

sides, fall in the purchasing power of the common people has affected their market. While the co-operatives are facing financial crisis, the banks are issuing notices to them to repay the working capital. Legal action is also being initiated against the defaulters and as a result, the office bearers of the weavers co-operatives are becoming restless and the weavers are on the verge of unemployment. It is not justified to recover Government loans from the people of the areas affected by natural calamities.

Therefore, I request the Government of India to direct NABARD to convert short-term loans into long-term loans and withdraw whatever legal action has been initiated against the weavers' co-operatives.

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17.05 hrs.

GENERAL BUDGET 1989-90 - GENERAL DISCUSSION — *CONTD.*

(*English*)

MR. DEPUTY-SPEAKER: Now we take up further discussion on Budget (General) for 1989-90.

SHRI DIGVIJAY SINGH (Rajgarh): I rise to support the Budget for 1989-90. I congratulate the hon. Finance Minister for presenting a very balanced, very pragmatic Budget. It is pro-poor, anti-rich, growth oriented and has made an honest effort to curb the non-plan expenditure and consequently the deficit. I am sure, it would curb inflation also.

It is the centenary year of Pandit Jawaharlal Nehru, the architect of modern India. He said:

"The national aims of a welfare state and a socialist economy before it

can only be achieved by considerable increase in national income and our economic policy must therefore be aimed at suitable and equitable distribution."

We have seen in the last four years, in spite of bad monsoons consistently, our economy has developed enough resilience, that we could manage an average growth rate of 5 per cent in the Seventh Five Year Plan. Even in the last year, the worst drought year of the century, we could register a growth rate of 3.6 per cent. The management of drought by the Government under the direction of our Prime Minister, Rajiv Gandhi, has been commendable. It has proved that we, as an economic nation, are on a very strong wicket and we can face any calamity with confidence.

I would like to point out that in the not so severe droughts of 65-66, 66-67 and 79-80 our growth rate was negative and the rate of inflation was 11 per cent, 15 per cent and over 15 percent respectively. This itself proves that by the right kind of policies, we have been able to control the economic situation in this country. This has been possible because of better performance of our infrastructure in the public sector, better investment climate built up by liberalisation of our industrial policy, rationalisation of controls, delicensing and of course, the inherent Indian character of savings.

I am surprised at the comments of our opposition leaders. Though they were absent at the time of presentation of the Budget—probably it is the second time that this has happened in India Parliament—it is very surprising that they have commented that this is a Budget which will stagnate the economy. If anything that is stagnating, it is the growth of the opposition parties, their approach and their mentality. They have shown it a number of times in this very Session by their indifferent approach to the

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serious problems of this country and by raising such issues which politicise and vitiate the political scene and conditions in this country.

The role of the Opposition Parties in this country has been unfortunate.

Economic growth is not the only factor. Only increase in economic growth cannot remove poverty and economic inequalities. We have to achieve economic justice and equality. Then only the poverty of this country can be tackled. That is why I say that we have to have a Budget and an economy which shall remove the economic inequality between the two factions — the upper echelons and the lower ones — alongwith the economic growth. Then only we shall be able to do some justice to the people living below the poverty line. If we see the total wealth of the country, even after forty years of our independence, sixty per cent of the wealth is owned by ten per cent of the upper echelons of population, and the bottom ten percent own only two percent of the national wealth. Until and unless this is brought down, we shall not be able to remove poverty from this country. Although Karl Marx is not very relevant in the late twentieth century, but he has said — and it is quite relevant today also — that economic justice is like a passenger train which is invariably and always late. We have seen this fact come true in our country.

The trickle down theory of the First and the Second Five Year Plans, where it was thought that the community development, as such, would remove the poverty in this country, has not reached the lowest bottom. It has not gone beyond a certain point.

