it stops giving milk; it is useless and it becomes a burden to the family. There are many other problems which the owner of this animal and the beneficiary has to face, like veterinary service and so on. The animal that is given is of a very high category and breed and it needs some special food which is not available. This is one example of what the beneficiary has to go through in order to make both ends meet.

In my constituency two months ago 50 sewing machines were given to Muslim women. You know, Madam, how restricted Muslim women are; they cannot go for work. They don't go out for work, in traditional families; and machines were installed in their houses. But there is no work for them. What do they do with these machines? Not only that. Somebody should teach them how to improve their stitching so that they may be able to do better work. But it is not so there in these programmes. So the whole idea of bringing these people up from the poverty-line is not fully achieved. Prices are going up everywhere whether we like it or not. No doubt he has given relief to the tax payers upto Rs. 4,000. The prices of all commodities have gone up. Has the increase been relatively worked out in the matter of giving relief? We have to see to that. Otherwise the people's hardship will never come to an end.

Then, education is one of the most

[Shri Ranjit Singh Gaekwad]

important aspects. I am talking about the programmes for the poor man's benefit. Now, education is very much important for the development of the backward areas and unless you educate them properly they cannot take fully advantage of all these development programmes and they can never contribute to the development of the country. I have read some articles on poor people and their reaction to the budget. It has not affected them, they are not even aware of it. When we are working for the poor, when the budget has been made for the poor, first we must have an infrastructure, we must make them aware of it. Otherwise it is like injecting live cells into a dead body, you keep on giving finances, but there is no development. The finances that have been put into this programme will not have the given effect and looking to our economic position, we have to be very careful as to how we spend each paisa.

Madam, when loans are given to educated unemployed youth, again a survey has to be done to find out whether that given loan is workable in that particular area. Several loans have been given for the same produce in one place, but again there is no infrastructure for the outlay for these produces which have to be created. The Director or the man who looks after these outlays is totally handicapped, there is no machinery to help him.

I would suggest to the hon. Minister that Advisory units should be created where people can go and take proper advice on how to develop their own trades so that they go in the right direction and do not have to depend on going to bigger cities or bigger centres and wasting more money. Some people have said that subsidy does not work, there is a lot of malpractice in the method of giving subsidy. I would suggest that it should be a loan with 90 per cent of the subsidy included in it.

Madam, our production has gone up, but against that our population is also

going up. Comparing the population growth and the food growth, we still have to put in a lot of efforts.

Coming to the farmer, Madam, the farmer is one of the hardest working individual in the country and still the poorest. Again, he is also un-educated and not able to employ newer methods of farming in many places. Hence our farming lags behind in many areas of our country. Even a country like Israel where the soil is bad and where there is no water, they have managed to excel in their farm production. That is because of education, they were ready to accept new methods and this is what has to be done if we want to become self-reliant and self-supporting.

Madam, I will come down to my own State now, Gujarat, where we had communal riots, and after that we have now to face, specially in the northern part of the State, drought. Looking to the conditions now in summer, there is going to be a great shortage of water and so proper amenities have to be provided to face the Coming days when the position of water is still going to worsen. The tax laws should be simple according to me, so that the individual understands himself about it and he need not rely on agencies who fleece him. With the simplified laws; the individual will be able to work out the things himself and he need not go to the agencies for paying taxes.

(Interruptions)

Culture is a very important part of our heritage. Our culture is incomparable to any other's in the world. I am happy that the Government have allotted some funds for this activity. I would request the hon. Minister that those who have reached excellence in art and artists of prominence and high calibre should be exempt from income-tax. There are not a large number of their and the life of the artists as an artist is not very long. It is an honour that we give and these are the people who go abroad to other countries as ambassadors of our culture and art. I think, we owe them that much.

Some-how, the Railway Budget does not relate to the General Budget. The growth-centre and development have been announced by the Government. There are many areas where the Railways have shown projects of development but the finances are not being utilised in other aspects. I wish, all that is required would be to relate the Railway Budget along with the General Budget because in our weak and scarce economy, we have to think twice whenever we spend a single naya paisa.

With these words, I support the General Budget.

SHRI AMAL DATTA (Diamond Harbour): Madam Chairman, I rise to oppose the Budget which is totally anti-people in character. But it is consistent with the character of the Government which has presented this Budget, because the Government is anti-people. So, necessarily the Budget has to be anti-people.

Madam, notwithstanding the Budget being replete with self congratulatory expressions, it does not indicate that India is going to grow with the types of allocations made in the Budget and the way in which resources have been sought to be mobilised or rather stagnated. This Budget is coming from a party, the ruling clique of which does not believe in socialism while mouthing phrases about socialistic pattern of society, which does not believe in public enterprise and which would starve it to slow death by denying the necessary finances; which thinks that the engine of growth should be in the hands of the rich and capitalist class which it represents. Here, their own philosophy surprisingly and for their own good fortune. Coincides with that of the World Bank IMF, the clique of the imperialists who also want this country to be run on that fashion. So, the class interest of the party in power converges with the dictates of the imperialists in the economic direction to be given through the Budget. Because the party is of a very diverse character, so I am concerned with the philosophy of the ruling clique. They think that the public sector

should never have been there. It was the original sin on the part of their predecessors whose heritage they claim and exploit all the time and on which basis they are today ruling this country. They committed this original sin in setting up the public sector in the first instance but having got it, they cannot just jettison and so they want to starve it to such a position that ultimately the Government will be only left with nursing those industries which are the infrastructure industries on which the private capitalists have to necessarily depend.

Another villain of the piece, so far as this clique is concerned, is the subsidies given to the farmers and consumers of food agriculturists and to those who consume the product of the agriculturists. If these subsidies could be got rid of, then, according to these people, the country could move faster and more resources could be employed or deployed in the growing sectors, no matter the people, for whom the sectors have to grow, the economy has to grow, will no longer be able to live even below the poverty line where they are languishing at the moment. And since the engine of growth has to be under the control of the capitalist classes, therefore, the controls must be done away with. Licensing MRTP, FERA and import control of all kinds, all bars against collaborations, import of foreign technology, all must go. Indiscriminately, to the extent possible they did it in the last Budget. At that time, they were under the euphoria of having won a massive majority in this House which they wrongly equated with massive mandate and they have been proved wrong in successive elections ever since by losing in most of the important elections and bye-elections. But nevertheless, they cannot get rid of that philosophy and they are still under the impression that by jettisoning the public sector slowly, not at a time, but by giving more importance to the private sector, making it an engine of growth, they will take India out into the path of sustained development, of course, through the capitalist path, not the socialist path. They will go on uttering socialist phrases all the

[Shri Amal Datta]

time. One of these examples is the trap they themselves created by enunciating a long-term fiscal policy by which they have bound their own hands in mobilising resources. Elasticity of resources is gone. You cannot increase the direct taxes any more.

**SHRI VISHWANATH PRATAP SINGH :** May I correct Mr. Amal Datta? If he reads the long-term fiscal policy on the corporate tax, it says we will not lower it. That is the word.

**SHRI AMAL DATTA :** Income-tax can be lowered.

**SHRI VISHWANATH PRATAP SINGH :** In the personal income-tax, we have said we will not raise it, but in the corporate sector, we have said we will not lower the tax, not reduce it. That is what has been mentioned. Please read it.

**PROF. MADHU DANDAVATE :** It means, by and large, it is a freezing of the direct taxes.

**SHRI VISHWANATH PRATAP SINGH :** It is only on a matter of fact I have intervened.

**SHRI AMAL DATTA :** They put a shackle on their own powers to make the tax system elastic and responsive to the needs of the economy. They have put a ban on the increase. They have said 'not lowered', but they have given out the impression and I am sure they are going to stick to it because these are the understandings between the people of the same class and it must be kept—that the corporate tax will remain where they are and in fact, the surcharge that will go from next year. But I think you cannot raise the resources.

The resource mobilisation which was to be made through the budget by way of indirect taxes got a jolt because of the increase in the administered prices followed by the Bharat bandh and the turmoil which

it generated. Therefore, that had to be very quickly changed and the indirect taxes visualised in the budget had to be got rid of at that time and brought down. Therefore, that other promise could not be kept, namely, the surcharge on corporate tax. Or is it income tax ?...

**SHRI VISHWANATH PRATAP SINGH :** Please read the Budget in more detail.

**SHRI AMAL DATTA :** In direct taxes mobilisation what they have done is to mobilise only an additional Rs. 21 crores through direct taxes. I think this is the lowest ever that has been done except may be last year when probably there was a negative figure when the direct taxes mobilisation went down.

So far as the indirect taxes are concerned, only Rs. 468 crores are being mobilised. This is also an extremely low figure which had to be lowered because, as I said, some of the excise duties which were visualised had to be got rid of because of the pre-budget agitations.

Now the engine of growth is not only to be in the hands of certain sections, the private sector but also it has to go in a certain direction. What is that direction? It has to go in for more and more production of commodities which are used for luxury consumption and commodities which can be exported. Therefore, all this liberalisation of controls and liberalisation of imports of technology and import of machinery, and it had gone to such an extent that the private capitalists who were in the machine-building industry have started objecting and that is why some restriction this year has been put on import of machinery. Some import duty has been put on that.

14.00 hrs.

I would have thought that a country where the mainstay of the bulk of the people is agriculture, a few more lines and paragraphs would have been stated in the budget about agriculture. The budget merely says that the large import of edible oils and

sugar shows that our cropping pattern is imbalanced. Nothing about the potential of increase in foodgrains and other crops and other foodstuffs. Nothing about what we could do to ameliorate or redress the regional imbalances which is putting a great strain on the infra-structure. You have to carry 10-12 million tonnes of wheat and rice from Punjab and Haryana to all parts of the country. For 1500 to 2000 km. you have to carry and we do not have the resources. So these regional imbalances should have been cured and there should be something in the budget about that. Nothing. No appreciation. It is so pathetic. Even when they talk about edible oil which hurts because of foreign exchange implications, they only talk about minor oil seeds and all that but what is the potential of this country in increasing oil palm cultivation and all that, that has been given a total go by. What has happened in foodgrains sector, in the agricultural sector, for which the Government is patting itself on its back? We expect to grow this year 150 million tonnes of foodgrains, two million tonnes less than what we had produced two years ago; in 1983-84, it was 152 million tonnes; in 1984-85 it came down to 146 million tonnes; and this year it is expected to be 150 million tonnes. It is said that they have done a great job by increasing our production from 82 million tonnes in 1960-61 to 150 million tonnes where the figure has been stagnating for the last three years. The Government never loses an opportunity to congratulate itself for this great achievement. But what has happened so far as the people are concerned? How much is available per capita, what is the per capita availability. If you take today's figure of population and the 1961 figure of population and also the 1961 figure of output of foodgrains and today's figure of output of foodgrains, you will find that it has gone up from 187 kilograms per head per annum to 197 kilograms per head per annum; that is the extent of increase in production, that is, ten kilograms per annum per head, but not in availability because every year we are stocking at least ten million tonnes of foodgrains; if you take that figure out from the production figure, then it comes down to 184 kilograms per

head per annum. The availability of foodgrains is less despite the Green Revolution. And you will never be able to make foodgrains available at the price at which people can buy and eat if you have to carry them over 1500 kilometres and so long as you do not correct the regional imbalances which have grown because of the policies followed perhaps deliberately—but to give you the benefit of doubt, let me say, because of the ignorance of this kind of a situation developing:

14.04 hrs.

[MR. DEPUTY-SPEAKER *in the Chair.*]

The national income has grown, no doubt; but how much? It has grown in real terms by 1.3 per cent per annum. That is the extent of growth during the period from 1960-61 to 1984. For about 25 years we have grown at this rate. There have been wide fluctuations from one per cent to ten per cent annually; during the last five-year period, in the Sixth Five Year Plan it has grown a little more than it used to grow previously. The GNP has been growing at about 3 per cent or something like that, again with some fluctuations; on an average it is 3.7 per cent. Again because of the growth in population, it is very much diluted.

I now come to their claim about poverty-alleviation. The claim is being made day in and day out, inside this House and outside the House, that they have reduced the number of people living below poverty line from 48 per cent at the beginning of the Sixth Five-Year Plan to 36.9 per cent in 1985. To start with, this figure of 48 per cent itself is suspect because there was always a controversy whether it was not much more than 50 per cent. Then about the figure of 37 per cent also, it is suspect as to how this figure has been arrived at, what kind of sample survey has been restored to for this purpose. Now it has been put beyond all doubt that this is no longer possible because the prices of foodgrains that have been assumed are no longer valid. By one stroke of pen, you have increased the prices of foodgrains and there will be an other increase again from

[Shri Amal Datta]

1st April You can no longer make the claim of 37 per cent people living below the poverty line having regard to the food-grain prices prevailing now and what they will be from April and afterwards. Even if all your calculations and methodology was correct this one fact will take you again back to where you started to square one. Approximately 50% people will live below the poverty line again.

As I said, the impression has been given that India has progressed towards socialism because the Government, the Public Sector is controlling the entire economy. It has got dominant place in the economy. But it is only when you take into the public sector and investment calculations, the infrastructure which takes approximately 75% of the public sector investment that you can arrive at that conclusion. But you realise and appreciate that the private sector, the capitalists are never going to invest in that infrastructure. They were never capable of doing so in the first place and will not do so now.

Then what is happening is that only 25% of public sector undertakings are actually in competition or may be in competition with private sector. In other words they are doing the same kind of job which might have been given to the private sector where the total amount of investment in that 25% which comes to roughly Rs. 9000 crores. This is to be compared with Rs. 12000 crores and more of investment of only 20 top industrial houses in the country.

So, where the Government stands in respect of the public sector and where the private capitalists stand in respect of their investment, you have a comparison here. As against Rs. 9000 crores—I have said Rs. 12000 crores for 20 big houses, it is Rs. 5000 crores for two top houses the Tatas and Birlas. How do the Government compare itself with Tatas and Birlas? It is a cut above these two houses put together. That is all that the Government is doing

so far as the public sector eminent domain is concerned.

In this year's budget it has the temerity to not to increase the public sector outlay as previously they were doing. They have only increased the infrastructure, increased and in others they have reduced the outlay.

A lot of claims have been made in the budget. Increase in the Plan outlay. I don't know how they say increase in the Plan outlay. Again this is a controversy—whether you compare with the budget estimate or the revised estimate and tell the people what you are doing. If you compare with the budget estimate and say that you have increased, you must be at the same time honest to the people and say that so far as the revised estimate is concerned, it is a little less. With regard to the revised estimates I will just give the figures for records :

It is a little more than the revised estimate. Revised estimate for plan outlay is 20000 and it has gone to 22000. It is more, I am sorry about that.

In 1984-85 prices, only 41.2% is being invested in two years, instead of 40% which ought to have been invested. That is 1.2% more is being invested, more than what is envisaged in the 7th Plan. That is all.

