

12.27 hrs.

**GENERAL BUDGET, 1989-90— GENERAL DISCUSSION —CONTD.***[English]*

**MR. DEPUTY SPEAKER:** The House will now take up further discussion on Budget (General) for 1989-90.

*[Translation]*

**SHRI KALI PRASAD PANDEY (Gopalganj):** Mr. Deputy Speaker, Sir, I support the General Budget for 1989-90 presented in this House by the hon. Minister of Finance.

Sir, the hon. Finance Minister has announced several schemes in his budget speech in connection with celebration of centenary of Pt. Jawahar Lal Nehru. In this Budget, a provision of Rs. 500 crore has been made for a scheme for removal of unemployment. But it is a matter of great surprise that only 120 districts have been selected for the implementation of this scheme. It is impossible to do away with the problem of poverty by selecting only 120 districts in a vast country like India.

The number of poor people in India is more than 6 crore and 50 lakh. According to an International organisation of the U.N.O., there are 50 crore people in the world who do not even get two square meals. Their number in India is 7 crore. According to this organisation 2.79 crore people—45 lakh in Maharashtra, 30 lakh in West Bengal, 25 lakh in Uttar Pradesh and 18 lakh in Delhi-live in "Jhuggi Jhonpris".

Mr. Deputy Speaker, Sir, you will recall that in the previous Budget presented by hon. Tiwariji in this House he had made several announcements for the advancement of the rural population and he had termed it as a Budget of the benefit of farm-

ers. For the past four years we have been seeing the Budgets every year and hearing the announcements made therein. But the poor people did not get even 75 per cent benefit of those announcements and schemes. If the benefits of the schemes meant and formulated for the poor in this House, do not reach them, how can you claim that they are being uplifted. 65 per cent population of India, which contributes its might in execution of large construction works of the nation have a right to appeal to its leader for provision of adequate funds. There is no use of presenting Budget and expressing concern for the poor unless it is ensured that the benefits intended for the poor in fact reach them.

The Government had declared in the last year's Budget that communication system will be developed. We were expecting that the prices of T.V. sets will be reduced but does the Government intend to develop the communication media only by increasing the prices of T.V. sets? Therefore, this increase should be withdrawn. Earlier radio was a very expensive item and was possessed only by the rich class. However, due to the simple policy of the Government, radios are now available in every village. But the existing policy in regard to the T.V. sets is conducive to its general availability for the common man and consequentially the rural population will not be able to benefit through it. We had hoped that the prices of kerosene, sugar and salt too will be reduced in this Budget because they are necessity items for both the rich as well as the poor. The Government has increased the prices of commodities like steel etc. but it has been stated number of times that before the presentation of Budget, an assessment should be made in regard to the stock of commodities available with different industrialists. But today it so happens that the industrialists hoard the goods in the pre-Budget days and earn profits worth lakhs of rupees on them after the presentation of Budget. Therefore, an assessment

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should be made so as to get informed of the stock position with each individual company. The Government proposes to achieve the target of bringing down the percentage of people living below the poverty line to 20 per cent by the year 1994-95. But this can not be achieved merely by spending money on other schemes. These schemes should be implemented in all seriousness. A number of schemes were formulated for Bihar but the poor because even poorer and the rich became richer because unless and until the entire system is streamlined, mere Budgetting and announcements won't benefit the poor the country. The number of people living below poverty line is 440 lakh i.e. 46.5 per cent of the rural population and 90.6 lakh, that is 40.5 per cent of the urban population in Uttar Pradesh. Bihar ranks second with 329.4 lakh, that is 51.4 per cent rural population and 36.1 lakh, that is 37 per cent urban population. Similarly, the number of people living below poverty line in Madhya Pradesh, Orissa, Tamilnadu, West Bengal, Andhra Pradesh and Karnataka is 46.2 per cent, 42.4 per cent 29.4 per cent 29.2 per cent, 36.4 per cent and 35 per cent respectively. Bihar ranks second in this category. I would like to know as to why the Koyal Project has been kept pending since such a long period and why are the funds not being allocated for it. Again, why is the Kanti Thermal Power Plant not being completed so that the people of Uttar Pradesh may be benefitted by it. The Government grants funds for various schemes but what was our target in regard to the completion of the Koyal Project and the Kanti Project? Had the Government kept in view these problems before granting funds for the scheme, this situation would not have arisen. The Government did not pay attention to the completion of Kanti Thermal Power Plant which would have benefitted people living in Gopalganj, Siwan and East Champaran. Consequently, it has not started functioning till