Unfortunately, our rich urban-based professionals and other people in the Planning Commission and in the North Block, are quite far away from the actual condition in

the rural India, from the actual problems of the rural poor. That is why we have not been able to make an honest effort to remove poverty in this country. Mrs. Gandhi made a frontal attack for the first time in 1980 when she brought the IRDP, NREP, and RLEGP to remove poverty from this country. We have seen that these Programmes could have been very successful in dealing with the poverty of this country but for their ineffective implementation. If you see, merely by distributing loan and subsidy, you cannot bring a person living below the poverty line, above the poverty line. An integrated approach has to be taken, and this was very much conceived when this IRDP was brought out.

The structure of economic growth has to be associated with the productive participation of those living below the poverty line, by upgrading the skill of the rural artisan, its access to the high-tech, its ability to contribute to the value adding process and then providing their share of institutional finance along with the subsidy. That is the integrated approach for the rural development, for the weaker sections of the rural artisan. If that is done, then only your IRDP will be successful. Mahatma Gandhi has said, "Men should be the centre of economic growth." The wealth has to be generated in every home and every family which is living below the poverty line. Then only the IRDP can be successful. In spite of the vast human resource available in this country, which can be converted into an asset, we have failed to do so. Although the hon. Prime Minister has created a separate department for Human Resource Development, it has only become a glorified Education Department. It has done nothing for the inherent development of the human being, and particularly those people who are uneducated but very much there in the rural skill like the rural artisans, no effort has been made to develop them. There are no institutes and there are no facilities for the development of the skills of the rural artisans. There are no institutes and

no training programme for the uneducated rural landless. Until this is done, poverty removal would remain as an utopian dream for all of us.

Sir, I congratulate the hon. Finance Minister for merging the programmes of NREP and RLEGP. It was long overdue. It was creating such a confusion in the rural areas and at the field level that even accounting was becoming a great problem. But merely to providing funds for rural landless is not enough. Here also, the implementation of the programme has been very ineffective. There has been no house to house survey of the rural landless. We have not made it essential at the field level to see that only the rural landless who are supposed to gain by this programme are employed in these programmes. No identification has been done of these rural landless. Until and unless you identify the families of these poor, how can you give them an assured employment for at least 200 days in a year which has been our programme? Sir, I strongly advocate that a complete identification programme in every village has to be made for all those rural landless families who have to be provided employment under the new programme and I also congratulate the hon. Finance Minister to bring about Nehru Rojgar Yojana which shall be implemented in these 120 districts. Sir, choosing of 120 districts is a very difficult problem. There may be different considerations. But I strongly advocate that they should be very careful in choosing these 120 districts. You should first find out which are the districts where you have surplus rural landless, where you have people working below the minimum wages, where people are still migrating, leaving their home and hearth to find work elsewhere. These are the districts you have to choose for this 'Nehru Rojgar Yojana'.

Sir, my district, where I have been elected from Rajgarh, in Madhya Pradesh,

about 25,000 to 30,000 every year migrate in spite of your NREP and RLEGP, to other areas for employment. I strongly request the hon. Finance Minister to convey my feelings to the Agriculture Ministry or whatever the dealing Ministry to see that Rajgarh district is included in the 'Nehru Rojgar Yojana'. Sir, Gandhian economy of encouraging Village and Cottage Industries is still very relevant for this country. We should reserve all those items which can be produced in a village or cottage industry. And the bigger and the medium industry should be made to stop the production of such items which can be produced in a village by local talents.

Now, Sir, the 'Ambar Charkha' the symbol of Mahatma Gandhi or the symbol of fight against imperialism, is used for spinning of yarn. This is one thing which, if used in the right earnest and with the right policy, can do a lot in giving more employment in the rural areas. I request the hon. Finance Minister to speak to hon. Textile Minister that the thicker yarn, yarn of the lower counts should be reserved only for the hand-spinning industry. Today I must confess that inflation has hurt the poor of this country in a very big way. I strongly advocate that a scheme to provide cheap foodgrains to the people living below the poverty line is a must. Until and unless we do that, we shall not be doing our duty.