There is a claim about 65% increase in anti poverty programme. My Hon. colleague Smt. Geeta Mukherjee has already dealt with it. I shall not go to the extent of repeating that again. But I think that the figures should not have been juggled with in that fashion. The revised estimate figures you have given. Even if a comparison with the budget estimate of last year and this year is valid, the revised estimate shows that what the Government found to be the practicable minimum expenditure in this connection, on that a 20% increase is being made. That is all. Then again that 20 per cent has to be indexed by the price increase. So, it becomes 10 per cent increase. It is a small increase compared to the gigantic task of poverty alleviation which it seeks to do. (*Interruptions*)

Now, Sir, resources are claimed to be raised without touching the poor. How can one get more funny than this! There is already increase in prices of foodgrains, kerosene, cooking gas and the effect of this is already visible in the life of the people. When you say we are raising the resources without touching the poor I say that they are already paying much more. The effect of this will be all pervasive. There is no doubt about it. So, the prices will increase. Government will get much more taxes. The prices will go up. Even at the present rate of taxation there will be more revenue.

Then it has been said that deficit has been kept at about last year's level. Here again there is jugglery with figures.

SHRJ VISHWANATH PRATAP SINGH : Jugglery is not only my monopoly.

SHRI AMAL DATTA : The revised figure is Rs. 4800 crores but it is after omitting a very important item, namely, Rs. 1600 crores which is given to the States as medium term loans. This is totally omitted. If that is added and then you compare the estimated figures of deficit there is 90 per cent increase in deficit. If you apply the same ratio to the present deficit it will be Rs. 7,000 crores.

(Interruptions)

Then it has been said that inflation has been contained. Having incurred this amount of deficit and more deficit if all the theories of various economists are complied with the deficit is more because the bank advances should be regarded as deficit. To say what does it matter if we print the notes and we spend because we have been able to contain the inflation as there is only 7 or 8 per cent inflation is not right because the fact remains that you forget two vital things. You have increased the trade gap by approximately Rs. 5000 crores and that you have got an oil bonanza. Whatever machinery we had for extracting oil is there. We have added very little to it and the oil is coming. It is good but the Finance Minister should understand the

implication. They themselves agree and admit that this kind of growth in oil output is not going to sustain. May be this year it may sustain but what is going to happen next year. If you cannot sustain the growth in oil production and also sustain the trade gap which we had last year then what are we going to do. We have to import. We cannot increase our exports because of trade barriers. All these countries which ask us to promote export themselves put the trade barriers and see that we are not able to export. But, in the mean time we are importing more. What will happen? We know how the Latin American countries fell into the debt trap and that is exactly what is going to happen to us.

What has been the effect of last year's budget, the liberalization etc., asking MRTPL people to come by raising to Rs. 200 crores the exemption limit, FERA people having been given lot of advantages for setting up industries in no-industries and backward districts etc. What exactly has happened? How many people have set up industries? What is the performance in this sector? Industries have not been set up, though licences have been given. I am told, as yet the effects are not at all discernible, to question of being visible.

The number of collaboration agreements that are coming up by hundreds and thousands has gone up by more than hundred per cent, because flood gates have been opened. To this extent, a question in this House revealed, that we have paid for a technology which is available domestically—I am referring to the silicon technology. Whatever quantity can be produced by that particular method and the facility which is already set up has already gone into production since the first of this month; it could have gone into production if power had been supplied earlier. For the same technology, we had paid two million US dollars or something like that. We are so eager to go for whatever is happening outside. There is another example. Under the new education strategy, they are hoping to introduce computers in the schools. According to the estimate of the Government, I am told, about 100,000 computers

[Shri Amal Datta]

would be needed in the first phase, and then much more in the second, third and fourth phases. For this initial 100,000 batch of computers, the Education Minister goes abroad to purchase school computers and probably they will dump some old ones taking advantage of our eagerness to buy things from abroad. Have we not got people who can make school computers for us here? Anything which is Indian has to be rejected and anything which is foreign is welcome.

Then, I would have thought that a few lines would have been devoted to industrial sickness. Today, about hundred thousand companies, of which about eighty per cent are small units are sick. Why are they sick? The Reserve Bank own investigation reveals that most of the small industries become sick because they are born sick. According to that investigation, fifty six per cent are born sick, because of the financial institutions and the Government conspiring to delay the setting up and commissioning of the industries. Nothing has been said about it. There is no policy in fact. We have been going to the Finance Minister, the Industry Minister and the Prime Minister as also others to know what is going to happen to the industries which are either closed or are on the verge of closure. We do not know how many people have lost their employment, wholly or partially, because of this hundred thousand units having been closed. The number is nearly that...*(Interruptions)*

I would just conclude by saying a few words about your poverty eradication programme, for which you have provided 10 to 20 per cent more in real terms. They are full of leakages to the extent that I do not think that even 10 per cent of the people who have been beneficiaries of this programme have been able to cross the poverty line. This is the remarkable thing about this programme. You will be surprised to hear that out of 16.5 million beneficiaries of the IRDP programme, one-third had gone in for milch cattle. That means, in the five year period five million

milch cattle have been bought and sold. But five million cattle are not available in the five-year period. We knew it because we examined people. I am a member of the PAC and we have gone on tour to various parts of the country. It is found that the same milch cattle have been sold five to ten times and that was done by the conspiracy of the bank people, the beneficiaries, the block level people and various other officials. One way to get out of this is to associate local authorities like Panchayats. This was the original directive of the Reserve Bank and the Department of Rural Development. But unfortunately, this kind of identification of the beneficiaries and this kind of adherence to procedures laid down by the Reserve Bank has only been done in the States like West Bengal and Tripura, which are pariahs so far as you are concerned. In other States there has been no such identification *(Interruptions)* What has been the result? As a result, Loan Durbars, known as Loan Melas were organised wherein loans have been given to all and sundry recommended by people nominated by some Minister or some politically influential persons. This is not the way of poverty alleviation. Stop your loan melas if you cannot adhere to the procedure which is laid down by yourself.

KUMARI MAMATA BANERJEE :  
(Jadavpur) : Why are you interested in stopping loan melas? They should not be stopped. They should continue for the upliftment of the poor people. I wonder why these people are not interested in the programmes...*(Interruptions)*

SHRI AMAL DATTA : For you, poor people are those, whose papers are signed by you!

Much more concession should have been given to small scale industry. In fact I do not think that you have done a great benefit to the small scale sector by increasing the limit. If you had lowered the limit or possibly categorised them into A, B, C and something like that, smaller people would have got the preference. What is going to happen now? The whole small scale sector is a priority sector and

the whole benefit will go to the bigger ones, that is, those who are in the higher ranges of the small scale sector. Those who are down below, trying to do business with Rs. 20,000 or Rs. 25,000 or Rs. 50,000 or Rs. 1 lakh, they will be left out in the cold. Perhaps, you can think over whether this small scale sector can be given some added advantage in some manner or other, so that employment generation can go ahead in the industrial sector.

Thank you very much for accommodating me. I would like to say just one word. I think the lady member should have been called to order. She was disturbing me.

MR. DEPUTY-SPEAKER : I request all the members not to disturb. Do not think that I am supporting or advocating for the lady member. You all may speak when your turn comes. Please do not disturb.

[Translation]

\* SHRIMATI BASAVARAJESWARI (Bellary) : Mr Deputy Speaker, Sir, I whole-heartedly welcome the General Budget for the year 1986-87. This is an unique Budget because the main objective of this budget is to root out poverty from this country. Our late lamented leader Smt. Indira Gandhi's dream was to completely remove poverty from our country. This budget aims at making the dreams of late Smt. Indira Gandhi a reality. The complete responsibility for the amelioration of the living conditions of the poor masses of this country lies on our hon. Prime Minister Shri Rajiv Gandhi. All efforts have been made in this budget to chieve this objective.

Tax reforms made in this budget have been welcomed by one and all. I commend and welcome the modified value added tax. This will ensure the Government a very good revenue and there would absolutely no chance of tax evasion. All the 37 items that are mentioned under taxes are com-

mendable. The producers pay the taxes and they get the benefit of it in the final products. This system should be there at all levels. I request our hon. Finance Minister to see that like the producers, the consumers also get the maximum benefit. The common people should be made to know all the details of these 37 items under excise duty. This will enable the Government to stop tax evasion.

Our Government has come forward in a big way to help small scale industries especially in rural areas. The Industrial development programme is providing financial assistance to the rural small scale industries. The hon. Minister has given maximum concession to the small scale industries in the rural areas. This will enable the rural unemployed to get jobs. It will also help the industries utilise the raw materials available in that area. This is a progressive step which can maintain a balanced economic system in the country.

The Central Government has taken proper steps to identify "no industry districts" and to help them in developing industries in those areas. This has been done throughout the country except a few States. In such State about 14 to 16 districts have been identified as no industry districts and they are getting the special assistance from the Centre. But in the case of Karnataka in justice has been done. This has created a lot of problems to the people of the State. The raw materials are not being utilised properly. Therefore, I urge up on the Minister to consider each block as a unit and to help such areas to establish industries. There should be at least one public undertaking in each district. Our hon. Prime Minister has stated that at least one public undertaking should be there in each district. This proposals of the Government has appeared in the leading national newspapers also. This policy has to be implemented in right earnest and at least one person in each family should be provided with one job compulsorily. This is very essential because poverty prevails in most of the rural and agricultural areas.

\* The speech was originally delivered in Kannada.

[Shrimati Basavarajeswari]

They have to be brought above the poverty line.

Our Government has given top priority in this budget to the rural development programmes I thankful to the Finance Minister for his generosity in this regard. I would like to draw the attention of the Minister towards the misuse of funds which are meant for the upliftment of the rural masses. Several members have already mentioned about this misuse of funds. It may be RLEGP or flood relief or drought relief or rural development or development of forests, the misuse of money must be brought to end once and for all. Stringent action should be taken against such persons who are responsible for the mismanagement. They may be agents or representatives or politicians. Action has to be taken if they are involved in the misuse of money.

Another important matter I would like to stress is the sanitation facilities in the rural areas specially for women. Whenever I go to the villages in my constituency the women fold would surround me and explain to me the yopeless conditions of the prevailing sanitation system. They weep and request me to do something in this regard. Therefore, I request the Government to come forward with a plan to provide at least one toilet to each village.

Drinking water facilities to the villages should be given utmost importance. Problem villages have to be identified and they have to be provided with drinking water facilities. I hope that by the end of 7th plan our Government would be able to provide drinking water to all the villages in the country.

It is highly commendable that our Government has a new plan to provide houses to the poor under the Indira Avas Yojana. I appreciate this idea of our Government. There are lakhs of lakhs of people living in slums for the last 40 to 50 years in our country. The Indira Avas Yojana will serve as a boon to such slum dwellers. But this facility should not be

confined only to a few communities. It must cover all the people who are below the poverty line. Sufficient provision has been made in this budget to help and encourage the poor cobblers rikshaw pullers and other down trodden people.

Banks throughout the country are helping in distribution of loans to the needy. There is task force to look after the loan distribution. But many times the banks ask the people to go from one bank to the other. Therefore I request the Minister to see to set a target before each bank. Otherwise the bank officials would say that they do not have sufficient funds to give loans. Therefore our Government should ask the banks to follow time bound programmes. Otherwise there would be a number of hurdles in distribution of loans. Time bound programme is a must to all the nationalised banks. They only people can get loans for anti-poverty programmes and for agriculture.

Long term agricultural pricing policy and the long term fiscal policies are very encouraging. But these days the cost of cultivation has gone up. Fertilizers and pesticides are also costly. Farmers also do not know which crop they should grow in a particular year. There are instances of burning sugarcane which was produced in excess. Some time the oilseeds are produced abundantly. On account of this a balance cannot be maintained in the production of agricultural produce. Many a times, farmers go for commercial crops to earn more money and this results in the scarcity of fodder to the cattle. Therefore it is very essential to have a crop pattern at the national level. For this consultations can be held with farmers representatives, leaders and concerned institutions.

This budget has given good encouragement to the growers of oil seeds. But some oil seeds have been left out. They should also be included. The Centie should consult the State Government and give more encouragement to the growers of pulses and seeds.

Karnataka, Maharashtra, and some other States grow cotton in large quan-

tities. Varalakshmi and DCF 34 are the finest varieties of cotton. Farmers invest huge amounts to produce such superior cotton. But unfortunately "white fly" is attacking the cotton plants and the production has declined very much. Instead of getting a yield of 10 to 15 quintals, the farmers are getting only 2 to 3 quintals. This problem has to be tackled immediately. The market price has also come down. Therefore, the Centre should give all financial assistance to the Cotton Corporation of India to buy more and more cotton from the growers. At the same time the farmers should be allowed by the nationalised banks to pay their loans with simple interest in three instalments. They are unable to pay back the loans in one instalment. In addition to this, the farmers should be provided with more financial assistance on the basis of the crops which they are going to raise the next year.

Vijaynagar steel plant is a long pending demand of the people of Karnataka. Our late lamented leader Smt. Indira Gandhi laid the foundation stone of this steel plant a decade ago. In Bellary district, there is abundant storage of ore which will not be exhausted even if it is utilised for decades. The people in Bellary district are mainly dependent on rain and their financial condition is not sound. The hon. Minister has also stated that the plan of setting up of the Vijaynagar steel plant has not been given up. The people of Karnataka are very much upset over the delay in setting up this plant. We are all disappointed about this delay. I humbly request our hon. Finance Minister to get aid from foreign countries if necessary and set up this plant. I hope our Government would take all necessary steps and start the Vijaynagar steel plant as early as possible.

Sir, I thank you for giving me this opportunity to express my views and with these words I conclude my speech.

[English]

SHRI H. M. PATEL (Sabarkantha): The Finance Minister is reported to have stated during the course of an interview to a

senior editor of an important journal that "people will assess the Government on the totality of what it is doing for the country's progress; one bandh by the opposition costs the economy Rs. 450 crores in production and the extra revenue we have raised from petroleum products is Rs. 530 crores." In this one sentence the Finance Minister seeks to justify the way in which the administered prices were increased a little before the start of the Budget session, and also to attack the opposition for having decided to voice the feelings of the public in regard to these administered prices and the totally unjustifiable method for increasing the administered prices. I think, the Finance Minister should realise that this country is working according to a certain type of parliamentary democracy and the Constitution has adopted a parliamentary form of Government which regards Compliance with parliamentary conventions to be of very great importance. One basic principle is that there should be no taxation without representation. And here well nigh Rs. 2000 crores by way of additional taxation have been raised. I use the word 'additional taxation' deliberately though they say that these are increased administered prices. The total amount by this increase comes to Rs. 2000 crores while increase in revenue by way of taxation from the Budget proposals amounts only to Rs. 450 and odd crores. What was the hurry to have such a steep increase? This Government has no hesitation in giving retrospective effect to any number of things. Leaving that aside, there was no warrant for hastening the matter. They could have come along and presented it before Parliament so that there could have been a discussion. What does the Finance Minister say in his Budget speech? And this is an extra-ordinary statement to make. What he said was that he proposed to place before the House a Policy Paper on administered prices. He says, there has been an open debate on this subject. The open debate started only after the prices were increased and the increase was so terrific that it aroused the wrath of every section of the public in the entire country. If the Opposition is not to voice this kind of resentment, then who else is to do it? When there is a *bandh*, it costs

[Shri H.M. Patel]

Rs. 450 crores in production. May I ask why did the Prime Minister also refer to it specifically in this House? Why does he forget that all he has to do, if he is really taking this country to the 21st century right away, is to reduce the number of public holidays. Think of the amount of saving that would be effected if this country were to have no more public holidays than the number given in the United Kingdom or the United States or any of the Western countries. He would save any amount of money...*(Interruptions)*

SHRI RAM PYARE PANIKA (Robertsganj): How many holidays were reduced in your time?