date. If You consider this honestly and had the Koyal-Karo Project been completed in time, the Jharkhand movement would not have brewed up. While Uttar Pradesh ranks first, Bihar ranks, second among the backward areas though it is the same Bihar where in Champaran, Mahatma Gandhi had launched his movement for the upliftment of the poor and for creating an awakening among the masses. I hail from the same Bihar where great personalities like Maulana Mazrul Haque and the first President of India, Dr. Rajendra Prasad were born. If the problem of unemployment in Bihar is to be solved, the Government should set up industries at the district level so that the standard of living of the people may be raised there. Whether an increase in the railway freight won't affect the price situation. If it is so, what steps we are going to take to implement the schemes so as to make up the deficit? A little while ago the point of rural banks was raised in the House. I wanted to know the name of the rural banks in Gopalganj district of Bihar, where there has been the cases of bungling. One such case of bungling of Rs. 62 lakhs was traced in a bank at Bathna Kuti. Similarly, a case of bungling involving an amount of Rs. 30 lakh was detected in a bank at Samra. The C.B.I. was ordered by this House in 1985 to conduct an enquiry into the matter. Till today i.e. upto 1989, the C.B.I. has not been able to complete their investigation process. The late Shrimati Indira Gandhi had said that there should be a wide network of rural banks and the amount of subsidy should be distributed for the upliftment of the poor. However, instead of any improvement in the conditions of the poor, there has been an improvement in the financial position of the bank managers. If the pocketing of funds by the bank managers is stopped, we can certainly bring in the upliftment of the poor and help improve the destiny of our country. The India fertilizers Corporation is paying a rent of Rs. 40-50 thousand per godown. A solution can surely be found if those exorandi-



tures are reduced. The condition of the Scheduled Castes and Scheduled Tribes too is the same as before. The Hon. Prime Minister has made announcements regarding the Panchayati Raj. The Government should take steps to develop the Panchayat level and for the upliftment of schools. Our country can develop only if the people in villages progress. With these words, I conclude.

[English]

SHRI JAGANNATH RAO (Berhampur): Mr. Deputy Speaker, Sir, can I sit and speak?

MR. DEPUTY SPEAKER: Yes, you can.

SHRI JAGANNATH RAO : Thank you, Sir.

Mr. Deputy Speaker, Sir, I welcome the Budget proposal for 1989-90. In a planned economy the Union Budget is not a mere finance statement of receipts and expenditure but it is an instrument of economic growth. Various economic and fiscal policies followed by the Government in the last 3 or 4 decades have made the economy sound and robust. We now have a self-reliant and self-generating economy. We are able to finance our Plans to a great extent. Of course, we have to get some external assistance in certain spheres. But this is inevitable. No country in the world has developed its economy without external assistance. Therefore, the policy that has been followed by the Government all these years has shown results and our economy has become sound and resilient. In spite of drought in 1987, the foodgrain production has gone up to 170 million tonnes, much more than the targeted figure of 166 million tonnes. How could it happen if the economy is not sound?

The Opposition criticises the Govern-

ment for its policies and says that the policies have made the country bankrupt. This is far from true. The GDP has increased by 5 per cent. Agricultural production has increased. Industrial production has gone up by 9 per cent. Export have gone up by 24 per cent. All round development in the economy is the result of the policies followed by the Government all these years. Therefore, the Budget of this year is a continuation of the Budget of last year and a projection of the policies of the Government in the coming years. The momentum created by the Budget last year is now being accelerated by additional allocations to various sectors. These allocations are not only to maintain the momentum created but also to accelerate it for still more rapid growth.

Hitherto, Green Revolution was confined to the two States of Punjab and Haryana and to wheat and rice only. But now it is being extended to other States also which have a perennial source of irrigation. There also the production is being increased two-fold, three-fold and even four-fold. Unless it is done, the States always have to look to the Centre for supply of foodgrains. Therefore, if every State becomes self-sufficient to the extent possible, it will ease the pressure on the Central Government and the money spent on procuring and maintaining the foodgrain stocks can be otherwise spent for developmental purposes.

Sir, as I said our exports have increased and we are the tenth industrial nation in the world. I think we are occupying ninth place. How could it happen? It could happen because of the policy adumbrated by Pandit Jawaharlal Nehru to build up the infrastructure in the country for rapid development in agriculture and industry. That policy has now borne fruit. Now we are producing everything that is required. Of course, there is a little shortage and we are importing to that extent. But our imports are dwindling year by year. Exports are rising and imports are

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being cut to the minimum. So, Sir, it is not correct on the part of the Opposition to say that the Government's policies have put the country in a debt trap. There is no question of any debt trap here and our creditworthiness is known all over the world. The World Bank had sanctioned about 5,000 million dollars four or five years ago. But we did not ask the entire money. We took about half of the loan and we had already repaid it. So, our creditworthiness is known all over the world. How could we do it if the economy is not sound? We have to view the economic policies of the Government in the right perspective and not merely criticise the Government without offering any alternative proposals, as is done by the Opposition.