Sir, I must go on record that in regard to the huge subsidies that we are paying to the fertilizer industry or for subsidising sugar and edible oil, we must seriously reconsider whether this is seriously and effectively giving some relief to the poor. In my own assessment, it is not. (*Interruptions*). The subsidy to the fertilizer industry is mostly being cornered by those cultivators or farmers who are fairly well-to-do now. And with modern techniques and irrigation they can afford to pay higher price for the fertilizer. So, the same fertilizer subsidy can be given at the distribution level to small and marginal farm-

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ers and to Scheduled Castes and Scheduled Tribes farmers. And similarly, sugar and edible oil can be brought out in the public distribution system. By releasing the adequate amount of edible oil and because of the success of the Technology Mission on oilseeds, the prices of edible oil have come down. I also congratulate the Government that by taking away the edible oil from the vanaspati industry which it was subsidising, it has brought down the edible oil prices and has brought some relief to the poor. The savings made in withdrawing these subsidies can go to finance the scheme for cheaper foodgrains for the poor, for people living below the poverty line, which has become a 'must'.

Sir, I congratulate the hon. Prime Minister for, with the right kind of foreign policy and our friendly relationship with the neighbours we have been able to bring down the defence expenditure. We have taken a very bold stand in containing this defence expenditure which was becoming heavier and heavier each year because of the rise in our defence expenditure.

We can easily bifurcate the non-plan expenditure into two — non-plan expenditure non-development side and non-plan expenditure development side, i.e. to meet the maintenance cost of the assets created over the years. I strongly advocate, we have been trying also, for a serious cut in the non-plan non-development expenditure. As far as I know the hon. Prime Minister had made a statement that all Ministries should voluntarily decide where they can bring down the non-productive and non-plan expenditure and also to review the ongoing schemes. There are a number of schemes being taken up by different departments which have lost the relevance and which are unproductive and useless. There has to be a serious review in all these Ministeries whether the

schemes which are being implemented are really effective, whether they are really helping the growth of the economy or the target section. I do not know whether any Ministry made an exercise or made an honest effort, but that is not reflected in the figures presented to us. No Ministry made an effort....

MR. DEPUTY-SPEAKER: Please wind up.

SHRI DIGVIJAY SINGH: Sir, I will take two or three minutes. I am concluding.

I also would like to say that we must be very careful in the increase in the repayment obligations. The market borrowing and the imbalance in the foreign trade is a very serious problem in future and this so called debt trap is very much a reality in the near future.

Sir, the imbalance in the import and export has been consistent over the years. We have been balancing foreign trade by foreign borrowing. How long can we go on? There has to be a time when we shall be faced with a situation where we will not be able to borrow from the extreme market. We have given lots of incentives to exporters. But still more incentives are needed. We have to be very careful. The import liberalisation does not mean a blanket sort of permission for anyone to import whatever he wants to. Only those items which are essential for the growth of Indian economy should be kept in the list.

I strongly feel that the capital subsidy being given to the industry is not needed. People who are setting up industry themselves come from very affluent class. You are giving them capital subsidy which is not needed. You can give them soft loan which they can repay easily. One of the major reasons for industrial sickness in this country is, the doles that we are handing out to the new industry. There are 2 lakh sick industrial



units in this country and most of them are not in a position to repay the loan nor in a position to revive them. I strongly feel that it should be stopped and this money saved should be given to KVIC, village industry sector to upgrade the technological skill of the rural artisans.

There is a room for higher direct taxation in this country. Direct taxes today only contribute 18.5% of the total GDP in the country whereas in other countries, the direct tax contributes to about 35 to 50% of the total GDP. There is a room for this. The removal of surcharge and the imposition of 8% only means 3% additional levy on the higher income group. There is a room for additional levy of direct taxes. The corporate sector has been allowed to go scot-free. This could have been one of the areas where you could have increased the revenue. The family pension raised for our freedom fighters is a welcome step. But I plead that it should be increased to Rs. 1500 a month in the present condition of inflation. The present pension is not sufficient.