[Translation]

SHRI MADHU DANDAVATE: Panikaji, there is a trunk call for you.

[English]

SHRI H. M. PATEL: Sir, I have no objection to answering his question. Don't forget—unfortunately the Finance Minister has chosen to forget—that this country became independent in 1947 and the prices have increased since that day up to now—not since that date but let us say since 1969. The price of wheat was Rs. 1.05 per kilogram in 1969, today it is Rs. 2.90 per kilogram; the price of rice was Rs. 1.67 per kg., today it is Rs. 4.40 per kg; Dal Moong was Rs. 3.30 per kg., it is Rs. 7 per kg. today; sugar was Rs. 2.79 per kg., today it is Rs. 7 per kg. I might remind this hon friend of mine that when Janata Government was ruling this country, the price of sugar actually fell below Rs. 2 per kg....*(Interruptions)*

SHRI RAM PYARE PANIKA: And the whole economy was shattered.

SHRI H. M. PATEL: It seems to me that so far as these hon. Members are concerned, they feel that this country started functioning only from 1977 when the Janata Government came into power. They forget

that the country has been independent since 1947, and for all the sins of commission and omission since 1947 up to 1977, they want that the Janata Government should have rectified, removed, improved, their actions which led to emergency...*(Interruptions)*

SHRI RAM PYARE PANIKA: In every sector the production was less.

SHRI H. M. PATEL: May I continue? The price of milk at that time was Rs. 1.40 per litre, today it is Rs. 4.50 per litre; vanaspati price was Rs. 5.76 per kg., it is Rs. 18.50 today; the price of 500 gms. of tea was Rs. 9.80, today it is Rs. 22.45. You can go on pointing out these things. Now, what is the effect of all this? The Indian economy becomes a high cost economy. And when it becomes a high cost economy, Government has to subsidise food and fertilizers. And what happens then? The result of all this is that the subsidy that they pay today is Rs. 4,000 crores a year and yet after giving those subsidies, the cost of our 29 million tonnes of foodgrains is so high that we cannot export foodgrains even if it was correct to export foodgrains. Why do they have such a large stock? Has the Government ever asked itself this question? There is not enough purchasing-power with our people. It is not as if there are no hungry people; people need foodgrains; but there is no purchasing power with the people. That being the position today, so many people who have to go without foodgrains. Government should have found it possible to evolve a scheme or schemes whereby the foodgrains in stock could be utilised purposefully say for providing employment.

SHRI SOMNATH CHATTERJEE (Balpur): Loan Melas.

SHRI H. M. PATEL: Loan Melas is a Scheme in point. It is something which is very nearly running the Banks. It only means more numbers of unrecoverable loans.

PROF. MADHU DANDAVATE: 'Mela' in Marathi means 'Died'.

**SHRI H. M. PATEL :** The Finance Minister said that resources had to be raised. If the plan is to be fulfilled what is preventing him from improving all round efficiency? He can improve the efficiency in so many different sectors of the country's economy. Just to give you one illustration, if one per cent increase in capacity utilisation of power plants in this country can be effected, we would not have to invest Rs. 500 crores in fresh capacity. We can avoid all this by just one per cent increase in efficiency. Equally, one per cent saving on power loss in transmission can save another Rs. 450 crores. Why do you not improve efficiency? The Bihar State Electricity Board has got 33 per cent capacity utilisation. As against this another public sector enterprise, the National Thermal Power Corporation is having double that capacity-utilisation that is 66 per cent. If that could be achieved by another Public Sector Enterprise, why not Bihar? And why not take steps to do this rather than impose fresh taxation burden on the people?

**THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT) :** It is not in Central hands directly.

**SHRI H. M. PATEL :** Mr. Pant I am prepared to enter into a debate on this point and satisfy you that you could achieve greater efficiency.

**SHRI K. C. PANT :** I am only saying that the NTPC is in the Central sector.

**SHRI H. M. PATEL :** I said it myself. Another public sector, I said. I may tell you that there are also Central Power Stations managed by the Central Government whose efficiency and capacity-utilisation is also substantially lower. There are similar hard facts which we would do well to face. But there is no attempt at facing them. There are certain things that Government has fixed as simply estimated cost of modernisation and replacement. And because we have done this, we have been saddled today with plants which are highly inefficient. You take our old steel plants for instance. They are still carrying on with machines which are running, but

they eat up lot of energy. We can ill afford the wasteful consumption of energy. I am only offering all these things...

**SHRI RAM PYARE PANIKA :** There is a lot of improvement in the steel sector.

*(Interruptions)*

**SHRI H. M. PATEL :** The Government has its own administered prices. It is difficult to understand what is the philosophy underlying it. It increased the prices of fertilisers at a time when farmers are beginning to utilise larger quantities of fertilizers. If they go on increasing the prices of fertilizers, they would not be able to utilise the fertilisers in larger quantities. The Eastern U.P., for instance, has only just begun to utilise fertilisers in a incenting ful way and there would be a third Green Revolution if they are encouraged to countinue to use fertilisers. I feel that these are points which are very very important and should not be ignored.

The Finance Minister began his rather long budget speech with a quotation. He said :

“Develoment must be accompanied by equity and social justice — by removal of social barriers that oppress the weak. This is the essence of our concept of socialism.”

I must say that this was the only occasion on which these very fine words were uttered; nowhere later in his speech do we find these words. Not only do we not find the words, but very little that is proposed in the whole speech is designed to remove the various social barriers that oppress the weak and certainly there is nothing, that will lead to greater social justice and equity. There is not the slightest doubt, however; that because of this budget prices will rise and in particular the prices of essential commodities; the suffering will be the greatest as a consequence among the weak, those who are least able to bear the additional burdens. Government servants, organised labour and all sections of organised employees, teachers, bank employees and so on will

[Shri H.M. Patel]

all have some relief. It is the unorganised labour, the self-employed and the unemployed who will have to bear the real brunt and these number far more than all the others who have got some relief towards the increased prices. On top of these increases come the indirect taxes, though excise duties have been rationalised and the object of introducing MODVAT is essentially to eliminate the cascading effect which cannot wholly be avoided in the present scheme of things. The effect of the totality of the changes is likely to prove almost disastrous to many industrial units. Indeed, it is the small-scale units which he claims he desires to help are hit very hard, and this is clear from what appears to be their immediate reaction. Small industries associations have already started protesting, many small industries have closed down or have threatened to close down because they do not know exactly how they are going to be affected by the proposed changes.

15.00 hrs.

[SHRI SHARAD DIGHE *in the Chair* ]

The Excise collectors and officers of the Excise Department are unable to give them any clarification on the subject. I make this statement with a sense of responsibility and without any hesitation.

SHRI JAI PRAKASH AGARWAL  
(Chandni Chowk) : What is the percentage ?

SHRI H. M. PATEL : I would like to know on what basis are they asking these questions. I am merely making this statement. If you feel that the small scale units are not going to be affected, I shall be happy indeed.

It is is not hurting the units, you would be unhappy.

SHRI JAI PRAKASH AGARWAL :  
Not a single industry has been closed down so far, in Delhi.

SHRI H. M. PATEL : Delhi is not the

only place where small scale units exist. The trouble with the hon. Members on the other side is that they feel any statement made, any criticism made must be resented. If an action hurts the people, then surely they should welcome critical Statement. And unfortunately sometimes Government's actions do hurt people who do not deserve to be hurt. I am glad the Minister of State for Finance realises this thing because he is a very reasonable persons.

SHRI SOMNATH CHATTERJEE : Why do you make this unreasonable statement ?

SHRI H. M. PATEL : This policy also affects the larger units. For instance, the AIEI, Association of India Engineers, a very knowledgeable organisation which does not speak irresponsibly, finds that the increased excise duty will raise the price of a standard truck by something like Rs. 7,000 whereas the relief given by MODVAT according to the calculations made, comes to Rs 2300. It is stated that the Maruti car is likely to rise in price by Rs. 15000. If this is going to the consequence, I don't think the changes made are sound. This is the present reaction which has been reported. All this must inevitably slow down the development of the country.

Again the thing that has been surprising me most is, there is no reference to rising public expenditure or any proposal to bring about reduction in public expenditure. The public expenditure has been rising unremittingly. It has been rising at the rate of 5% per annum. Its burden has been enhanced. Why is it that the Finance Minister has chosen to ignore it ? Of course, an across the board economy cut, which is the normal reaction of the Government when pressed to economise very very rarely effects any economy. It may result in some directives such as there should be no fresh appointment made and no fresh projects taken up. This does not achieve any worth while result. But I think, it is necessary that an Expenditure Commission should be appointed. There was an Expenditure Commission which was hastily wound up in 1980 when it revealed the interesting fact that 70% of the public expenditure was

incurred in urban area where 20% of the country's population live. Surely the fact that expenditure was being incurred in urban areas is a fact which should have been readily admitted. You should welcome this fact so that thereafter you could proceed to do some justice to the 80% of the population who live in the rest of the country and on whom only 30% of the total expenditure was being incurred so far. I think, the reduction in expenditure would certainly help the Finance Minister in his search for resources for the developmental activities of the country. The virtual absence of any reference to this is a serious omission. There is similarly very little that has been done for agricultural sector of the economy. There is some reference, of course, to the larger allotment that has been made. But that larger allotment ignores the basic demand of the farming community for remunerative prices. There is no reference to the fact that farmers who grow cotton, for instance, this year are placed in an extraordinarily difficult position because there is no demand for what has been produced. If this decline in demand is likely to repeat itself, Government should have evolved a scheme either for stimulating demand for permitting exports or for assisting in change over to a more rewarding crop pattern. Crop pattern needs to be changed from time to time, according to the price situation and the market demand. But this would only be possible if Government did give some high priority to agricultural sector and realised how very important it was to ensure agricultural prosperity. Although they say that on prosperous agriculture depends the prosperity of the country, somehow very little is done to that end. This is what I feel needs to be remedied and remedied without any delay. It is necessary to be forthright in the matter. What is it that comes in the way of the Government in pursuing a right policy in respect of the agricultural sector of this country? They know full well how vital agriculture is to the Indian economy as a whole. A prosperous rural area would mean higher purchasing capacity and higher purchasing capacity of 80% of the population would mean immediately larger markets for the

industrial sector in the rest of the country. What is it that comes in the way? Giving remunerative prices to the farmer means only that perhaps it may lead to an increase in the prices of essential commodities like foodgrains, wheat, rice etc. The solution to this has so far been found in the grant of subsidies.

But this can never mean that the farmers should be denied remunerative prices. There is no reason whatsoever for denying the farmers, and justice.

You must find ways and means for giving remunerative prices, without at the same time allowing prices of essential commodities to go up. Cost of living has some how to be maintained on an even keel. There are ways and means in which this can be achieved.

It is desirable that the Finance Minister gives some thought to the observations that I have made here and respond fairly and generously to the observations and criticism and make suitable modifications in his final response.

[*Translation*]

SHRI DHARAM PAL SINGH MALIK (Sonepat): Mr. Chairman, Sir, I rise to support the 1986-87 Budget. I congratulate the hon. Finance Minister for the way he has formulated schemes and the way provision has been made for revenue and expenditure hereby benefiting the poor and the average farmers. This Budget will take the country on the path to progress and will provide relief to the common man. I would like to praise the main aims and objectives of the Budget as outlined by the hon. Finance Minister. We shall be successful in eradicating poverty and achieving socialistic objectives through this Budget. It will help in strengthening the Public Sector and increasing self-reliance. I congratulate our Government on behalf of the citizens of this country and hon. Prime Minister through the hon. Finance Minister for the way Schemes and Plans have been formulated over the years thereby benefiting

[Shri Dharam Pal Singh Malik]

agriculture. Earlier, hardly 10 to 12 maunds of wheat and 6 to 7 maunds of rice were produced in an acre of land but today because of our Plans, we are producing 54 maunds of wheat and 70 to 75 maunds of rice in an acre of land. Prior to me, Shri Patel mentioned about remunerative prices to farmers. I am happy that even Patel Sahib has said in so many words that remunerative price should be paid to the farmers. I would like to recall what happened during their regime. When Janata Party was in power, everybody knows what was the plight of the farmers. I would like to cite an example from Haryana which indicates the states of affairs prevailing at that time.....(Interruptions) Sugarcane was being burnt because its price was at its lowest. Once a farmer was smoking 'hukka' in his house and was awake during the night. On being asked why he was wide awake, he replied that he was keeping a watch. Over what, he was asked? He said that he feared someone might unload a cartload of sugarcane in his farm. At that time the price of sugarcane was far less than its transportation cost. I would like to say that one should peep into oneself before criticizing others. The Opposition leader who spoke prior to me dwelt at length on price rise. The hike in prices is not pocketed by a single person. The more the funds with the Government the more the development in the country. A fit example will be that of a family which has sufficient means. Its scale of expenditure will be high and it can make progress as well. The total Budget of the Centre in 1947 was not even Rs. 200 crores though today it is around Rs. 1,80,000 crores. Both the non. Finance Minister and non. Prime Minister deserve to be congratulated for this.....(Interruption) As we talk of Seventh Five Year Plan, we have to note that the progress we have made during the last 30 to 35 years has been made only due to our planned economy. One can easily imagine the appalling condition in which it was left by the Opposition during Janata regime. Therefore, before offering any criticism they should be conscious of their own shortcomings.

It is a fact and everybody agrees that India is an agricultural country and 80 per cent of its population is solely dependent on agriculture. Mere words will not improve the lot of the farmers. Eloquent speeches on the subject can make good books but they cannot bring happiness and prosperity in the lives of the farmers. Water and electricity are the two primary needs of the farmers. They can get water provided Electricity is supplied to them. I feel that floods and drought are equally damaging. If the floodwaters are properly controlled, water can be diverted to drought-affected areas. I would like to say a few words about Haryana. Haryana used to have buffaloes of good breed. The livestock in our country was equal to its population and I believe that if we do not take care of our livestock, the farmer will not be able to make progress. The average farmer does not have more than 5 to 7 acre landholding today. I am not speaking of big farmers at least they cannot be found in Haryana and the average farmer depends much on the cattle wealth. The livestock should, therefore, be properly looked after. What to speak of veterinary doctors, we do not even have veterinary compounders within a radius of 5 to 7 miles around a village. I, therefore, suggest that suitable provision should be made in the current Budget to provide a veterinary doctor or compounder in every village to look after the livestock of farmer, because until the livestock is not properly looked after the lot of the farmer will not improve.

We used to have 'Murra' buffalo in large number in Haryana but today this breed is almost extinct and it is causing heavy loss to the farmers. Most of the farmers are making use of tractors in agriculture today and even a small farmer hires it from a well off farmer to plough his fields. As a result of this, there is sharp decline in the number of bulls and pedigree bulls are not available. The animals husbandry department should ensure availability of pedigree bulls at its research centres so that breeding of bulls of good stock takes place and they are made easily available to small farmers to plough their fields.