The policies that are being followed by the Government are quite sound. But the main problem is that we have to face poverty. The first three Plans had concentrated on building up the infrastructure. The emphasis in the Fourth Plan was shifted to economic growth coupled with social justice. In 1969-70, Indiraji declared a war on poverty and raised the battle-cry 'Garibi Hatao' and formulated the 20-Point Programme to eliminate poverty and to alleviate the poor. From 1971 to 1980, for ten years nothing special could be done due to several reasons such as internal disturbances in the country, the Janata Party coming to power for two and a half years and so on. All these factors led to disruption and the implementation of the Programme was not very effective. Only from 1980 onwards the 20 Point Programme is being implemented and this has now borne fruit. Out of a population of 37 crores below the poverty line, about 10 crores of people have crossed the poverty line. Still there is poverty. Poverty cannot be eradicated overnight. It takes some years. But steps are being taken. Efforts are made by our Prime Minister Rajiv Gandhi to implement the 20 Point Programme with more

vigour and greater thrust and determination so that poverty is eliminated. We have formulated a scheme called IRDP. This IRDP scheme is intended to give financial help to self-employed persons in the rural areas such as a carpenter, black-smith, a cobbler and so on. This scheme helps those people who have some trade in their hands or some skill in their hands. They can utilise the money which they get as a loan and improve their trade and thereby improve their economic condition. But what about those people without any skill who are also given this IRDP loan? They are not able to utilise the money properly. They spend the money on daughter's marriage or for brother's house. A rupee is not invested which can produce another rupees. So, they become debtors and a large amount of money given by the Banks is lying unrecovered. Thousands of crores remain unrecovered. Therefore it is to be seen as to how far the IRDP has been successful; to what extent, how many people have been benefited; and what type of people were benefited. Those people who are not benefited should not be given IRDP Loan. There should be some other help such as RLEGP or some such thing. There is a programme called NREP. It is also a project which is carried on 50-50 basis. What are the works carried on in rural areas? Primary schools have been opened, village roads have been provided, village talks have been provided and so on. So how long will it take? How many people can be employed? How many jobs can be created? So, it would be a very difficult and complex problem. Though the Government has a will, determination to do it and lot of efforts are being made in this direction, I am surprised that enough jobs could not be created in the rural areas. The only thing is that the Khadi and Village Industries Board can encourage, wherever possible, the people who have skill, by improving their jobs. This is a problem which has to be viewed objectively and not merely criticising the Government that nothing is being done. Where nothing is

being done or where the money is not utilised, there have to evaluate and see how best it could be done. How are you going to create jobs? Employment in rural areas is problem. I do not know how the Government going to tackle this employment problem in the coming years. Poverty is not being reduced. If you go to the rural areas where there is an industry or any irrigation project or any industrial project, people round about 10-15 kms. radius are benefited because they are employed in those projects Both husband and wife are employed. Their condition is very good. they are paid better salaries. They are better clothed. They get better food and so on. But in the interior areas, there is no scope for employment. There is no water. There is no land. Nobody has land so that they can work on that land. Therefore it is a complex problem. It will take time. It is not being tackled by the Government with great determination and greater thrust.

I welcome the budget proposals. In spite of all these things, the Budget has kept the deficit under control. The deficit is only Rs 7000 crores or something like that. The inflationary pressures are bound to be there in a developing economy. Every developed country has experienced this. So, the inflation is coming down year after year. We should look at these things objectively. It is a good Budget. The rise in the cost of inputs will not affect the commonman but only persons who are in a position to pay the additional Excise Duty. A person who can purchase a T.V. can pay a little more. A person, whose annual income is Rs. 50,000 or more has to pay a surcharge of 8 per cent. Therefore, somebody has to pay. Without this how can you have revenues and how can you raise the resources for the Plan? The national investment as envisaged in the Plan for the upliftment of the poor is a very welcome step. It is a Budget meant for the poor. Not only that. The economy will be developed. Human resource development

is a greatest thing which Panditji took up in the beginning. To develop human personality in all its aspects from cradle to grave, steps are being taken to improve it. Steps are also being taken to improve education, health, nutrition, food and even latest facilities are being provided towards education. The public school system is being introduced in the rural areas like the Navodaya Vidyalayas. A comprehensive plan is being formulated so that the human personality is developed, the economy is developed and the country will become a prosperous country. Every man in the village can feel proud that he belongs India, a country which has its own traditions, culture and commands respect all over the world.

SHRIMATI JAYANTI PATNAIK (Cuttack): Mr. Deputy Speaker, Sir, I must congratulate the hon. Finance Minister for presenting well balanced get which takes into account all aspects of our economy. It is a growth oriented Budget. It is designed to provide relief and incentives for the lower middle class people. Keeping the deficit entirely on a manageable limit, the attempt has been made to raise resources by taxing luxury goods and has chosen to launch a direct assault on poverty and unemployment. So, it goes to the credit of the Government to have managed the economy substantially despite worst droughts of the century, last year. The World Bank in the latest Report regarding Indian economy has complimented the Government for the sound economic management. Our Gross Domestic Product has increased by 3.6 per cent and the average growth rate of GDP during the current plan will exceed the plan target of 5 per cent. The inflation rate has been contained. There has been commendable growth of 8 per cent in the manufacturing sector. We are very glad that the performance of the public undertakings has been given priority by the Government and there is continuous effort to improve it. The Public undertakings should contribute to national

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resources, and they should be able to fund their own modernisation expansion and diversification programmes. In this connection, I would urge that the non-essential public enterprises and those that are dealing with consumer goods and services might be privatized, to generate greater resources for the essential ones.