In the end, I would congratulate the hon. Finance Minister for presenting a very pragmatic Budget.

SHRI K. PRADHANI (Nowrangpur) : Mr. Deputy-Speaker, Sir, I rise to support the budget proposals for the year 1989-90. The aim and objects of this Budget are to promote the productive employment, protect consumption standard of the poor, discourage non-essential luxury consumption specially when it is import intensive, them to provide some relief to middle class income-tax payers, to maintain the tempo of industrial modernisation and growth and to contain the Budget deficit for the year 1989-90.

Before I go to the Budget, I would like to speak something about the Indian economy. During the last year, due to severe drought condition and flood conditions, the economy

of our country was handicapped and it was only 3.6% in terms of growth in GDP. This year, it is going to increase up to 9%.

Regarding agriculture, due to bad monsoon, the production of foodgrains was 138 million tonnes last year whereas it is going to exceed 166 million tonnes this year. Regarding industry, industrial production was about 8% per year during the last four years and the plant load factor of electricity rose to 56.5% from 50.1% in 1984-85. In the Railway, the freight carried during the last 3 years is more than the total of the previous 10 years. Steel production is increased by 10.1%, cement production 12% and the nitrogen fertilizer by 26.2% and phosphatic fertilizer by 64.5% when compared with the corresponding period of last year. At last, I say that 179 public sector enterprises under the Central Government showed a net profit of Rs. 694.19 crores from Rs. 59.79 crores of the corresponding period of last year.

This year is the Birth Centenary Year of Shri Jawaharlal Nehru, our revered late Prime Minister. The hon. Finance Minister has proposed to implement a new Scheme called Jawaharlal Nehru Rozgar Yojana. This is a cent per cent funded Scheme of the Central Government and it has to be raised from the income-tax payers who have more than Rs. 50,000/- income at the rate of 8% from next year.

I welcome the idea of employing people living below poverty line in 120 districts in the country where the employment generation is very low and where people do not get better employment.

Regarding NREP and RLEGP, RLEGP was a cent per cent Central scheme funded by the Central Government and now it has been merged with NREP. My bitter experience is that in some States, they could not give during the past the matching grant for NREP and, that is why, they were deprived

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of getting the share that was allotted to them. RLEGP which was purely a Central grant, is now mixed with NREP and the precondition is that at least 25% has to be deposited by State before 75% of the Central Government grant is released. If these Schemes remain separate and if out of Rs. 1,211 crores an amount of Rs. 600 crores is allotted for RLEGP and a sum of Rs. 611 crores is allotted for NREP, this precondition will not be there for these poor States for RLEGP.

Gadgil formula is there with the Planning Commission. Whichever State can contribute more, it can get more funds from the Central Government in their Plan. This will also be the same formula which is applied to the States. Some poorer States are unable to contribute—more. They are deprived of the allocation made to them. So, I would request the hon. Finance Minister to consider this and see whether this can be done.

The outlay during next year is proposed at Rs. 82,161 crores with a deficit of Rs. 7,344 crores. This amount of Rs. 82,161 crores is 11.7% higher than the budget estimate of last year and 8.4% higher than the revised estimate of 1988-89. Deficit of Rs. 7,337 crores is less than that of 1988-89. i.e., Budget estimate of Rs. 7,484 crores and the revised estimate of Rs. 7,940 crores.

During this Budget, under Communication, there is a rise in the proposed expenditure i.e., tele-communication was Rs. 2,200 crores last year and now it has gone up to Rs. 2,700 crores. Energy sector was Rs. 9,100 crores last year and it has gone up to Rs. 11,227 crores this year. So also transportation was Rs. 5,555 crores last year and it has gone up to Rs. 6,296 crores this year.

Non-Plan outlay also has gone up to Rs. 54,345 crores this year which is a rise of Rs.