Besides, I would like to submit that little attention is being paid to agricultural scientists. I think thousands of farmers become victim of thresher accidents every year and lose their limbs, but no effort has been made or a system evolved so far to stop recurrence of such accidents in future. Besides this, I would like to say that the combined harvest machine is too big in size. It is not used by the small farmers because it leaves the lower portion of the stem of wheat plant uncut in the field, which is used as fodder. At present the rate of fodder is Rs. 105 per quintal. The Engineers should suggest some suitable modification in the machine so that the stems are also cut and collected.

Regarding the Budget, I wish to say that Haryana at present has no capital of its own and Chandigarh is the common capital of both Haryana and Punjab. Under the Rajiv—Longowal Accord, Chandigarh is to be given to Punjab and Haryana has to construct its new capital somewhere else. But the new capital cannot be constructed till Central Government does not give full grant to Haryana. For this purpose, the minimum requirement is of Rs. 10,000 crores and provision to this effect should have been made in the Budget.

It is an old dispute and ever since the creation of Haryana, there has been dispute with Punjab about the transfer of villages and SYL canal. Many of you may be knowing about the causes of the dispute but many others may not be knowing it. I wish to inform the House that in 1960, an International Agreement, Indus Water Treaty 1960 was signed between India and Pakistan. Under this treaty, Indian Government had paid a sum of Rs. 110 crores to Pakistan and in 1961 digging work was started which was to be completed by 1970. In 1966 the States of Punjab and Haryana were formed and the assets were to be divided in the ratio of 60:40. In 1966 Shah Commission was appointed by Mrs. Indira Gandhi which recommended the transfer of Chandigarh to Punjab and three hundred Hindi speaking villages of Punjab to Haryana. But these recommendations were not accepted. In 1970

again, Mrs. Gandhi proposed the transfer of Chandigarh to Panjab and in lieu thereof 107 villages of Punjab were to be given to Haryana and construction of SYL Canal was to be undertaken. The Akalis in Punjab welcomed this decision and celebrated the decision in Gurudwaras. But this decision was also not implemented. People of Haryana are greatly dependent on this SYL Canal because at present only 30 per cent of agricultural land is irrigated and the rest of the land is without any means of irrigation. Now farmers are disgusted and disappointed. If this dispute is not solved, it may take a serious turn and can cause great loss.

I would urge the Government to transfer the Hindi speaking villages to us and solve the water problem. It is our reasonable demand and if it is not conceded, it will create great resentment among the people of Haryana and will have adverse effect.

With these words, I would like to thank you for the opportunity you have given me to speak.

[*English*]

SHRI Y. S. MAHAJAN (Jalgaon) : Mr. Chairman, Sir, the Budget is a determined effort to solve some of our basic economic issues, to raise the living standard of the poor and the downtrodden and at the same time liberalise the economy and provide stability in fiscal and monetary matters. The Budget has an unusually wide sweep and seeks to achieve its objects through an exceptionally large number of innovations in fiscal and monetary policies.

The first important problem that the Finance Minister had to face is that of raising the resources to meet the requirements of Five Year Plan. During the current year Government has been under pressure to meet the growing burden of expenditure on account of interest payment, Defence, subsidies and assistance to the States. In spite of a sharp increase in the revenues the Government had to rely on additional domestic borrowing and a higher level of deficit financing.

[Shri Y. S. Mahajan]

Sir, in his search for additional resources it is natural that the Finance Minister's attention should be attracted first by the public sector undertakings. During the current year there has been significant improvement in the working of the thermal units, railways and the collieries. If there is improvement in the working of these public sector undertakings then there should be no difficulty in raising the necessary finance for our planning effort. How important this can be seen from the fact that if in the power sector the plant load factor improves by 1 per cent or transmission losses are reduced by 1 per cent the national production, it is estimated, would increase by about Rs. 450 crores. It is, therefore, necessary that the Government concentrates its attention on improvement in the productivity and efficiency of the public sector units. These units have been set-up at great cost to society and it is necessary that the managements of the units must become cost conscious. They must reduce excessive manpower. They should have better control over inventories, associate labour in the management process, raise capacity utilisation and aim at stability of prices over a period of time. The managers as well as labour should have a sense of commitment and they should realise that they should contribute their share of resources for developing a socialist economy.

Sir, the Finance Minister has called for a frank debate on the subject of resource mobilisation which he regards as essential for the long-term economic health of the nation. There are many ways by which he can add to our resources but since time is limited at my disposal I would only like to refer to one or two matters. The first relates to irrigation projects which suffer from cost over-runs. Expenditure has increased by about 400 to 500 per cent in many cases. If project formulation is improved and implementation takes place according to time-schedule then I am sure the Finance Minister would be able to save hundreds of crores of rupees every year. Since we have now a Ministry whose job is

programme implementation, I hope, things would improve in future. It will make easier the task of the Finance Minister to raise resources for the Plan. It has been said that the reason why there are delays in the execution of power or irrigation projects is that there is proliferation of projects resulting in inadequate allocation of resources, difficulties in land acquisition and shortage of construction material. All these difficulties can be foreseen, can be anticipated when the project reports are prepared. It is surprising that even after thirty five years of planning, our projects reports are still faulty. Have we not got experienced and able consultants? There was a news item in the newspapers that the Government was going to enter into an agreement with a company run by non-resident Indians and that they would provide consultancy to our public sector enterprises at a very very heavy cost. The Government should consider this matter carefully, because sometimes consultancy can be very expensive.

The third way, apart from reducing administrative cost or cutting down expenditure, is that the Finance Minister can raise resources by one method, the method which is always at his disposal and which he can make use of at the risk of inflationary pressures—I am referring to deficit financing. This method has to be employed when you cannot raise sufficient resources from taxation or borrowings. In spite of all his efforts, our Finance Minister has found that he has to leave a gap of about Rs. 4090 crores as uncovered. Criticism has been made that this gap will lead to rise in prices. From our past experience we can say that this amount of deficit financing is within safe limits. If production increases by five per cent, as we anticipate, as it did in the Sixth Plan, the economy will be able to absorb it and the prices would not rise.

The loud protest made by the opposition against the increase in administrative prices and the one-day bandh organised by them were ill-conceived and politically motivated. By stopping production for one day, they have cost about Rs. 500 crores to the national income. It is not the way, as

has been pointed out by our Prime Minister in his replay to the debate on the motion of thank to the President's Address, we can help the people; we cannot help the people by organising bandhs, but by helping the economic machinery to run smoothly and efficiently.

The entire thrust of the budget proposals is for eradication of poverty and improving the lot of the economically weaker sections of society, specially the scheduled castes and scheduled tribes. The Government is committed to this policy. For the first time, the hon. Minister has made a whopping increase of 93 per cent in the allocation for National Rural Employment Programme, which will generate employment for 300 million mandays in 1986-87. He has increased the allocation for Rural Landless Employment Guarantee Programme from Rs. 400 crores to Rs. 633 crores. Similarly, the provision for IRDP has been raised to Rs. 428 crores from Rs. 283 crores during the current year.

Apart from the social security scheme, arrangements will be made for constructing houses for the scheduled castes and scheduled tribes under the Indira Gandhi Grih Nirman Yojana, for which an allocation of Rs. 125 crores has been provided.

Efforts will be intensified to see that thousands of problem villages are provided with at least one safe source of drinking water. Mr. Chairman, Sir, we know how difficult it is for the people to get drinking water in the Maharashtra villages. There are 810 villages to which we are supplying water through tankers and bullock-carts. The number of such problem villages will increase to 12000 villages within two months. The Government has prepared schemes for water supply costing about Rs. 1450 crores, and Rs. 125 crores have been provided for Maharashtra. I hope the hon. Minister will come to our rescue and see that for this work, more resources are allocated to Maharashtra.

Priority continues to be given to other parts of the Plan, such as the Minimum Needs Programme, and the 20-Point Pro-

gramme which aim at an all round progress of the poorer sections of the community.

Sir, the primary thrust of the Budget has been to implement various elements of the Longterm Fiscal Policy. This marks a great departure from our traditional practice. It has introduced what is called MODVAT, modified value added tax, which is a means of giving to the manufacturer instant credit for tax on materials which he has used. This means that the prices have a tendency to come down. It helps not only the manufacturers, but also the customers and consumers, who are unorganised and therefore unprotected.

The proposals to replace the investment allowance by a new scheme, abolishing surtax on corporate income from 1978-79, to change the present system of depreciation and rationalise its rate structure are important. Liberalisation of the excise exemption scheme will boost the small scale industry and expand opportunity for employment.

The large scale simplification and rationalisation of the tax structure and the introduction of MODVAT will help industry to develop.

Then I would like to bring to the kind notice of the House one local problem regarding my constituency. We have a textile mill which was closed about 18 months ago. 3000 workers were rendered jobless. The management which was guilty of mismanagement or misappropriation of funds has not been taken to task. In the interest of the 3000 workers who have lost their jobs, I hope the Government of India will come to the rescue of the State Government which, has already written to the it for help. The Government must take over the mill and hand it over to the cooperative of the workers, so that it can again function and the people can be provided with jobs.

We talk so much about growth and development. But all this is intimately related to the growth of our population. From 1966 onwards, we have been making Herculean efforts to reduce the rate of

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growth of our population and the rate has come down to some extent. But the addition to population every year has gone on increasing. Therefore our efforts on the lines which we have accepted will not enable us to reduce the rate of growth of our population to the rate targeted by 2000 AD. Therefore, I suggest that we must accept a policy of strong disincentives and incentives in this matter. If we rely on purely voluntary methods, then we are facing an intractable wall of resistance, resistance due to religious or traditional prejudices, resistance because of lack of knowledge or wrong ideas. State power must make some impact on the people so that we can achieve the objective of a stable population or a zero rate of growth, by 2000 AD.

With these remarks, I support the Budget which has made great innovations and radical changes in our fiscal system and which is going to prove to be a great instrument in raising the standards of millions of our people.

[Translation]

SHRI K. N. PRADHAN (Bhopal) : Mr. Speaker, Sir, it is a very nice Budget and it would not be wrong to call it a Budget of very high degree of maturity and sincerity. Every year Budgets are presented. Most of us discuss these Budgets and there is mixed reaction in respect of every Budget. We like some aspects and some may not appeal to us. Ruling party members support the Budget wholeheartedly but sometime they do it as part of their duty. Similarly, the Opposition members sometime oppose it strongly and sometime criticise it for the sake of criticism only. Since Friday, I have been listening to the speeches of the Members belonging to the ruling party as well as to the Opposition. In case you have listened to them carefully, you must have felt that all the ruling party members, who spoke on the Budget, supported it wholeheartedly and not merely as a duty. The Members belonging to the Opposition criticised it merely as a duty

and it was only suggestive criticism. It is evident from it that it is a good Budget.

I did not want to enter into any controversy but Shri H. M. Patel, who has left the House, had stated that real freedom was ushered in 1977 and administration was streamlined. But I would like to ask where that food and sugar stocks had gone which were collected by the Congress Governments. Gold reserves were also auctioned to favourite capitalists who were financed by the Banks, on the plea that the prices of gold would come down in the market. You have committed such blunders. You have seen the two general elections as a mark of atonement of the people. Atonement is good thing otherwise one has to suffer and you will go on suffering.

This is a commendable Budget and as such I would not go into detail but only say that it is a poor man's Budget. Steps have been taken to reduce the gap between the rich and the poor, to increase production and increase the defence resources. I appreciate the Finance Minister for not only inviting suggestions but also accepting the good suggestions and trying to implement them for which I would like to congratulate him. Budget of any country depends upon the economic and social conditions of that country. In case of developing countries, the Budget can be assessed by its impact on the people of that country.

Sir, there is repeated talk about the people living below the poverty line. It may be less than 50 per cent but if the number of those living in the proximity of the poverty line is also taken into account, the number would be more than two-third of the total population. We must see how this price rise would affect those who do not have enough food and clothes for them and their children, live in thatched huts and do not get even sufficient supply of kerosene. By this Budget they will get cheap ration, cheap clothes, employment, education for the children and medical facilities. This Budget will benefit a major portion of our population which is not well

off. This can be the real criterion of any Budget.

I had raised an objection to the previous Budget and I want to raise the same objection to this Budget too. Finance Minister has left the House. I do not know what allergy he has to the family planning. In some households, the elders bless the youngsters by wishing them prosperity and more children. It seems that there are such elders in the house of the Finance Minister also. He has not said anything about the family planning either in this year's Budget speech or in last year's Budget. Family Planning has been accorded the lowest priority in the Budget. The allocation made in the Budget for the family planning is only 6 per cent more than the last year's Budget allocation. Whereas we are resolved to enter the 21st century with a growth rate of 1.53 per cent in the population, actually this growth rate should have been zero. I am doubtful that you may not be able to achieve even that growth rate set by you. We have seen over the years that the increase in the production and the growth in the national income are all nullified by the ever-increasing population. No importance has been shown to the family planning programme. The provision of monitoring by Centre is praiseworthy. Now one can see how the banks have played a key role in bringing revolutionary changes in our national life. If one does not want to see the reality, it is a different thing. Railways have also shown a good performance. The State Government have not made provision for monitoring and as such we would not achieve the desired result. The hon. Finance Minister has contributed a lot for placing the banks on sound footing. The Indian Banks Association has fixed service charges, but all the banks are not adopting it. If these charges are introduced through the Reserve Bank of India as in the case of rate of interest, I think they will introduce them. In case we invest in N.S.C. and U.T.I. we get certain concessions. We must mobilise maximum savings for our developmental purposes. If we encourage maximum savings in the villages, it will help in the

development of the country. If the facility of saving certificates is provided in the bank, it will help in enhancing savings. The hon. Prime Minister and the hon. Finance Minister have taken this step with great courage which is no less than a miracle. A national wage policy should be formulated. We should have uniform pay-scales for the employees working in the Central Governments State Governments and the local-self bodies. The employees had been fighting for uniform dearness allowance for the last many years and at last we had to concede their demand. It would be better to take early steps in this respect instead of giving chance to the people to resort to agitation ... (Interruptions) We should try to effect cut in administrative expenditure and cut should be substantial so that its impact is felt by the people. For example, at the time of visit by the V.I.Ps, hordes of Ministers and officers of the State dance attendance on them. The Protocol should be revised as it has become obsolete now. We should effect economy wherever possible. Similarly a lot of foreign exchange is spent on foreign tours unnecessarily. People manage to arrange foreign tours for themselves. People ask me also why I have not gone on foreign tours. They suggest to me to wangle a foreign tour to have a good time. Such tours, which are wangled, should be stopped. It entails expenditure of public money unnecessarily. Assistance is provided to the states in proportion to their population for raising the people above the poverty line. What I would like to submit is that such assistance should be provided to the State in proportion to the number of people living below the poverty line. Then only they can come at par with other States. It is good that the royalty for minerals is proposed to be increased. I would like to draw your attention to the Public Sector which is the backbone of the country. We cannot say that the performance of the Public Sector undertakings is satisfactory, although the work being done by some of them may be good. It is all due to the performance of the officers in the Public Sector. There is need to monitor their performance. The officers in the public undertakings manage to get top posts and

[Shri K. N. Pradhan]

conduct themselves in a manner that the public sector undertakings incur huge losses. For example, in an important unit like BHEL; the officers who should have been demoted and punished for their misdeeds for the last two years have been given double promotion. Under such conditions how can we improve the performance of the public sector undertakings. We shall have to take stringent measures to improve the working of the public sector undertakings.