Now I come to exports. There has been a substantial increase in exports, due to the well-conceived policy of export promotion; but urgent steps are necessary for import-substitutions in the field of key items like oilseeds, fertilizers etc. The Technology Mission for Oilseeds is the right step in this direction. We have to build a strategy for self-sufficiency in fertilizer production. It may be necessary to review the system of administered price for fertilizers. In this connection, I would like to say that the proposal by large private groups to set up fertilizer plants at Paradeep in Orissa should be considered sympathetically.

One thing I would also point out here, viz. That it is a matter of great concern that the phosphate plant at Paradeep has stopped production because of constraints in importing raw materials. It is also a matter of great concern that the shifting of its head office to Orissa has not yet been considered. We know that the State Government and the people of the State have been demanding the shifting of its head office to Orissa. I do not know why it has not been considered. The plant is in Orissa, but the head office is not there—It is here? How long will it continue here I must know this categorically; is the head office going to be shifted? This is very much required for coordination and efficient running of the plant. So, this should be considered sympathetically.

The fertilizer plant at Taicher also requires technological improvement, to run it properly.

Now I come to the Budget that has taxed the rich, and helped the pro-poor. It has emphasized the proper image of the Government. The merger of RLEGP and NREP is a welcome feature, but I would like to suggest here that the contribution by poor States like Orissa—which is much below the national average in poverty index—should be reduced from 25% to 12½, while for the richer States it should be increased. Why am I saying this? It is because we have to see that regional imbalance and regional disparity are removed. We know that when we have different schemes for poverty alleviation, we should first see the intensity of poverty. We are now saying that those whose income level is below Rs. 6500 are poor; and those whose income is only Rs 1000 are also poor. But how long will it take to raise, above the poverty line, especially those whose income is only Rs 1000 or Rs. 2,000 ? In rich States, the mobilization of resources is more ; But because of being below poverty line and because of the fact that 40% of the population in States like Orissa consists of scheduled castes and scheduled tribes, it is very difficult to remove the regional imbalance in such states.

So, this should be taken into account.

Then we have the new employment scheme introduced in memory of Pandit Jawaharlal Nehru. It is an excellent step; and in my opinion, it should be extended to all the districts, instead of only to 120 districts. So is the case with ICDS projects also. It is now going to be extended to 500 more districts; but I want to say that the people of India, especially the women want that all these blocks should be covered under these projects.

13.00 hrs.

The meagre provision in the Budget that is Rs. 251 crores for women and children is not at all sufficient.

Irrigation is the main instrument for



agriculture. Various economic studies show that average employment per acre of agricultural land is low in India compared to countries like Japan. This means that improvement of agricultural facility, intensification of agricultural practices and farm development can absorb a substantial number of surplus labour force. It is a common experience that in many States irrigation potential created by the construction of dams is ideal for want of distribution network. I would suggest that these projects be identified and a special assistance by Central Government be given to poorer States for completion of incomplete projects of this kind to bring about benefit of irrigation to the people immediately.

I welcome the new scheme called Home Loan Account Scheme. It is an imaginative scheme for development of housing programme. The Prime Minister, in the recent announcement, has suggested for a joint title for the house sites under the Indira Awas Yojna Scheme. I would request the Government to make a provision for a joint title for house sites for all the woman; otherwise a single woman who heads a family and especially a women headed family must have special facilities for housing. This is the most basic need of the family and for the women.

While decontrol of cement and aluminium is a right step, there has been distressing report about difficulty faced by small scale industries, which are the users of aluminium and other things. I would not ask why we are exporting aluminium and alumina also. There is metal called calcium alumina. The small scale industries are not at all getting these things for their use whereas we are exporting this metal. So, we have to first meet the demand of our country and then we can export. This is the thing we have to take into consideration. During the past year there has been substantial rise in the prices of metal throughout the world. Our country

should take advantage of this international situation to provide a boost to metallurgical industries. In this connection, I would like that Central Government examine the feasibility of setting up projects for extraction of nickel and vanadium in Orissa where such ore is available. With high international price of these imported items, it is necessary to do so to save valuable foreign exchange and reduce foreign dependence as regards these strategic materials.