5,470 crores over the estimated figure of Rs. 48,877 crores of last year. Major non-Plan expenditure intended to payment of interest is about Rs. 17000 crores. Defence has been allocated Rs. 13,000 crores. Subsidy on food, fertilizers and export promotion is expected to touch Rs. 7472 crores. Regarding subsidy on Food, I would like to say that I come from a tribal belt. This food subsidy is just to maintain the life of the people living there. In the name of this subsidy, for tribals, subsidised food is given. It is distributed to the people living there irrespective of their origin whether they are tribals or non-tribals or scheduled castes. It is given to everybody. Whoever is living in tribal areas, he gets this subsidised food because the tribal people depend on the subsidised food as they have got very little earning. The wages given to them are very less. The wages range between Rs. 3-4 only per day. Unless they get this subsidised food, it is very difficult, for them to sustain. In the tribal areas, there are many diseases as the tribal people are under-nourished people. They don't have proper dress. They don't get proper food. Therefore, this subsidy has helped them a lot. I hope the hon. Finance Minister will consider to increase this subsidised food in tribal areas to help them further.

I would now like to touch the exemptions given by the hon. Finance Minister. There are several exemptions. He has announced some exemption to the poultry sector. 331/3 per cent of the income on poultry has been exempted from tax. So also there is some relief to the retiring officers. The widows will also get 331/3 per cent exemption i.e. upto Rs. 12000 is exempt from income-tax. Concession has also been given to the lower slab income-tax payers. A 5 per cent exemption has been given to the income slab from Rs. 18000-25000. It is a welcome idea. Food-processing equipment and agro-based industries will also get concession in taxation.

Sir, there has been some taxation on steel, iron, cigarettes and molasses. Molasses is used for the manufacture of liquor. Further, some taxation is there for inland air travel at the rate of 10 per cent of the basic fare. Regarding foreign travel, Rs. 50/- has been increased to Rs. 150/- per ticket to travel neighbouring countries. For other foreign countries, it has been increased from Rs. 100/- to Rs. 300 per ticket. There has been some increase in taxation in regard to car, collar, television etc. which are luxury items. Government is very keen to see that the rich people are taxed for the benefit of the poor people, to give employment to the poor people. They can derive the benefits of taxation.

With these words I conclude.

SHRI GEORGE JOSEPH MUNDACKAL (Muvattupuzha): Mr. Deputy-Speaker, Sir, I congratulate the hon. Finance Minister for having presented a balanced Budget giving relief to the ordinary and middle-class people. This is a labour-oriented and farm-oriented Budget. For the last 10 years, I have been sitting here as a Member. In this Budget, certain concessions have been given to the farm sector and ordinary people. I think the income-tax slab may be raised a little bit i.e. it should have been increased up to Rs. 25000/- because Rs. 2000/- per month is not a big income. It will save the middle-class people.

People in South India, especially in my State of Kerala faces acute power shortage. I would request the hon. Minister to allot more funds to the State of Kerala so that many schemes can be implemented. Cash crops can be raised in Kerala. There are certain projects which are pending with the Centre. The State Government says that the central sanction is required for it and central financial help is also required for it. You know that more educated people are struggling to get job there. Formerly, their aim was to go

to the Middle East to get job. But now, people are coming back from the Middle East without job. So, it has become an acute problem of getting a job in Kerala. Kindly provide more fund and also provide more central industries in Kerala.

You know, manpower is more in Kerala. But actually, people are struggling to get even a job. Graduates, post-graduates scientists and engineers are struggling to get a job in the State. They are running after a job not only in India but they are going abroad also in search of a job. Please take a sympathetic view on this problem.

Regarding irrigation, formerly, we used to give more concessions for purposes of foodgrains production. There is a good scope for cash crops and especially the long-term cash crops like coconut, rubber etc. If they are irrigated well, maturity time will be reduced and more income will generate. Now we are spending crores of rupees for importing rubber. By irrigating this, we can save foreign exchange. If you irrigate cardamom well, you can get a bumper crop and thus we can earn more foreign exchange. My request is to give more funds for irrigation purposes so that we can earn more foreign exchange and save more foreign exchange.