So far as the forests are concerned, there are no two opinions that emphasis should be laid on afforestation in the country. Besides, irrigation facilities have also to be augmented and roads and power are to be provided. But we have seen that work on these projects is held up for as may as two years, although funds have been sanctioned for these projects by the World Bank. But permission is not given to fell a few trees in the name of protection of forests. The Centre does not give permission to fell those trees.

States have to approach the Centre for sanction of various schemes such as NREP and RLEGP. This results in inordinate delay and the sanction is also generally not granted. I would submit that work of implementation of these schemes should be made a State subject.

I would also like to say about F.C.I. For example, you give Rs. 50 as subsidy on wheat. It seems to be on high side. So you should get it examined at your level whether the subsidy, which you provide, is justified or not. Certain foreign powers are active in weakening our country. They do not want to see us make progress. Also, there is no dearth of traitors in the country. They are in league with outside powers and are engaged in treason. They want to destabilise the country because they know that no foreign conspiracy can succeed if this Government remains in power for five years in the country. These people, who want to come to power, think that they may get this opportunity very

soon. They somehow got an opportunity sometime back. The intelligence department of the country should be strengthened and, if need be, more money be earmarked for it. We should not hesitate in spending more money in this respect. The incidents that took place in the recent past were due to the failure of our intelligence. With these words, I congratulate the hon. Finance Minister and hope that such Budgets will be presented every year till we enter the 21st century and the same would lead to the prosperity of our country.

SHRI RAM PUJAN PATEL (Phulpur):  
Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak on the Budget for 1986-87. The Budget, which has been presented by the hon. Finance Minister is an important document for the poor, the farmer and all sections of the society. The Opposition have given their views in regard to the Budget which are not based on logic. They had hoped there would be hefty tax proposals in the Budget and they might get an opportunity to organise strikes, agitation etc. but all their hopes have been dashed. That is why they are viewing the Budget from their respective angles.

The Department of Rural Development has been allocated more funds in comparison to the allocation made in the Budget for 1985-86. This will help in the upliftment of the poor. A sum of Rs. 230 crores was provided for 1985-86 which has been increased to Rs. 443 crores for 1986-87. Similarly, against an allocation of Rs. 400 crores for 1985-86 for the Rural Landless Employment Guarantee Programme, a sum of Rs. 735 crores has been allocated for the year 1986-87. Likewise, the allocation for the Integrated Rural Development Programme has been increased to Rs. 428 crores.

15.55 hrs.

[SHRI SOMNATH RATH *in the chair*]

The most important work is the housing programme for the Scheduled Castes and the Scheduled Tribes and the bonded labour, who belong to the poorest section of the country. Last year Rs. 100 crores

were allocated for this programme and this year Rs. 125 crores have been allocated. Sir, it is a very sacred work, which the hon. Finance Minister has done. But my submission in this regard is that a survey should be made to find out whether the houses constructed for the Harijans are of any use to them. The reason is that Harijan houses are of such a model and constructed at a place that few Harijans live in them. I have myself seen many such houses in Mou Aaima in Allahabad in which not a single Harijan resides. There is another place named Hathgahan but nobody lives there. Similarly, houses have been constructed in Aseypur in Tehsil Handiya but there also no one resides. I myself went there and saw that though the houses are ready yet before the residents moved in, cracks developed in the houses. When I complained about this to the Collector, he himself enquired into the matter and wrote a report against the construction. Only then the construction work was stopped and now the houses are being constructed elsewhere. Therefore, the programmes which are being implemented for the poor and the land-less should be monitored properly.

Sir, I am of the view that the hon. Finance Minister has done a great job by naming the housing scheme after the name of Shrimati Indira Gandhi because she sacrificed her life for this country and if the houses are constructed after her name, then it will be a great thing. I have seen in this Budget that the 20 Point Programme has been released according to the wishes of Shrimati Indira Gandhi through which the country will make all round development. Last year, Rs. 4,900 crores were allocated for this Programme and this year Rs. 5,548 crores have been allocated so that the programme can be implemented properly and there is all round development of the farmers.

The hon. Finance Minister has proposed about 21 per cent increase in the production of nitrogenous fertilizers during 1986-87 over the current year. Sir, it is a big thing. I think there has been considerable increase in the use of fertilizers and we have to

import it also. I, therefore, request the hon. Finance Minister to allocate funds for this and try to increase the indigenous production so that the shortage of fertilizers can be reduced. Sir, in Phulpur there is a big fertilizer plant and the quality of the fertilizer is so good that it is in great demand. Therefore, a proposal for another plant there was sent by them. As an alternative, they had requested for expansion of the existing plant but the Government, so far, has not issued any directions. I have requested the hon. Finance Minister many a time to provide sanction to that proposal which will involve an expenditure of Rs. 275 crores only while other proposal sent from other places involve expenditure between 400 crores to Rs. 500 crores. Moreover, as compared to Phulpur, they have lesser facilities. There the plant will be ready within three years whereas at other places it will take about five years to complete. Therefore, the Government should keep all these factors in mind as to where less money will be invested and where the plant will be commissioned earlier, I, therefore, feel that if these factors are ignored, the job will not be done in a proper manner.

Sir, through you I want to tell the hon. Finance Minister that in November, 1981 the hon. Prime Minister, Shrimati Indira Gandhi had visited that place and in her presence the then Agriculture Minister had announced that a soda-ash plant will be set up there but subsequently that factory has been allocated to some other place. On making an enquiry, I come to know that the factory was not set up there because it would not have been economically viable. My submission is that if that plant does not incur losses at the other place, how then would it have incurred losses at this place? When the Agriculture Minister or any other Minister announces something in the presence of the Prime Minister, it has some sanctity. Now the people in our area want to know why this work has not been done in spite of an announcement to this effect? This creates disappointment among the people and our image suffers.

Nitrogenous fertilizer is required in large quantity in the eastern part of Uttar

[Shri Ram Pujen Patel]

Pradesh and the western region of Bihar and there is only one fertiliser plant in Phulpur which caters to the need of the entire area. Fertilizer is supplied from this plant to the different parts of the country. Therefore, keeping in view the utility of the plant, I hope you will order its expansion and allot funds for it. It will be very kind of you, if you do this.

Sir, the most significant feature of the Seventh Five Year Plan is that the hon. Finance Minister has specially taken care of the development of human resources. I am of the view that corruption, dishonesty and violence prevailing in the country are due to the degeneration in the character of man. It is very necessary that we make available so many resources that our moral standard is raised and love for the country increases. We must make more investment in this direction.

16.00 hrs.

We should provide funds for building the character of the youth in the villages. It is being done through 'Navyuvak Mangal Dal' but they are provided a measly sum of Rs. 500 per year per block which cannot help in the development of character. There is need to pay attention to this aspect.

The Government is paying special attention towards the new education policy. The policy also is going to be presented in this session. The hon. Finance Minister had said in the Parliamentary Party meeting that so much subsidy is given to the farmers on fertilisers and edible commodities that we can provide one tube-well and one school each to every village. It is true then make some improvement in the village schools and reduce the subsidy on other items. This will help in development of those poor children who study in villages. It will be very kind of you if you develop education in the villages. It will be very beneficial for the country. The children in the cities study in good schools but the standard of the children studying in the villages remains low. Their standard will also have to be raised.

Akashvani and Television are being used to present obscene items. This also contributes to the degeneration in the character of our youth. If character falls then the country cannot function properly. That is why we hear that India's secrets are leaked out to foreign countries. This tends to corrupt the mind of the people.

The hon Finance Minister has also said that tourism helps in the growth of goodwill and national integration. It is true. For this, we should encourage the people who visit different religious places and places of scenic beauty and also provide means of transport for those places.

In our Phulpur area there is a place Shringberpur which has been declared as a place of tourist importance by the Government of Uttar Pradesh. It will be very kind of the Central Government if it provides some grant for its development.

Our foremost aim should be the defence of the country. If the country remains secure and democracy is sustained in the country, India will make progress. No one in the world can stop it. Even today foreign countries have their eyes on India. More allocations should be made for the Defence of the country so that we are able to contribute in strengthening the country in different sectors.

The hon. Prime Minister inaugurated the project at Allahabad to control pollution in the river Ganga. Similarly, we must formulate schemes to clean the rivers where people bathe and sewage is discharged.

Similarly, firewood is very important. It is also our duty to protect forests. But at present in villages as well as cities wood is indispensable. The Government have not formulated any such scheme. The hon. Finance Minister has stated in his speech that we shall plant firewood trees also. If firewood is not available, it will become difficult in future to cook food and everyone will have to eat raw food. Today, the rate of the wood is Rs. 30 to Rs 35 per maund. It has become so costly that it has become difficult for the people to purchase it. In

our family at least 5 to 10 kgs. of wood is consumed every day. You can yourself see that a family has to spend Rs. 300 per month on wood, then wherefrom will it eat food? In any family, a clerk gets hardly Rs. 700 to Rs. 800. It will become difficult for him to make both ends meet.

I want to submit one thing more in conclusion. There are private sector as well as public sector industries in our country. Public sector industries are still running at a loss. My submission is that strict action should be taken against their employees and officers. If we are able to control it and set the things right, I think our Budget will never be a deficit Budget. We will not have to impose additional taxes. The hon. Finance Minister has detected many cases of corruption at many places. All those who have been apprehended should be sent to jails. If the hon. Finance Minister does this, I feel the situation will improve substantially.

Lastly, I would submit that the way you have imposed ceiling on land, ceiling must be imposed on money also. Provision should be made to send a person with unaccounted money to jail. Only then this blackmarketing will come to a halt.

With these words I support the Budget and hope that the hon. Finance Minister will make such arrangements that the social and economic disparity is removed and India marches forward.

[English]

SHRI H. A. DORA (Srikakulam) : Mr. Chairman, Sir, at the very outset I may be permitted to submit that this Budget does not reflect the hopes of the common people in this country. On the other hand, it frustrates the hopes of those people, particularly those who are below the poverty line.

Sir, much has been said about the alleviation of rural poverty and laying of greater emphasis on programmes which are of direct benefits to weaker sections of

society particularly the scheduled castes and the scheduled tribes.

At this juncture I may be permitted to submit that this Budget presents 93% of increase in National Rural Employment Programme and 58% in Rural Landless Employment Guarantee Programme. It also presents an increase of 51% in Integrated Rural Development Programme. The total amount that is allocated in the year 1986-87 is about Rs. 1594 crores. This allocation when compared with the bulk of the population that is living in rural areas, is not at all sufficient. It is not on par with the allocation that is being made in urban areas. I may be permitted to submit that the Budget discloses that this National Rural Employment Programme will generate employment for about 300 million mandays in 1986-87 as compared to 253 million mandays in the previous year. Sir, the allocation is not the criteria for judging the implementation of these programmes. Involvement of rural poor must be there. I want to know whether there is any agency which is monitoring this aspect, that this amount is really spent in the National Rural Employment Programme? I read a Report in the Press to the effect that one Mr. G. V. K Rao has been appointed by the Planning Commission to go into this aspect, to know as to whether this amount which has been allocated under these programmes have been actually reaching the poor people in the rural areas.

Sir, you are aware that there are nearly about 5,75,000 villages in this country. Eighty per cent of the population is living in the villages only. But the amount that is allocated for rural development when compared to the size of the budget is only Rs. 1594 crores. It would be, I think, 1/200th portion that is being allocated to the rural development even if the amount is properly utilised in the rural areas. Sir, the wording of the Rural Landless Employment Guarantee Programme is that this is intended mainly for those poor persons who possess no lands in their villages, but if it be utilised for them under these schemes, I know personally that the middlemen are benefiting and the schemes are not properly

[Shri H. A. Dora]

carried out in the villages. There is no proper monitoring. The village poor are not involved in these schemes also in the rural areas. That apart, I may be permitted to submit that the Integrated Rural Development Programmes which are intended for the marginal farmers and small farmers and, also for backward classes are a total failure in our country. The hon. Minister is aware that the recommendations that are made by Mr. G. V. K. Rao, who is heading the Review Committee which has been set up by the Planning Commission are not implemented. This particular Review Commission has categorically stated, subject to correction, Sir, that the rural poor have not been involved in these schemes which are intended for them'. Therefore, I would suggest to the Minister that these scheme should be properly monitored and there must be an assurance from the hon. Minister that these schemes will be effectively carried out in rural areas. That apart, I may be permitted to submit that the rural water supply is said to be part of the minimum needs programme and Rs. 317 crores have been allocated for the year 1986-87. I may also be permitted to submit that in this august House an answer was given that to eradicate this water problem in this country Rs. 3000 crores are still required. Would it be possible for the Government to provide drinking water, particularly to the villages? I know most of the villages are not provided with drinking water. The Ministry is also aware that most of the villages are not provided with communications.

(Interruptions)

MR. CHAIRMAN : Hon. Members may please don't talk among themselves.

SHRI H. A. DORA : On the other hand, I may be permitted to bring to the notice of the hon. Minister that from 1969, as my hon. friend here has stated, the prices have gone up. The price of wheat has been doubled. That is, in 1969 it was Rs. 1.09 per kg and in 1986 it is Rs. 2.29 per kg, the present rate of wheat. Similarly, the price of rice, in 1969 was Rs.

1.67 per kg. It is now Rs. 4/- per kg. The price of dal in 1969 was Rs. 3.03 per kg. now it is Rs. 7/-. The price of sugar in 1969 was Rs. 2.79, it is now Rs. 7.09 per kg. Similarly, the price of oil was Rs. 5.76 in 1969. Now the price of oil is Rs. 18.50 per kg. Therefore, there is two fold or three-fold increase so far as essential commodities are concerned. But there is no mention in the Budget speech of the hon. Finance Minister that this increase is to be diminished by measures that are likely to be taken by the Government. There is no such indication. This is a serious omission on the part of the Finance Department in this particular aspect.

That apart, I may be permitted to submit that in this country even after 38 years of independence, the basic problem of drinking water has not been solved. We are thinking of going forward towards the 21st century at this juncture. It is incredulous to say that we are reaching the 21st century. We are going back to 19th century, according to me.

In this country, problems are plenty but the Indira Congress Government introduced points 20 and the result is empty. In the same manner, I may be permitted to submit that this particular Budget is not the Budget for the poor. It is the Budget of the rich people and monopolists of this country.

[Translation]

SHRI ANOOP CHAND SHAH (Bombay North) : Mr. Chairman, Sir, I rise to support the Budget presented in the House. This Budget has become more important because it has been prepared keeping in view the objectives of the Seventh Five Year Plan. The supporters of big industrialists had organised meetings in big cities like Bombay to mobilise public opinion against the Budget. They tried to show that this Budget will not help in the development of the country. Those who spoke at the meetings were mere mouth-pieces of the industrialists. They were speaking on their behalf and presenting their (industrialists) view point. As against this, I feel that this is a poor man's Budget and a common man's Budget. This Budget

is for farmers and small entrepreneurs. Ours is a planned economy and we cannot make progress without planning. The country knows very well as to what happened to those who tried to move ahead without proper planning. My senior colleague Shri Patel, just now mentioned about the sharp decline in the prices of sugar to Rs. 250 per kg. during the Janata regime and when the congress came to power it sharply rose to Rs. 13 or 14 per kg. I would like to remind him that this failure was the result of the wrong policies of the Janata Government. I would like to say a few words about the Public Sector. Until the Public Sector is managed properly, the country cannot develop. The chairmen, Managing Directors and other big officials of the Public Sector are behaving like lords. These people run the undertaking just as kings and feudal lords used to rule over this country. The revenue that is collected by the Government is poor man's money and these people are indulging in wasteful expenditure. There is, therefore, a need to improve the working of the Public Sector. The services of the Chairmen or Managing Directors of those Public Sector units which are incurring losses or those which are not earning profits in a particular year should be immediately terminated and people who have the spirit of sacrifice and the zeal to do good to the country should be appointed in their place.