Modification of the Gold Control Act is the step in the right direction and will help the poor gold-smiths and artisans. Introduction of new National Saving Certificate will stimulate savings. Modification of the pension schemes will benefit the retired people. Raising the pension for freedom fighters is a correct step to help people who suffered during the freedom struggle. A massive thrust is required in the Khadi and Village Industries and Artisan sectors. Since these activities employ the larger segments of our manufacturing activity, it is necessary to step up investment in this sector substantially in two ways. Firstly, the outlays of KVIC and similar funding organisations should be augmented. Secondly, greater infrastructure should be built up in the handicrafts and handloom village industries and artisan sector by way of new training organisations and strengthening of implementing agencies. I would suggest that in selected larger districts in the country separate infrastructure for rural artisan programme should be built up with central support, supporting the activities from the present Districts Industries Centres who are paying all their attention to small industries and self-employment programme. For want of a separate organisation in the districts, the artisan sector and the village industries sector are suffering. It is necessary to introduce this programme in the interest of providing a massive thrust to the artisan programme.

I would also like to mention that one of

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the highlights of the Budget is limiting the Defence expenditure to the present level. Large Defence expenditure is a drain on resources which are scarce and are needed for developmental activity. We must congratulate our Prime Minister for making commendable effort to ease tensions and improve our relations with neighbouring countries. Cutting down Defence expenditure will have a logical consequence in these efforts. This is an important objective of the Budget. It is a socialistic budget and it has taken into account the interests of the poor people and taxed those people who can pay and that is why the Budget is a welcome Budget. It is a balanced Budget and also a growth oriented Budget.

SHRI WILLIAMSON SANGMA : (Tura)  
Mr. Deputy Speaker, Sir, I rise to participate briefly in the general discussion on the Budget for 1989-90. While I support the new directions the Budget would give to the national economy, I would like to use this platform to highlight certain specific areas of distress relating to my State., Meghalaya, on account of non-implementation of a number of approved and sanctioned schemes and projects to which I would like to draw the attention of the Government.

I fail to understand how, even when no less a person than the Prime Minister himself laid the foundation stone of a particular vital and sanctioned project, it remains unimplemented for a long time. In this connection I will give an example. On the 27th December, 1987 when the Prime Minister visited my district. Garo Hills, accompanied by a number of senior colleagues of his Cabinet, like Shri K.C. Pant, Defence Minister, the then Minister of State for Civil Aviation, Mr. Jagdish Tytler and other Central leaders including a number of senior officers, he laid the foundation stone for the Tura (Baljek) Airport. A very big crowd attended the func-

tion, thought it was Sunday. As you may be aware, in the hilly areas of our part of the country the Christians do not generally come to attend public functions, particularly on Sundays. But expecting something very big from the Prime Minister, a large number of people gathered to attend this function. And in their presence the Prime Minister while laying the foundation stone said that the engineers would now come and start the construction work of the airport soon. But nothing has been done up till now. For a hill-man a promise is a promise. Once a promise is made it should be acted upon. It should not remain as a mere proposal in the file. It should be translated into action.

On the same day, the Prime Minister also announced that the construction work of ropeway from Siju to Dudnai would also be started soon. This project was agreed to by the late Prime Minister and while presiding the Special Meeting of the North Eastern Council held on 22.12.1980 in New Delhi she announced that it would be taken up during the Sixth Plan period itself. However, nothing has happened till now.

Regarding the Tura airport, I learnt only yesterday from the then Minister of state for Civil Aviation that even the finance has been sanctioned. You can well appreciate, Sir, what will be the feeling and reaction of the people in such situation.

It appears that there is no proper coordination amongst the Ministries. I will give an example. While I was the Chief Minister of Meghalaya, I used to attend the Ministers Committee for the Economic Development of the North Eastern Region. I continuously pleaded for the construction of a rail-cum-road bridge across the Brahmaputra river between Jojigopa and Pancharathna. After a great deal of persuasion, the Government of India agreed to have a rail-cum-road bridge. Initially Government agreed for a rail bridge, but later on it agreed for a rail-cum-

road bridge. Necessary re-designing of the bridge to make it rail-cum-road had been completed within scheduled time and the location survey had also been completed. Our late Prime Minister Indiraji laid the foundation stone of this rail-cum-road bridge some years ago. When this matter was raised by me in the meeting of the Ministers Committee of the Economic Development of the North-Eastern Region, it was very unfortunate that the Minister of State for Railways, who was wrongly briefed by his officers, while intervening in the meeting said that the location survey was being completed. It was a surprise to me. Sir, lakhs of people had attended the foundation stone laying function. But the Minister now said that the location survey was being completed. I do not know how things are being done.