National Highways are less in number in my State as compared to the population of the State. The Transport Minister has announced about the Cochin National Highway. But the fund provided for that is very low. I request you to allot more funds so that Kerala State may come on par with other States.

There is good scope for tourism in our country. Small countries like Switzerland and Ceylon attract lot of people and earn lot of money from tourism. We should provide good hotels and good conveyance to the tourism to attract more people from different

[Sh. George Joseph Mundackal]

parts of the world. Kindly allot more funds for this. In Kerala, there are hills, good beaches, sea-ports and also aerodromes to attract more people. If you allot more funds to Kerala, we can mint crores of rupees from tourism.

Regarding rural telephones, people have been waiting for a long time to get a telephone connection. In urban areas, people spend more money because they are rich people. But for rural communication, you have to take a sympathetic view and you should give more concessions.

Our hon. Prime Minister has been maintaining good relations with the neighbouring countries. That way, we have saved a lot on Defence expenditure. And we are utilising that money for more welfare schemes like NREP etc., so that our country progresses very fast. I congratulate the Prime Minister on this policy of maintaining good relations with our neighbours.

I do not want to take much of your valuable time. I support the Budget. I congratulate the Finance Minister for giving a balanced Budget.

SHRI K.S. RAO (Machilipatnam): Mr. Deputy-Speaker, Sir, I am happy that a man with some vision, integrity and commitment to the nation and the people, Mr. Chavan, has presented the Budget this time. I know that he will never yield to pressures of various sections.

When I went through the Budget proposals, I did feel that it was in tune with the laid down principles of socialism and rational distribution. But when I heard the opposition Members speaking many a time—not only this time but also in earlier Budgets—I found that they were only bent upon criticising the Budget with no concrete solutions coming

forward from them. I have not heard their views on taxation, their views on allocation of funds or their views on increasing the resources for the budget. But they only criticise. Possibly they felt that their role is only to criticise. Even when you ask, they don't have a solution.

Our philosophy is socialism. By socialism we don't mean distributing poverty; by socialism we mean ensuring that the fruits of the growth is shared by the poorest of the poor in this country. Keeping this in our mind, when we felt that in the private sector most of the wealth that was generated was going to the few privileged hands of the country, we felt like having a public sector through which we thought that the wealth generated will be shared by the State or the people. But unfortunately when we see the performance of the public sector, for which I don't say that you are responsible, an amount of Rs. 65000 crores invested in the public sector is not yielding even one rupee, though on paper we might show an amount of about Rs. 2800 crores or Rs. 2900 crores which also is coming only from oil sector through administered prices. So, unless we keep attention on the performance of the public sector by choosing people like you—people who are competent, who are men of integrity and who have got some commitment and who are in tune with the philosophy of the country—there is no solution for improving the public sector.

Under the impression unless we keep the public sector at the commanding heights, on paper if we go on speaking about that and then allow the public sector to cause losses, you will always face the problem of constraint of resources. I am not interested in saying that public sector should not be there; but a public sector which can generate wealth and distribute it to the poor people is required. I am of the opinion, as Finance Minister you can bring out some checks on the public sector by telling them that you are



not prepared to give them any more budgetary support and they have to generate wealth for themselves for expansion and showing profits every year.

Basically it is the production that sorts out the problem of the nation or improves the economy of the country. Any proposal that you make in bringing out the tax structure or duties—excise, customs, etc.—must motivate a man to work and save. I have seen your taxing 8% surcharge on the people who are earning more than Rs. 50,000. It is a welcome sign. I don't think even the traders or the businessmen are worried about it. But will you think once about your still maintaining the same limit of Rs. 18000 as the limit of exemption for income tax? More than 22 million of the public sector employees and about 7 million employees in the private sector are within this limit of less than Rs. 25,000 or about Rs. 27,000. What is the expenditure that is involved in collecting the tax from so many millions of employees whose income is limited and whose income is known to everybody? I don't think it is less than Rs. 400 crores or Rs. 500 crores and the revenue also may not be more than that amount. So, can you not think in terms of avoiding this upto Rs. 25,000 or increasing the exemption limit to Rs. 25,000 so that the exchequer will not lose much; but at the same time you are giving an impression that you are really realistic? I request you to think positively keeping those people who are paying in this bracket in mind and also keeping in mind the devalued value of the rupee now. It is a genuine request. I do not know consecutively why Finance Ministers have been shirking to increase this limit by which we are not going out of socialism or the principles laid down by our leaders earlier.