It is good that provision of Rs. 125 crores has been made in this Budget for Indira Awaas Yojana which would help the people belonging to the Scheduled Castes/Tribes and in rehabilitating bonded labour who have been set free. The scheme as such is good but so far as my experience of housing goes, I dare say, that all those housing schemes which have been launched in the past by the Government have proved inadequate and the entire benefit of such schemes does not reach the needy. To implement these schemes in a successful manner we should seek the help of the private sector. If we utilise the services of the Private Sector only then will we be able to meet our target of constructing 2,00,000 houses every year.

Now, I come to the Food Corporation of India to which the Government have decided to extend a subsidy of Rs. 1750 crores during this year. The reasons why this subsidy is given should be kept in view, along with the way it is utilised and we must ensure that the benefit of the subsidy reaches the common man. It has been observed that at present the entire subsidy is being misutilised to meet the expenses of the Food Corporation of India.

I would now like to say a few things regarding NCCF. We had set up NCCF...

[English]

NCCF is an apex federation of consumer cooperative at the national level.

[Translation]

Rs. 80 lakhs have been provided to this organisation so that it can give grant to its members, make Capital investment and encourage cooperative movement. But it has been observed that the NCCF is not even ready to register some of the cooperative societies as its member. Some cooperative societies have been approaching NCCF for membership for the last 5 to 6 years but they have not been granted membership so far.

Now, a few words about communication. The Communication Department has been divided into two parts and I want to make submission regarding the postal service. Though postal service has been extended to each and every village in the country and people also utilise its saving deposit facilities, yet no provision has been made for the security of the staff. I, therefore, request you to provide adequate security arrangements wherever the postal savings scheme has been introduced.

I belong to Bombay and, therefore, I would like to make one or two submissions in this connection. Bombay is the industrial capital of the country and even though we may make tall claims yet we are aware of the plight of the city today. We had demanded

[Shri Ancop Chand]

Rs. 100 crores for its development /expansion but only Rs. 50 crores have been allocated in the Seventh Five Year Plan. Shri Rajiv Gandhi had promised during the Congress Centenary Celebrations.....  
(*Interruption*) you could also demand. Some people say that if Bombay is granted funds, Madras and Calcutta should also get it. I do not have any objection to it but we should not forget that Bombay is 'Mini India' where people from other States come in search of employment and livelihood.

[*English*]

We are not asking any States to give money for the development of Bombay but we have every right to ask Central Government for special aid.

[*Translation*]

Some provision should be made for us. We demand from the Central Government to provide funds for Bombay as it is a city which provides jobs to people coming from every nook and corner of the country.

In the end, I would only say that during all these 30 to 35 years, the Opposition has merely opposed, but now time has come when it must change its stance and chalk out a programme of their own. The Members of the Opposition have seen the results of continuously opposing for 35 years and now they must at least act for the next 5 years in the manner shown in the 'Geeta'.

*Sam Gachhatam Samvadham  
Samvo Manasi Janatam*

[*English*]

Let us walk together, talk together and act with one mind for the development of our nation.

[*Translation*]

SHRI MADHU DANAVATE : We have decided rather to follow :—

*Karmanye Vadhikaraste,  
Ma Phaleshu Kadachan.*

SHRIMATI MADHUREE SINGH (Purnea) : Mr. Chairman, Sir, I am obliged to you for giving me an opportunity to express my views on this important subject. Our country is passing through a critical phase and facing heavy odds but now due to the policies of the present Government, there is marked improvement in the situation. But our problems are not that easy that this can be solved with in a short span of time.

We are facing three major problems today. First, we have to strengthen emotional integration in the country. Secondly, we have to accelerate the pace of development and eradicate illiteracy and widespread poverty in the country. Thirdly, we have to defend our country from foreign powers.

If the people frequently resort to strikes and 'Bandhs' like 'Bihar Bandh' 'Bengal Bandh' and 'Bharat Bandh' in the situation obtaining in the country, we cannot hope to bring about any improvement in the country. These 'Bandhs' not only hamper production and productivity but also slow down the pace of economic development. It has been generally observed that during such 'Bandhs', members of various political parties force the people and traders to join the bandh, thereby encouraging violent tendencies. Otherwise also, there has been rise in violence in the country for the past few years. The country can neither make progress nor strengthen emotional integration in view of the atmosphere of violence all around. It is all the more important that we do not resort to violence to settle our political and social differences in order to ensure the security of the country from foreign powers. To my mind, it is important for all of us not to take recourse to *Bandhs* as a means to resolve our political and social differences. I appeal to all the leaders in the country to think over it seriously and to resolve not to organise any such *Bandhs* in future as far as possible.

The Budget presented by the hon. Finance Minister has been generally welcomed. Some people have criticised it but I feel that they have done so merely as a formality. The hon. Finance Minister was facing a Herculean task. It was necessary to mobilise resources for the development and security of the country. There is widespread poverty in our country and, therefore, it becomes necessary for the middle class and the poor to share the burden which falls on them as a result of additional resource mobilisation. The tax proposals moved by the hon. Finance Minister could, in no way, add to the burden of the poor and the middle class people, on the country they would alleviate it a bit. As a result of concessions in the excise duty, the cost of production of industrial goods will go down and industrial development will be encouraged. No tax proposal is such as may further add to the inflation. There has been satisfactory increase in the budget allocation for plan development and defence as compared to last year, and we hope that next year the pace of the developmental programmes would be quickened and the defence further strengthened. The provision of Rs. 5,998 crores that has been made for improving the economic conditions of the poorest of the poor, is encouraging. The Government is aware that the anti poverty programmes which have been launched at district and Block level to raise the standard of living of the poorest families has to be further strengthened and kept under close supervision so that the programmes for the improvement of the economic conditions of the poor may be implemented. In my opinion the active cooperation of the local people particularly that of the poor may also be sought for the implementation of these programmes. Some of the hurdles in the proper implementation of these programmes are due to the fact that most of the people belonging to the poor section do not have full and correct information about these programmes.

In the present Budget adequate provision has been made for development of irrigation and power which is very essential for the economic development of the country. The investment made on the

development of power to date has not benefited the people. In our Bihar state there is shortage of electricity for the last one decade which has adversely affected the economic development of the State. I know that Government of India and Bihar Government are trying to strengthen the administration of the Electricity Boards and have also succeeded to some extent. Production of electricity has been increased but it is still quite inadequate. It appears that the administration of Electricity Boards and Institutions still requires more attention.

Development of irrigation also requires more attention. In some areas of our State, of which I have personal information, roads are in bad condition. National Highways are also not repaired properly which is creating difficulties for the movement of traffic. It causes inconvenience to the people and adversely affects the economic development of the State.

I would also like to mention briefly about the problems of my constituency, Purnea. In Bihar, Purnea is the biggest district both in population and in area. It is a border district and its border touches Nepal in the North and Bangladesh in the East. It is essential to take concrete steps at the earliest to strengthen the administration of that area. Not only in this area but also in all the areas on the Nepal border, security measures and development programmes should be speeded up.

I have also given my suggestions about Purnea district and for the past several years I have been trying for speedy action on these suggestions. Since there is no scope of difference of opinion on my suggestions, I hope Government would not delay its implementation any more.

In the end, as public representative, I would like to request the hon. Finance Minister that the prices of Petroleum products, cooking gas and kerosene oil have been increased beyond expectation. People expressed their resentment against this increase and in view thereof Government gave some concessions. I welcome it but

[Srimati Madhuree Singh]

the reduction in the prices of kerosene oil and diesel is negligible. Kerosene oil is used generally by the poor and hut dwellers. Therefore, I request that some more concessions may be announced.

The farmer is the backbone of our economy and diesel is used in agricultural implements and as such it is desirable to reduce its price. As a housewife, I also demand reduction of Rs. 5 per cylinder in the price of cooking gas. I hope the hon. Finance Minister will consider these suggestions.

**SHRI LAL VIJAY PRATAP SINGH** (Sarguja): Mr. Chairman, Sir, I support the Budget presented by the hon. Finance Minister.

Mr. Chairman, Sir, it is a good Budget. It is not only useful to the general public but also reflects the policies and programmes of the Congress Party.

Mr. Chairman, Sir, the concept of planned economy has been in vogue in the country for a considerable period and we have formulated several plans. You know that some time-bound and result-oriented revolutionary programmes have also been started and their good results are visible to us. In view of these things, our young Prime Minister, Shri Rajiv Gandhi has not only adopted the common path but is striving hard to take this country into the 21st century at a fast pace. These programmes have been formulated in consonance with this spirit.

You know he has entrusted the responsibility to set the economy in order to a person who is a scholar and a competent person. I would go to the extent of saying that he is an expert in this field.

A look at the Budget would reveal that 65 per cent of the Budget has been earmarked for anti poverty programme. And if we go deeper into it, we shall find that there has been an increase of 51 per cent

in the I.R.D.P., 91 per cent increase in the allocation for N.R.E.P. and more than 58 per cent increase in the allocation for R.L.E.G.P. over the previous year's allocation. This is in itself an achievement.

Besides, under the Indira Awaas Yojana, Rs. 125 crores will be spent to provide houses to 2 lakh people every year which is also a good step. Similarly, provision has been made for the supply of foodgrains at cheaper rates particularly in tribal areas where there is shortage of foodgrains. Provision has been made for the grant of loans to barbers, washermen, cobblers, cart-pullers and carpenters for purchase of equipment and every effort has been made to provide facilities to people belonging to the lower strata of society.

In the same manner if you see you will find that the interest of the people of the fixed income group has also been kept in view. The interest rate on Provident Fund has been raised to 12 per cent and ceiling of Rs. 400 in respect of house rent has been removed.

At present notional income from self occupied houses is being taken into account for taxes. It is now proposed to exempt such notional income.

You might have seen that there are large number of handloom units and small scale industries and our hon. Finance Minister has paid due attention towards them also. You might have seen that full execution in excise duty will be available to industries upto clearances of Rs. 7.5 lakhs in a year which accounts for 85 per cent of the small scale units in the country. Similarly, for Handloom units and small scale Industries, exemption limit for the purposes of income tax has been raised from Rs. 20 lakhs to Rs. 30 lakhs which is quite significant.

You might have also seen that the hon. Minister has introduced a new MODVAT Scheme. It is a new experiment. So far as the Public Sector is concerned, there is also an increase of 20.5 per cent. You know Public Sector plays a key role in the

country's economy, whether it is to improve the economy or to provide employment. I would like to request the hon. Minister to make programmes for the improvement of the Public Sector which suffers from several shortcomings. Efforts should be made to run the public sector properly.

There is need to be more economical in every field as there is an important saying a penny saved is a penny gained. If we effect small economies in every department, the entire amount so saved would be quite a big amount and can be useful if utilised for eradication of poverty. I believe that the hon. Minister will implement his programmes successfully.

With these words I thank the hon. Minister for presenting such a good Budget.

[*English*]

SHRI M. R. SAIKIA (Nowgong) : Mr. Chairman, I rise to make some observations on some items mentioned in the Budget. In the Budget the Finance Minister has said that the Government has taken certain steps and also propose to take certain steps for speedy eradication of poverty, to narrow down the gap between the weaker sections and the rich and also to give social justice to the weaker sections of society. For this purpose the Finance Minister has increased the annual outlay by 65 per cent on the anti-poverty programmes. The various schemes undertaken are NREP, IRDP, RLEGP and subsidised bank loan schemes for the poorer sections of the society in urban areas and also to provide housing facilities to the economically backward people like the scheduled castes and the scheduled tribes.

During all these years such programmes have been implemented throughout the length and breadth of the country. But what do we find? What has been the result of implementation of such programmes? Has the implementation of such programmes been able to narrow down the gap between the rich and the poor sections of the society? Have the fruits of implementation

of such programmes been enjoyed by the weaker sections of the society? Has the implementation of such programmes been able to provide social justice to the weaker sections of the society? By the implementation of such programmes, how many people have been brought above the poverty line? This has to be evaluated by us in all seriousness.

I come from a State which is economically and socially backward, namely Assam. During all these years, we have found that most of the allocations for such programmes have been misutilised or diverted for other purposes. Also, most of the programmes have not been implemented to the full. For instance, during these years, in my State, the Government of Assam have spent the entire amount allocated for development programmes in the name of law and order situation. They have spent these funds to keep themselves in the *gaddi*.

Similarly, I can cite innumerable instances in my States. Under the NREP programme, appointments have been made in favour of two or three members of the same family at the cost of other poor people. These things have been going on there.

Sir, this House has a responsibility to see that the funds allocated against such programmes are utilised properly, these are not diverted and spent for the purpose for which those have been allocated. This House has approved grants for these programmes. This House cannot shirk its responsibility on the plea that the implementation rests with the State Governments. I suggest that the Ministry of Finance and the Ministry of Programme Implementation should constitute a Committee of Members belonging to various parties for a physical verification and see whether the programmes have been fully implemented and the funds utilised. They should also see if there has been any misuse of these funds.

The Finance Minister in his budget has mentioned about the establishment of model schools in every district of the country and that has been welcome by

[Shri M. R. Saikia]

many hon. Members of this House. But, I am afraid, the implementation of this scheme will further widen the gap between the rich and the weaker sections of the people. The Children belonging to the weaker section will not be able to compete for admission in these model schools, because the guardians cannot provide their children better atmosphere to enable them to gain better quality of education to face the competition because of economic hardships. The children of the white-collared or privileged sections of the population can have better conditions and better atmosphere and they are in a position to gain better quality of education which will enable them to face competition in order to get admission into the model schools. Money is going to be spent for the affluent sections of society at the cost of the under-privileged and weaker sections of the people. Therefore my humble submission is that the money should be spent for the weaker sections who are living far away from the cities. These children should be provided better physical facilities for creating better conditions. Good and efficient teachers should be provided to impart better quality of education. Therefore I request the Government to think over this issue regarding the establishment of model schools.

Regarding the position of our balance of payment I observe that it is a result of soaring imports and dwindling exports. Therefore, in order to improve the balance of payment position, we should increase the volume of our exports. The main exportable commodity with great potential to earn foreign exchange is tea. Therefore, Government should try its level best to increase the flow of tea to the international competitive market. In order to achieve this, the present arrangement of fixing the export quota on regionwise, channelwise and categorywise should be relaxed. The Government of India should also try through the trade agreements made between the Government of India and other foreign countries to persuade the foreign countries to lower their tariff rates so as to

enable us to increase the volume of tea export. For instance, Pakistan has imported a very large quantity of tea which is of a low quality from Argentina, Indonesia, China and Kenya, instead of importing more and better quality tea from our country. Therefore, my request to the Finance Minister is that the Government of India should try its level best to persuade the Government of Pakistan to import tea which is better in quality from India rather than importing it from those countries.