Sir, coming to another very important scheme, Indira Gandhi Regional Institute of Medical Sciences, the need for such an institution was realised by our late Prime Minister Smt. Indiraji. She had agreed in principle to have such an institution in the North Eastern Region and agreed to locate it in Shillong. Necessary land, more than 300 acres, has been acquired by the State Government for this purpose. We requested our present Prime Minister Shri Rajiv Gandhi to lay the foundation stone. In the first instance, the Prime Minister expressed his inability. I tried to know the reasons. I was told that because of some administrative reasons, there was some difficulty to comply with our request. However, we again requested him to lay the foundation stone in 1986. He agreed to do so and laid the foundation stone in May 1986, during SAARC Conference in Shillong. Once the highest man in the administration made a promise and laid the foundation stone, it is the duty of the concerned Ministry to execute the project. It should not remain in the file like a certificate only.

Sir, I do not want to go into the details of

the Budget provisions. I have always been trying to persuade our present hon. Finance Minister, who was the then Planning Minister, that there should be a Tribal Sub Plan for the North Eastern Region Hill States. In all the States, where there is a sizable tribal population, there is a general annual plan and in addition they get Tribal Sub Plan also. Unfortunately, in the North Eastern Region only some States like Manipur, Assam and Tripura get tribal sub-plan in addition to their General Annual Plan, but the hill States in the North-Eastern Region, namely, Meghalaya, Nagaland, Mizoram and Arunachal Pradesh, do not get the Tribal Sub Plan. I took up the matter with the present Finance Minister who was then the Minister of Planning. The Planning Commission did not agree to my request. The plea taken by them was that the entire state is a Tribal State and the entire plan is Tribal Plan, and as such there was no need for a Tribal Sub-Plan. I demanded that let the entire plan for these States be regarded as Tribal Plan and financial assistance should be cent per cent as is available for the Tribal Sub-Plan in other States. Up till now I have not been able to persuade them to agree with me, but I do not see any logic in their stand.

The Government of India during the regime of late Shrimati Indira Gandhi and even now during the regime of Shri Rajiv Gandhi set up a Ministers Committee for looking after the socio-economic development of North Eastern Region. This Committee has now been upgraded and consists of Chief Ministers and it is chaired by the Home Minister. This Committee had the occasion to review a number of schemes which are sanctioned for the entire north-eastern region and see as upto what extent the programme had been implemented and what were the handicaps and difficulties. But for the last two years, it appears that no such meeting has taken place. I would suggest that this should be revived and the schemes which have been approved and cleared both

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by the concerned Ministry as well as by the Planning Ministry should not be delayed for implementation.

Coming back to the Indira Gandhi Regional Institute for Medical Sciences, as stated earlier, the foundation stone for the project was laid by our Prime Minister, Shri Rajiv Gandhi, in May, 1986 during SAARC conference in Shillong. Now it is more than three years. Even the Director of this Institute has not been appointed. Not a single brick has been laid. You can imagine what would be the people's feeling and reaction. It was our firm belief that the work of this Institute would be taken up in right earnest by the concerned Ministry. But unfortunately, there is no progress at all. I would earnestly request the Government to look into this matter and see that all the approved and sanctioned schemes are taken up for implementation without any further loss of time and all the pending schemes, including central schemes, are approved and taken up early.

[*Translation*]

SHRIMATI USHA VERMA (Kheri): Mr. Deputy Speaker, Sir, I am grateful to you for having granted me the time to speak. I also congratulate the hon. Finance Minister on the Budget for the year 1989-90 which has substantially provided that the Government is committed to undertake the work of upliftment of the poor as well as to usher in an era of social and economic justice. It has also been the effort of the Government to bring above the poverty line the poor, the hard working, the labourers and the economically backward sections of the society. The hon. Finance Minister has tried to make the Budget village oriented and for the benefit of the poor. Therefore, I want to congratulate him.

I want to congratulate even the Hon. Prime Minister for having presented the Budget in the face of economic crisis and when our economy is laden with foreign and internal debts. Content of non-planned and superfluous expenditure on the administration is also increasing which needs to be stopped because more funds are required for the development works. In view of all these things, the hon. Finance Minister has taken a number of corrective measures and has also taken an initiative to strike a balance and infuse discipline in the economy. All the basic problems have been taken care of. But a liberal view has been adopted towards the industries in the Budget. In spite of this the poor are not getting the funds which should have been made available to them under the Hon. Prime Minister's schemes, under I.R.D.P. and under the provisions made for loans. None of the schemes, whether regarding the schools, roads, electricity or the farmers, is getting requisite funds. In this regard there should be a substantive control on corruption. Then alone can we succeed in the proper implementation of our programmes aiming at the upliftment of the poor. The poor do not get any assistance even through the banks.

Now, I would come to my constituency, Lakhimpurkheri. A survey was conducted in 1977 for a new railway line between Farukhabad and Gola Gokarnnath via Shahjahanpur-Momkandi. Even earlier such a survey was conducted but in that regard the Railway Ministry gave merely curt reply that they were short of funds. At that account we have been facing financial constraints to implement this scheme. Therefore, I urge upon the hon. Finance Minister to provide some funds for the implementation of this scheme. The provision of a new railway line in the backward areas like ours will also bring in a facility for the people living in these areas. At present there is only one very old railway line in that area which is not capable of meeting the requirements of such



a vast area. Therefore, my submission to the hon. Finance Minister is that he may kindly allocate funds for the proposed railway line mentioned by me.