Sir, I have discussed with many a people both inside and outside Parliament. Everybody expresses that it is the controls on production which are causing this havoc. Now you have de-controlled cement and

aluminium. Why don't you extend it to several other commodities of bulk consumption? Experience also shows when you have de-controlled any commodity its production has gone up and the prices also come down. Cement which used to be sold at Rs. 85/- per bag is being sold at Rs. 50/- per bag these days. Same would be the fate of several other major items including steel. In steel if you allow the private sector to come in a big way the prices will certainly come down.

Sir, while I congratulate you in de-controlling these two items, namely, cement and aluminium I wish you de-control also steel, sugar, fertilisers and, if necessary, power generation. You are aware and we are aware that everyone of you in the Government are feeling constraint of resources for development. Where from do these resources come? These resources have necessarily to come out of the hard work put in by the human beings. I have already said if out of the 800 million people of this country even 300 million people were to work with improved skills and giving them extra benefit of Rs. 10 per day you will be getting Rs. 90,000 crores per annum. It is common knowledge. If you want a skilled carpenter you have to pay Rs. 70 per day whereas an ordinary carpenter will come for Rs. 20/- per day. How much difference does it make? Similar is the case with every profession. So the shortage in this country is of skilled labour, skilled technicians and competent people who can come out of the institutes after their studies and generate wealth directly not depending on Government employment. For this you are required to allot more resources for human resource development. You have only allotted Rs. 832 crores for this purpose. This is an essential item. You have to necessarily allocate more money for this.

Similar is the case with population control. I do not know how Government is forgetting about the havoc which this unchecked

[Sh. K.S. Rao]

population growth is causing. I have suggested to the Ministry and also to the Prime Minister in case you pay Rs. 3000/- today to each individual who is prepared to limit his children to one and if you pay to 10 million people it comes to Rs. 300 crores of expenditure in the budget. The promise that Rs. 3000/- paid today will become a lakh of rupees by the time the boy comes up to the age of twenty-five—give a commitment that you are going to pay a lakh of rupees to the children after twenty-five years—that would be a great attraction for every individual to limit his children. A lakh of rupees by the time boy comes to the age of twenty-five is an assured wealth which gives confidence to the father. You expenditure in other methods is not yielding results. Rupees 3000/- is not much and it will have a compound effect by which you can bring the population growth to zero in less than twenty years. Sir, you may ask me wherefrom these resources come for these things. I say why do you provide money for Railways? Why do you provide money for Telecom? Why do you provide money for power generation, for chemicals, fertilisers and civil aviation? Why don't you ask those Ministries to generate their own wealth? In case they are short of capital investment, allow them to raise bonds. Let them share the responsibility of paying the interest on capital. Let there be a burden on them. Let them not think that they can get the budgetary support and they can still live on inefficiency. Let them not think that they can go on expecting budgetary support and need not generate wealth by themselves. Why do you increase the burden on yourself? Why not share this burden? I think, you will think in the direction of asking the other Ministries excepting those Ministries which are engaged in welfare activities like human resources development, education, poverty alleviation, rural development. This will sort out the problem of allocation.