Regarding income tax, we welcome wholeheartedly the measures taken by the Government of India. Not only we, but all the members of Parliament irrespective of their political colour or creed and all the sensible men in the streets will also welcome these measures. But I would request the hon. Finance Minister to take note of one thing. The corrupt politicians should not be excluded from the operation of such measures. We politicians have been vested with political powers, which are given to us by our people. We should utilise that power for the benefit of the people. Instead of utilising such powers for the benefit of the people, some politicians utilise those powers for their personal gain by which they amass huge properties, wealth and money through *benami* transactions. If these measures do not cover such corrupt politicians, then what is the meaning of socialism? What is the meaning of narrowing down the gap between the rich and the poor? What is the meaning of giving social justice to all? We should encourage the concerned officials to catch hold of such corrupt big guns, to achieve our desired goals.

PROF. K. V. THOMAS (Ernakulam) : I support this year's Budget. Last year when the Budget was introduced in Parliament, eminent economists said that it was an epoch-making budget. Compared to last year's budget, we can say that this year's budget is a slim beauty, because this does not contain any unnecessary fat, in the form of complex taxation.

When there was a rise in the price of petrol and petroleum products, a large section of the people from different parts of

the country were afraid that it would cause unnecessary inflation. So, everybody was eagerly waiting for the present Budget. But when the budget was introduced, it was so simple that nobody could find any fault with it.

I would like to point out certain facts : It is said that when we look at the wholesale prices, it is more or less stable. But there is an increase when the common commodities reach the people. The reason is that we don't have an effective public distribution system. Only a few States like Kerala have effective public distribution systems. So, unless the common consumer items like foodgrains, kerosene etc. are given to people at reasonable prices through the public distribution system, we cannot control inflation.

The second point is that there is a big talk about Health for All by 2,000 A.D. But when we look at the budgetary allocations, Rs. 200 crores are set apart for the Department of Health, and Rs 530 crores for Family Planning. Thus, on an average it comes to Rs. 1 per citizen in our country. This will not help. Unless, the family planning programme is effectively implemented.

Whatever progress we are making in the industrial sector or agricultural sector, the fruits of it will not reach the poor people.

17.00 hrs.

We are talking about universalisation of primary education and adult literacy. We could not implement it effectively. When we look at the data obtained from various institutes, we find that the drop-out in the primary schools is very high and the reasons given are that many of our kids have to go for some kind of jobs because their parents are poor. In Tamilnadu, they go to the printing press. In Kashmir, they go to carpet making industry to earn their living. So, our children between the age of 5 and 10 go for various jobs because their parents are so poor that they cannot afford to send them to schools. They cannot get food. So, throughout the country, if you implement a scheme whereby noon-meal is

served to all the children who are studying in the primary schools, it will really help to prevent the drop-out in primary schools.

There is a drastic change in the attitude of the bank people. I am coming from Cochin, which is the industrial capital of Kerala. Earlier; the bank people used to go to the houses of the big industrialists and give them whatever money they needed. I know of a large number of cases where they could not recover money they had given to these people. But when a poor man goes to a bank to get Rs. 500 or Rs. 1000 or Rs. 5000 as loan, he has to go through a very difficult process. Last Saturday, we went to one of the big loan melas where Poojaryji himself came. There what he found was that for getting a loan of Rs. 500 from a bank, the poor man had to go to the bank 3-4 times, and the bank people asked the poor man to pay interest at the rate of 12 to 15 per cent. Poojaryji asked bank people not to collect this much rate of interest from the poor people. He asked them to give loan to the poor people at the rate of 4 per cent. Then he also told the bank people to give loan to the poor people to the extent they were entitled to get. He asked one of the cobblers how much loan he would require, and how much he was given. The cobbler said that he wanted to have Rs. 1000 as loan, but he was given only Rs. 500. So, in the banking sector, the attitude of the banking people has to be changed in order to help small farmers, small industrialists and so on. Our interest should be to help these people who need real help. So, instead of giving help to these needy people, even now, many of our banks are instered in helping the big business houses.

When we go to big cities like Bombay, Calcutta and Madras, we find that on one side there are sky-scrappers, multi-storeyed buildings, on the other side, just near to that, there are small shelters, slum areas. When you fly over the Bombay Airport you will be ashamed to see that one side there are big buildings, on the other side, there are big slums areas. What constructive steps have you taken to control spreading

[Prof K. V. Thomas]

of slums? What effective steps are you taking to give them better facilities? I have visited many slum areas. Can we not provide them better drainage facilities, better drinking water facilities which are so simple things, which are necessary for human beings to live a better life?

We have to find out a way to help them living in the slum areas.

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

PROF. K. V. THOMAS : Before I conclude, one more suggestion I have got to make. During the Emergency in every shop a board was put up, showing the price. People used to look at the board, and pay the price. Now none of the shops exhibit the board nor the price. Let alone the quality, nobody knows what the price is and what is the price that is being charged. The shop-keeper says Rs. 100, we pay it or if he says Rs. 50 we pay it. A way has to be found and every metre of cloth has to carry the price. The selling price should be printed. I think this is one of the areas where the people are cheated.

Ragarding agriculture production—I come from Kerala and I know about coconuts—the production of coconuts has been fluctuating, and so the price also has been fluctuating. If the production goes up price has been going down and when the production decreases the price has been increasing. Last year, for example, the coconut production had gone down, and the price had also gone down while the farmers hope that there would be a stable price. That is what is happening in many of the production units.

Aother point which we want to mention is about the corrective sector. You have given about Rs. 30 crores for this sector. Still, the farmers cannot get the proper funds because there are no farmers' co-operatives,

Now the position shows that for production of coconut thousands of rupees are spent by the farmers. Unless the cooperative societies are there, the farmers who produce coconut, copra, and other things cannot hope to get a reasonable price. There are no marketing facilities for small farmers and in the absence of such reasonable marketing facilities they cannot with-stand competition.

There are so many other things in the agricultural sector which need to be looked into and more improvement can be brought about by implementing the programmes.

[Translation]

SHRI ANADI CHARAN DAS (Jaipur) : Mr. Chairman, Sir, the Budget has been welcomed by a cross section of the people of the country whether they are poor, businessmen or other categories. The Kind of Budget presented by the hon. Finance Minister, Shri Vishwanath Pratap Singh, has never been presented before.

The quotation from the Prime Minister's speech mentioned in the beginning of the Budget serves as a preamble to the Budget.

[English]

Development must be accompanied by equity and social justice--by removal of social barriers that oppress the weak. This is the essence of our concept of Socialism.

[Translation]

This is our aim and also the policy adopted by our Party. The country should advance towards socialism. The Budget has laid down guidelines to be followed to achieve this end.

This Budget seeks to provide social security to those whose families are engaged in agriculture. This will give great relief to the poor agricultural labour living in villages and who are facing hardships. I would suggest that a social security card should be issued to every person in the country. This will reveal his source of

income, what are his requirements and what he intends to do in future. This will facilitate the achievement of our goal of socialism.

Similarly, a family register should be maintained in which the name of the head of the family and his children should be entered. Whatever money he spends should also be entered in it. It will also help us to know how many persons are getting the benefit and how many persons are still exploited and are backward. It will also facilitate us to know the details in the event of the division of a family. We shall also come to know how a family, which was very poor, has become so rich.

We have all seen that some time the entire funds are being spent on a single block. By going through the figures we have discovered that about Rs. 20 lakhs are spent every year on the Blocks. The reason for lack of development in the villages is that some people misappropriate funds meant for the Blocks and spend it on constructing their houses with the result that sometimes a single family manages to construct 3 to 4 houses while some other families cannot get even a single house to live in. In the previous session, I had said that if you want to bring socialism in the country, then a family should be provided at least one house.

I.R.D.P. and a number of other programmes have been introduced in the country to help the poor. But the poor are not getting its full benefit. The middlemen misappropriate the funds. Our Prime Minister has warned that such things would not be tolerated. If you want to end such practice, we shall have to plug the loopholes which lead to exploitation. Then only socialism can be ushered in the country. We can move forward only if we follow this path.

A number of steps have been taken in recent years to promote industrial growth in the country. I would suggest that the industrial workers should not be paid the bonus in cash. They should be asked to purchase shares of the organisation in which they are working. In this way their bonus amount will be invested.

The condition of weavers and rikshaw-pullers is most deplorable. The Estimates committee had made study in regard to the weavers and had submitted its recommendations also. But no action has been taken thereon. The literacy among weavers is not more than 2 to 3 per cent and as a result they are not able to make progress. The condition of rikshaw-pullers is no better. Their children are also adopting the profession of rickshaw pulling. In this way their future generations will continue to be rikshaw-pullers. Had they been educated they would have availed of the benefits provided by Government to them. Some study should be carried out in their case. The children of rikshaw pullers should be given stipend as is given in the case of *bidi* workers.

I would like to suggest to the hon. Minister that it would be better if instead of giving subsidy to the weaker sections and the poor, they are given interest-free loans. In other words, you realise Rs. 100 against a loan of Rs. 100. In this way they would at least be able to save overhead expenses. At present they carry home only 33 per cent of the loan with the result that they are not able to derive benefits of I.R.D.P. The hon. Minister should look into it and take appropriate steps. (*Interruptions*) I am concluding just now. You are asking us to curtail expenditure but the State Governments are incurring heavy expenditure on transport. In case you provide conveyance allowance and loan for purchasing a vehicle, the Government can reduce a lot of its expenditure.

The Doitari Mini Steel Plant falls in my constituency. Work on it was started five years ago and a sum of Rs 9 crores has so far been spent on it whereas the total expenditure is likely to be Rs 100 crores. This year you are going to spend only Rs. 61 lakhs. In this way how will the project be completed? At least this Steel Plant should be completed for the betterment of our constituency.

With these words I convey my thanks to you and conclude my speech.

17.20 hrs.

[MR. DEPUTY SPEAKAR *in the  
Chair.*]

[*English*]

SHRI SOMNATH RATH (Aska) : Sir, the Budget reveals considerable courage, foresight, strength and determination of the hon. Minister of Finance. It protects the interests of the weaker sections, the middle class workers, salaried persons etc. It gives fresh incentives by way of subsidised loans to the urban poor. There is a 65% increase in anti-poverty programmes, for the elimination of poverty. This is very much significant. But I want to invite the attention of the Finance Minister to ensure that this amount actually reaches the beneficiaries, the people for whom these programmes are meant. It should not evaporate in the middle. As such, I suggest that some supervising agency should be established to examine whether the amount is correctly spent or not. Investment is being stepped up in respect of rural development, education, health, art and culture, Information and Broadcasting and anti-poverty programmes.

Sir, the Finance Minister has rightly expressed his concern over the severe budgetary pressures on account of subsidy on food, debt payments, defence and the disappointing performance of the public sector.

Keeping in view the provision of Rs. 40 57 crores for agriculture and allied sectors in the 7th Five Year Plan, the provision of Rs. 917 crores in the budget for the year 1986-87 for Plan expenditure for Agriculture seems to be reasonable and also it is more than 1/5 of the total provision. The provision for subsidy of Rs. 1750 crores for food and Rs. 1950 crores for fertilizers has been made in the Budget. This is a very heavy burden on the public exchequer. The subsidy on fertilizers has to be given to ensure that the farmers get fertilizers at reasonable price.

Now I want to submit about foodgrains. Foodgrains are distributed by the

Food Corporation of India. The handling and distribution cost of the Corporation, without provision of storage and transit losses, is as high as Rs. 50.59 per quintal. Similarly the carrying charges payable to the Food Corporation for maintaining buffer stock of foodgrains is as high as Rs. 50.15 per quintal, without taking into account the storage and transit losses. This requires special examination to reduce these charges. The Finance Minister has expressed his concern about the short production of sugar as well as oilseeds. I submit that the short production of sugar was largely due to the present dual price of the Government for sugar. Sir, for increasing the production of gram, and for that matter, certain other varieties of pulses and oil-seeds, high-yielding varieties will have to be evolved. Our wheat revolution has been brought about only through high-yielding varieties and not only by giving subsidy. The Finance Minister mentioned in the Budget Speech that it has been proposed to extend the Crop Insurance Scheme to fruits cultivation also. Previously this Crop Insurance Scheme was introduced for wheat, millet, paddy, pulses, oilseeds, etc. only for those who have taken loan from the banks. I am afraid this system will increase indebtedness. So it should be given to one and all of cultivators, not only those who take loan from the banks. It should be extended to all farmers and should cover full loss and not a portion of the loss only. This may be kindly considered.

There is increase of 20 per cent on the plan allocation and 40 per cent increase in the total outlay is praiseworthy. The weaker sections, mostly Scheduled Castes and Scheduled Tribes will be much benefited from the Housing Scheme and Rural Water Supply and infrastructure created. Stress has been given to agriculture and as for irrigation, I would suggest that instead of major projects, stress may be given for what is called water harvesting structures or water sheds. At the same time science and technology should be transferred to the cultivators and the cropping pattern must be such that when you want that we should change one crop to another, it must be

possible, besides water management. These are the main factors for producing more.

Sir, I quote the first sentence of the Editorial in the Indian Express dated 1.3.1986 about the Budget :

“Only the naivety or the prejudice will grudge Mr. V. P. Singh, the Congratulations which he will deserve. His Stewardship of the economy has been such as to put at rest for the moment, at least several misgivings about the consequences of the policies initiated by him over the last year.”

Sir, the tax revenue has increased and raids against tax evaders as well as the smugglers should continue. At this juncture I want to bring to the notice of the Finance Minister that a big racket is going on as far as sending the labourers outside India to the Middle-East and also make them work inside India is concerned. The companies which send the labourers unauthorisedly appoint the sub-contractors. A big racket has been going on for years and crores of rupees are involved. huge amounts are collected from those labourers, more so from Orissa about 10,000 to 12,000 rupees per labourer, and they are made to work in India for some time with the hope that they will be sent abroad and in the end they are not sent and sometimes they are sent—I can give instances of Continental Construction Company of India in Delhi, and many others. The amount these labourers get towards their wages from outside, when it reaches India, 10 per cent to 15 per cent of it is given to sub-contractors who have supplied the labourers to these companies. All such documents can be seized from the banks where they have opened the account their records from office. They evade the taxes, they are criminals, they have committed many offences. I am prepared to supply the details to the hon. Finance Minister if he so pleases. If this racket is unearthed, I think tax evasion to the extent of lakhs of rupees can be detected here in Delhi and also in Bombay and many other places. That should be done and the labourers

should be given relief and the 10 to 15 per cent of the wages of the labourers which has been deducted and given to sub-contractors may be returned to them and action taken.

About the transfer, by the Central Government to States and Union Territories, it has been criticised that the Centre is not paying due attention. But it has been stated in the Budget speech itself that the transfers by Centre to States and Union Territories are up by Rs. 7500 crores in 1985-86, 51% over 1984-85. The Central assistance for States and Union Territories Plans is up by 42% in 1985-86 from 1984-85 level. About the personal income-tax collection, in 1985-86, it is 36% over budget estimate and 85% of the collection goes to State. That is Rs. 508 crores more than the budget estimate. Increase in Plan outlays of States and Union Territories in 1986-87 is 25% over 1985-86.