13.25 hrs

[SHRIMATI BASAVARAJESWARI *in the Chair*]

This will facilitate the proper implementation of the Hon. Prime Minister's 20-Point Programme and 14-Point Programme in that area which has a population of 10 lakhs. I would like to congratulate the hon. Prime Minister for having shouldered the responsibility of strengthening the Gram Panchayats for providing facilities to the Villagers. This is a commendable thing. It is my submission that facilities should be provided to them at the earliest so that the Hon. Prime Minister's schemes may be implemented properly with the help of Gram Sabhas. This is what the Hon. Prime Minister himself wants. Apart from this, the farmers have been given all the facilities of irrigation, diesel pumps etc. but they should also be given proper price for their crop so that they may produce maximum quantity of foodgrains for the country.

I would once again like to congratulate the Hon. Prime Minister for having taken so many positive steps through this Budget. However, I feel a bit sorry that the benefits have not reached the rural areas. If the people living in rural areas are benefitted, no power on earth can fail our Government. My submission is that maximum amount of funds should be allocated for the welfare of my area, so that all the problems regarding railway, road and school facilities may be solved.

I thank you for allowing me time to speak and once again thank the Hon. Prime Minister and the hon. Finance Minister for having presented such a good Budget.

SHRI DILEEP SINGH BHURIA (Jhabua): Madam Chairman, I rise to support this Budget occupies a prominent place in the affairs of the country. I wanted that the members of opposition as well as of the ruling party to sit together and discuss the various aspects of this Budget because it attracts the attention of the entire country. But, it is a matter of regret that the members of opposition are not present here today.

Before the Budget was presented in the House, members of opposition parties presumed various things but couldn't find anything worth criticising when the Budget was presented. They were greatly disappointed. Madam Chairman, there are people who are misleading the masses. We will have to think about them. Members of the opposition parties misguide the farmers when they happen to come in contact with them. They claim that they will get their loans write off. No Government can afford to write off the loans. In this way people are misguided. There should be certain norms to be observed by each political party. I would like to thank the hon. Minister for implementing Nehru Rozgar Yojna during this Nehru Centenary year. This will cover 120 districts and a provision of Rs. 500 crores has been made for implementing this scheme. I would like the Government to give priority to the poor, the weaker sections and Harijans and Adivasis. 36 percent of the total population in our country is living below the poverty line. The Government should take measures to provide foodgrains at fair prices to the people living below poverty line as is done in case of adivasis. A mention has been made to reduce the rate of interest on the loan amount ranging between 15000/- to 25000/- The small farmers are very backward. They may need fifty thousand to Rs. one lakh for modernising their agricultural activities. Payment of interest on this amount is really difficult. Money-lenders charge heavy interest and thus earn a lot without doing any labour. I would like the Government to make

[Sh. Dileep Singh Bhuria]

provision for granting interest-free loans to the farmers so that they can utilise the money for increasing the production and thus pay the instalments of their loans in due time. The farmers have to suffer financial loss and their economy shatters due to the natural calamities like floods, drought cyclones etc. According to the land ceiling laws, a farmer cannot have more than 25 acres of land. It is, therefore, necessary to grant interest-free loans to the small farmers. Sajjan Mill in Ratlam is lying closed for the last four years. Banks and big shareholders are responsible for the closure. The State Government wants to re-start the mill but the bankers are not interested in extending help for the purpose. The closure of this mill has rendered about three thousand people unemployed. In these circumstances, the Government should come forward to rescue the people. We should extend help to these poor people beyond statutory provisions. Law with no consideration to public welfare is futile. As the State Government is willing to re-start this mill in order to provide employment to the people, the hon. Minister is urged upon to consider this matter and take effective measures to see that the mill is started at the earliest. Secondly, I would like to say something about the industries. The Government have proposed to create infrastructure facilities at 61 development centres. My constituency has been declared industrially backward since the year 1975. Our leader Shrimati Indira Gandhi had laid the foundation stone on 23 October, 1984 for setting up a polyester fibre industrial unit but it has not been set up so far. The Government should review the situation and find out the reasons for the delay in work. Frequent policy changes leave these backward areas as they were while the advancing areas continue to maintain their pace of advancement. Effective measures should be taken to remove such an imbalance. We should identify backward

districts in the country and pay special attention for their development. Otherwise the number of such areas would increase. The number will go to 71 and then to 100 from 60. Inadequate assistance would not do. We can succeed only if sufficient assistance is given to the poor. So, equal chances should be given to all. The proposal of giving Rs 750/- as pension to the freedom fighters, is commendable. But there are freedom fighters who, though they have been given a certificate by the Government, have to run to plead their case to the Members of Parliament and to certain other VIPs. The Government should provide help to them. They are not going to survive for a long time. If any extra help is needed that should also be extended to them. Our Prime Minister Rajiv Gandhi advocates socialism and Shrimati Indira Gandhi also sacrificed her life for the same purpose. We are therefore required, implement this scheme effectively.