I definitely congratulate you that policies and programmes of our Government have helped us in spite of the continuous drought of three years. The policies of the Government have enabled, apart from the nature, to increase the production of foodgrains from 138 million tonnes to almost 170 million tonnes—an increase of around 24 per cent. When there could be a 24 per cent increase in the foodgrains in one year, can you not think in terms of giving more assurances to the farming community by paying remunerative prices and by increasing the allocations for crop insurance? Then, more and more people can take risk. More and more people can work with better incentives and generate more wealth—if not 24 per cent every year, then at least more than what it was earlier.

You have been spending a lot of money on import of several items, including edible oils. You give the remunerative price to the farmers. There is no need to import any edible oils. Our own experience in the case of sugar is that by paying remunerative price to the farmers, we have not only come to the stage of self-sufficiency but also we are in a position to export sugar to other countries.

Now, I will come to the corporate sector taxation. Even with effective taxation in the corporate sector of 50 or 55 per cent, under your legislation, it is only 27 per cent. That means, we are, in on way, levying higher tax rates compared to any other nation. We don't need to worry about increase in tax rates in this manner. If you want, you can withdraw your exemptions and then reduce the rates to the international standards.

Savings, I understand, are going down, though marginally. But some more incentives to the rural people will help in increasing the savings because domestic savings are much better than the external savings. But by increasing external savings, we are

losing employment. Our countrymen are forgoing the employment. Even if you increase the domestic borrowing it will be only within the country. No amount of debt will harm us. But external debt, I understand, is about Rs. 55,000 crores. Please think over about putting a check on the external debt.

I congratulate you in bringing down the budget deficit from Rs. 7,940 crores to Rs. 7,337 crores. People fear about the deficit. I think that deficit financing and inflation are part of the economy for which we need not get perturbed. So long as this deficit and the inflation are within control, that is, inflation is less than 10 per cent and deficit is in the range of 2-3 per cent of the gross national product, we need not get upset or we need not bother about the criticism from the Opposition parties.

Lastly, I only wanted to say that the Central Government is giving more than Rs. 7,500 crores by way of subsidies. You are giving more than Rs. 3,000 crores on fertilisers alone. Have you ever thought that by giving Rs. 400 crores or subsidy... on Rs. 2 per kg. and subsidy on dhoties in Andhra Pradesh with expensive publicity that is being given, the Chief Minister could win the hearts of the people? But your Rs. 3500 crores on fertilisers which is going to the farmers is lacking publicity. We are not impressing upon the farmers and the poor people. We are not impressing anybody in this country with so many thousands and crores of rupees which the Government is spending on the poor people and for the agricultural community. But I wish that the amount of Rs. 3000 crores which you are giving to the factories is withdrawn and you see that this is given directly to the farmers by which you can encourage the competition among the manufacturers of the fertilisers and thus make the farmers feel that the Government of India is interested in their welfare.

*Assistance to Refugees*  
*from Pak. Occupied Area of J & K*  
 18.00 hrs.

MR. DEPUTY SPEAKER: It is time to take up half-an-hour discussion. So, you please wind up.

SHRI K.S. RAO: Finally, I congratulate the Minister for the pragmatic Budget which he has brought in. If there are any suggestions for improvements, let him not have the feeling of ego; let him consider those improvements and accept to the extent possible.

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18.01 hrs.

#### HALF-AN-HOUR DISCUSSION

[English]

#### **Financial Assistance to Refugees from Pak Occupied Areas of Jammu and Kashmir**

MR. DEPUTY SPEAKER: The House will now take up a discussion on the points arising out of the reply given by the Minister of State in the Ministry of Home Affairs on 27th February, 1989 to Unstarred Question No. 713 regarding financial assistance to refugees from Pak occupied areas of Jammu and Kashmir. Mr. Janak Raj Gupta may please start.

[Translation]

SHRI JANAK RAJ GUPTA (Jammu): Mr. Deputy Speaker, Sir, I had requested for a half-an-hour discussion in connection with the reply given to my question by the hon. Minister of State in the Ministry of Home Affairs on 27th February and I am grateful to you and thank you for giving me permission therefor. This issue concerns the poor and helpless refugees from Pakistan occupied