These observations in the Budget speech answer the charges levelled by the opposition. So also, it is said that this Budget is a populist budget. But I would like to know from the hon. Member who has spoken about it about the programmes of his State. It makes a publicity that it gives rice at Rs 2 per kg. Is it not a populist programme? Some States do give mid-day meals for students.

**SHRI C. MADHAV REDDI :** Then, we are in the same boat.

**SHRI SOMNATH RATH :** They make some unnecessary comments. I borrow the words of our esteemed Prime Minister, Shri Rajiv Gandhi :

“We should make some sacrifice for the growth of the nation. As such there is a little increase in administered price but much ado is made about nothing.

Under the leadership of the Prime Minister, the Budget reveals another factor. This country will stand on its own legs. It will not depend on any foreign country for its

[Shri Bommath Rath]

growth. It will not be led by other countries but if possible this country will lead other countries so far as global peace and disarmament are concerned.

Lastly I would suggest that these subsidies that are provided to the weaker sections should reach them and the Members of Parliament may be taken into confidence. They may be made the members of the block committee and district committee so that they may also know through their participation what is the real state of affairs in those blocks. Though there is a direction from the Centre that at the State level and district level committees, where Members of Parliament are associated they are to be called when Parliament is not in sessions; but this direction of the Centre is respected more in its breach than in its observance.

I thank the Finance Minister and hope that this Budget will certainly give relief to poor people. The criticism that the deficit amount mentioned in the Budget may lead to inflation has been rightly replied by the Finance Minister that by more production and higher collection of revenue, it would cover the deficit. I congratulate him on calling even the opposition parties, the experts who are in the fields and the general public to speak and discuss on the Budget with the aim of nation's growth and fulfilment of the objectives.

SHRI PIYUS TIRAKY (Alipurduara) : Mr. Deputy Speaker, I rise to oppose the Budget proposals presented by the Finance Minister. The people of India have already expressed their anguish and resentment of this Budget and the Government also acknowledged that the 26th February Bharat Bandh was a success on account of this Budget. There was a pre-Budget price rise of the essential commodities such as petroleum and petroleum products, diesel, kerosene, foodgrains etc. This is a second Budget.

The Government is being entrapped in its own contraption of its own creation because they have followed the mixed

economy right from the very beginning of independence and this mixed economy has failed. Enormous money has been spent already on various public undertakings and on public programmes and the ruling party also admitted that the benefits did not reach the common people and the poor are becoming poorer and a few have become so rich that they do not know what to do with their money, after all? This is profit-oriented socialist structure prevailing in India.

The private sector industries are meant for the profit of the individual entrepreneurs and so long as they get profit, the industries survive and whenever there is some loss, the proprietor himself closes the industry and takes back his inputs from it to switch over to another industry where he can get more profit. So, making an industry sick or closed has itself become another industry. The surrender to the Government and get back all their inputs and switch over to another industry. You have no check on this. Now you have lakhs of industries which are either sick or closed or going to be sick. You have not given any proposals to revive those industries and give employment. If the existing industries are not viable, then, how can you expect to have another one and how do you expect to progress further because you do not have any surety that such and such industry will grow and give profit to the common people and give employment? There is no certainty at all. You could have checked such trend of the industrialists. You could have given some suggestions in this regard.

Your Budget proposal is exactly a profit-oriented proposal. You want to get profit and you have invited multi-nationals to help you because of your admiration to the Western capitalist countries. You are supposed to copy the Western countries such as UK, the USA and other small developed Western countries and for that reason you are looking towards them as if India is lacking in man-power, technology and technical know-how. You have opened the door and invited them to come over here but they are coming for their own profit to keep their own business rights in

the world market. You are thinking that these people will come and they will have their technology and they will help you and that you can enter into the world market on a competitive basis. But perhaps that will remain your dream because these Western countries have exploited so many other countries like ours. For instance, take UK. They have global companies and they have exploited a number of countries to serve their own interests. So, these people you should not believe that they will be of any help to our country...

**SHRI VISHWANATH PRATAP SINGH :** May I know from the hon. member which proposal of the Budget has given invitation to the multi-nationals ?

**SHRI PIYUS TIRAKY :** The door is open—I mean to say—for the multi-nationals. They are here because you have taken loans. You have asked for loans and you have asked for the people to come also. This is the general habit of your government. That is all I am saying.

**MR DEPUTY-SPEAKER :** He says the doors are open but you have not allowed them till now.

**SHRI PIYUS TIRAKY :** Sir, finance is a difficult subject. To earn money is easy but to spend is very difficult. So you must show how much we need, how much cloth this country needs, how much edible oil we need, how much dhal we need. These are essential commodities. You have not done any exercise of this kind. So people are at random moving here and there in search of employment and how to live.

This Budget will perhaps put the people to more trouble and it will invite starvation also because prices of all essential commodities have increased. You know 51% of our people are living below the poverty line and illiteracy is about 65%. For all these people it will be very difficult to even live because of the increase in prices of essential commodities. They cannot live as human beings and enormous difficulties are ahead for these people and they are the people for whom the Government must give their first thought.

Your Government came to power due to the sympathy of the people on the brutal assassination of Indira Gandhi and now it seems that this government has no sympathy for the common people who have voted them into power. You could have given the essential commodities at fixed prices and the distribution would have reached everybody. At least they would have said that this budget would be very rice to all the people.

This budget will not help the country, neither your government nor yourself and everywhere there is resentment and anguish and the people are now on the roads to protest against the budget and I do not know where the country will go if such things go on and if the Government does not come with a sympathetic view to assess the exact need, what the country needs and how much essential commodities are needed to feed this 75 crores of people as human beings. So I request the Minister to think over it and try to give some relief to the poor people so that they can put their heads above and live like human beings.

[*Translation*]

**SHRI NARESH CHANDRA CHATURVEDI (Kanpur) :** Mr. Deputy-Speaker, Sir, our capable hon. Finance Minister has prepared the Budget with great foresight for which not only we but also the crores of people of this country congratulate him.

The main feature of this Budget is that there is nothing in it which may invite the criticism of the Opposition. It has become a convention with the opposition parties to oppose for the sake of opposition. I have been listening to their speeches since morning and I have seen that unlike last year they have not been able to make any point in their speeches this year. I had also raised some points in a forceful manner in regard to the Budget like them. This year I am congratulating the hon. Finance Minister in an equally forceful manner. The Budget of this year is not as painful as it was last year. This time the hon. Finance Minister has won the hearts of the people by his competence and foresight.

[Shri Naresh Chandra Chaturvedi]

The Finance Minister has rightly pointed out that last year he was quite ignorant of the financial intricacies but within one year he has gained so much knowledge that we are all praise for him.

I do not want to go into the jugglery of statistics. I shall raise points in regard to policy matters. In this Budget, programmes have been formulated for the development of the country and upliftment of the poor, which is praiseworthy. When the prices of petroleum products were raised last year, I had opposed the proposal. This year also, I felt sorry when prices of the same were raised before the presentation of the Budget. The poor and particularly the farmers are totally dependent on some petroleum products. The cooking gas is used daily in the middle class households. It is not proper to raise the prices of these Commodities.

The hon. Finance Minister has given further exemption of Rs. 4,000 in the income tax limit in the Budget and has thus provided relief to the people.

The income tax procedure has been simplified. It is a good step. Although you have done away with the exemption given to the minor charitable trusts yet I would like to draw your attention towards a number of charitable trusts where billions of rupees of this country are lying unused. In each of such charitable trusts at least Rs 2,500 crores are lying unused. These amounts are being misused on a large scale. Those people who are running schools, colleges and temples and have thousands of acres of land with them, are misusing it. Attention should be paid towards them. If taxes are levied on these funds, I feel there will be no need to impose taxes to the tune of Rs 100 to Rs. 200 crores. If you bring these trusts in the tax net, you can collect Rs. 100 to Rs. 200 crores as taxes easily.

You have made available abundant resources for education, defence, development of the country, science and techno-

logy and electronics. For this I congratulate you. But at the same time I want to submit that when the country is marching towards development, we should win the hearts of the people by presenting new programmes and march forward on the path of progress. But when the people start taking interest in technological advancement and start using those articles, you raise the prices so as to curle their consumption. I think it is a very wrong policy. You should not encourage the manufacture of cars and scooters in our country and purchase of more air-buses. You should not encourage the manufacture of modern scientific equipments run on energy and petrol. You should also not urge the people to use these things and once people start adopting them, do not say that you are increasing their prices to curb their use. Such things are laughter provoking.

We are increasing resources for education. The hon. Finance Minister is a poet, who else can know emotions and feelings more than him. If modernisation, mechanisation and computerisation go on increasing day by day, will be able to preserve that feeling. You should pay attention to this also. I feel constrained to say that in such a huge Budget, not a single paisa has been provided for the development of the official language of the country—Hindi and country's other regional languages.

I want to know how the voice of 75 crore people of India will be heard when the official language, national language and other languages of the country are not developed. Our Finance Minister is a poet. He knows the intricacies and niceties of a language. No one else can explain this better than he can.

In the new pattern of education you have said that you will open Central Schools in every district. It is a good thing. In this country large number of public schools have been opened. Very few persons can get their wards educated in these public schools by paying Rs. 500 to 600 per month. I have heard that in Central Schools, Mathematics and Science are taught in the English medium. In this

way the standard of education in the Central Schools will be different from that of the public schools and in those schools where the poor children study on jute mats it will be quite different. You should pay attention to the plight of the education that it will bring. If you cannot provide good means of education to the poor children of the country, then it is no use providing huge resources for education.

At present Central Schools are liked because these will help in developing a uniform Indian education system which has not developed so far either as regional education or in the matter of syllabus or as standard education. It has also not developed in the perspective of a medium. If there is going to be one Central School in our district how many children will you be able to admit in them. I demand that the standard of the Central Schools should be in consonance with all the regional languages and the same syllabus, languages and medium should be made applicable in all the States. Only then uniformity can be brought about. If the country is to be saved from the slave mentality, then there is need to check these public schools which are creating a sizable class which we used to see in the slave India and is now being seen in the independent India also.

The deficit Budget is in itself a sign of danger. I apprehend that the hon. Finance Minister in the next 5 to 8 months may not realise Rs. 500, 800 or 1,000 crores taxes against the deficit of Rs. 3,500 crores, just as he realised taxes by increasing the prices of petroleum. I want that the way the hon. Minister assured that in the next three years taxes will not be increased, he should assure that in 1986-87 prices too will not be increased. The people are not convinced about the hike in prices of those articles on which you have monopoly.

I thank you for the housing scheme you have announced. I would also like to make two requests. You are well aware of the position prevailing in Kanpur. Many mills are closed and thousands of workers are becoming unemployed. Even those

mills have not been opened about which you had made a demand when you were the Chief Minister. Therefore, you should pay attention towards this.

The housing problem in Kanpur city with a population of 25 to 30 lakhs is very acute. You should make some special plan for it. If you do not pay attention towards this problem, it will not be possible to solve it.

One more request. You have started MODVAT scheme to help in the development of industries. You have yourself conceded that this procedure is quite complicated. The industries would of course be benefited but my request is that if your bureaucrats cooperate, the small industrialists will also get the benefits, and not Otherwise.

I may also submit that the dispute about Ganga Barrage in Kanpur is quite old. Neither the Uttar Pradesh Government is providing Rs. 123 crores for the project nor the Government of India is making allocation for it in any of the Five Year Plans. We had been constantly requesting the late Prime Minister Shrimati Indira Gandhi and she had assured also and Shri Rajiv Gandhi has also assured that the Central Government will do whatever it can in the matter. I would request that in a city like Kanpur where Ganga has drifted two miles away even there Ganga water is not available. We welcome the steps you have taken to check water pollution there but kindly arrange for construction of Ganga Barrage also so that lakhs of people may get water, they may remain healthy and that area may also be prevented from becoming desert.

With these words, I support the Budget.

\* SHRI R. JEEVARATHINAM (Arakkonam) : Hon. Mr. Deputy-Speaker, Sir, I wholeheartedly welcome the General Budget for 1986-87.

At the outset, I would like to say that under the leadership of our Vice-President, Shri R. Venkataraman, I had the honour of joining the QUIT INDIA MOVEMENT and getting imprisoned with him for two

\*The speech was originally delivered in Tamil.

[Shri R. Jeevarathinam]

years during our Freedom Struggle. You may wonder why I am referring to this. Today, the General Budget of Central Government led by Shri Rajiv Gandhi, is waging a war against poverty. I am happy to join today this QUIT POVERTY MOVEMENT being led by the grandson of Pandit Jawaharlal Nehru who got us political independence and whose grandson is getting us economic independence.

MR. DEPUTY-SPEAKER : Mr. Jeevarathinam, you may continue tomorrow.

18.00 hrs.

**BUSINESS ADVISORY COMMITTEE**

**Twenty-first Report**

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) I beg to present the Twenty-first report of the Business Advisory Committee.

**RE HALF-AN-HOUR DISCUSSION**

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) I submit that if the House agrees, we may postpone the Half-an-Hour discussion to some other convenient date.

MR. DEPUTY-SPEAKER : I hope the House agrees to postpone this.

MANY HON. MEMBERS : Yes.

MR. DEPUTY-SPEAKER : Discussion on this is postponed to some other date.

18.01 hrs.

**DISCUSSION RE : SITUATION ARISING  
OUT OF DROUGHT AND OTHER  
NATURAL CALAMITIES IN  
VARIOUS PARTS OF THE  
COUNTRY—CONTD**

[English]

MR. DEPUTY-SPEAKER : The House will now take up further discussion on the

situation arising out of drought and other natural calamities in various parts of the country.

Shri Makwana.

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION (SHRI YOGENDRA MAKWANA) : Mr. Deputy-Speaker, Sir, last Thursday, the discussion on drought and natural calamities Continued from about 6 P.M. upto 10.30 P.M. and the debate went on for nearly four and a half hours. It was postponed to be replied today only because there were no Members. Hardly, there were ten and they too from this side. We wanted that the Members should be present to hear the reply to all the points which they had raised. Unfortunately, it has become a tradition in this House as also the other House that after speaking the Members leave the House.

SHRI AJAY MUSHRAN (Jabalpur) : I beg your pardon. It is not the tradition. You can say that some Members are in the habit of leaving after speaking, but you cannot generalise.

SHRI YOGENDRA MAKWANA : Where is the mover and the first speaker after him ? You are unnecessarily agitated.

The mover, Shri Janga Reddy, raised a number of points particularly about Andhra Pradesh, but he is not here now. I wanted to tell him what the Government has done for Andhra Pradesh and other States which are suffering from droughts etc.

However, let me begin by what the Finance Commission has said. The Finance Commission has mentioned in its report :

“The financing of relief expenditure is primarily the responsibility of the State Governments and has been accepted as almost axiomatic by earlier Commissions. Notwithstanding this, successive Finance Commissions have been recommending schemes of Central assistance for meeting relief expenditure.”

They obviously realised that on occasions the magnitude of expenditure required to be