13.37 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The roads in my constituency are in a very bad condition. The Central Government have not provided adequate financial assistance to the State Government to improve the condition of roads. Madhya Pradesh is a backward State. It is, therefore, requested that the Government should take steps to improve the conditions of roads, forests and railway in the State. Relief works in drought hit areas have been appreciated. I extend my thanks to the Hon. Prime Minister for this and congratulate the hon. Minister for presenting a good Budget.

[*English*]

SHRI P.R. KUMARAMANGALAM (Salem): Mr. Deputy Speaker, Sir, I rise to welcome—not only welcome—the General Budget which has been placed by the hon. Finance Minister in this House because the

word "welcome" would be insignificant and insufficient for the revolution that the hon. Prime Minister and the Finance have brought about in this General Budget.

This Budget has quite rightly projected the priorities of today. It has realised that the burning question is unemployment and unless we solve the problem of unemployment we cannot really tackle with full force, the poverty that is slowly eating into the vitals of our nation. It is also most appropriate that it has been named after Panditji, as it was Panditji who dreamt that India would be truly free only when we have total economic freedom and not just political freedom. It is with this objective of wiping every tear from the eyes of every child, every young man, every citizen that this programme has been brought forward. I also do wish to appreciate and congratulate the hon. Finance Minister, the hon. Prime Minister and the Cabinet for having, after many years, adopted in literally the guidelines that have been given by the All India Congress Committee to this party in Government Normally. We are told that it is not possible for this reason and that reason. But this time we have been told that it is possible for the following reasons. Even though it has been very difficult budget, as one can say, to bring about where we have the resource crunch in full and the balance of payment problem in no lesser amount, still without sacrificing anything and in fact improving the allocation for the Anti-Poverty Programmes and the employment programmes, the hon. Finance Minister, the Cabinet and the Prime Minister very rightly identified that today the situation is where the haves have to sacrifice a bit for the have-nots. The time has come when those who have been fortunate enough to have two square meals a day, they should sacrifice a bit. In fact many of those who are members of the Union which I represent, must realise that even their children have a future only if they can tighten their belts a bit and sacrifice a bit.

Sir, there has been some reaction undoubtedly for the 8 per cent tax that we have put for providing employment to the unemployed. But even though it is hard, it is something which I welcome from the point of view that it is ultimately for the future of the youth of this nation. At the same time, I also welcome the relief, though small. One expected much more in terms of the lower income groups who are being taxed who just managed to get into the income-tax bracket because of the wage revision. Of course, it does amount to giving in one hand and taking in another. But as long as it is for the poor, we are agreeable. Where we had difference was when we found that the higher income-tax payee, the Wealth-tax payee, the rich were getting-off and the poor were really not getting anything which we saw few years ago. That was most unfortunate. Though it has had a good fall-out in terms of actual increase in industrial production but it gave the rich a chance to become richer and the poor did not have that much of a chance at that time... (*Interruptions*) I would end my speech in a few 3 minutes. I can see the hon. Minister for Parliamentary Affairs as hinting at your goodself that time is limited. I am sure the hon. Finance Minister would forgive me if I eat into his time a little bit.

Sir, while praising the Budget, there are a few small nitty-gritty things which I think are relevant to bring to the notice of the hon. Minister. The first is we have in the arena of transport put excise duty on cars rightly at a flat rate of 35 per cent because it is a luxury item undoubtedly and even if the middle-class people go in for it, it is no longer one which a poor man in a village can dream of. But when it comes to two-wheelers rightly up to mopeds, no increase in duty has been proposed. But why there is differential scale after 50 cc to and up to 350 cc? One may even understand up to 99 cc because many mopeds come within that region. But above 99 cc, we have the Yamaha 100 cc motor-

[Sh. P.R. Kumaramangalam]

cycles, technically it is 100 cc but it is a fast, flashy mobike as is called by the youngsters. It is really meant for the rich, the cost of which comes to Rs. 17000/- or something like that in the open market. Does not have to give it a concessional duty of 25 per cent? It is my plea that over 100 cc, all motorcycles be put a duty of 30 per cent. We do not want to give up revenue which we are getting. But let us get a little more additional revenue. Those who buy scooters which cost Rs. 15000/- can afford to pay Rs 1000 or 2000 more. They know what they are going in for. They are in the upper-middle class... (*Interruptions*). Sir, I am finishing Just now.

The last point which I would like to mention is that while you are dealing with wealth tax, you are speaking about market value, appropriately so—maybe sometimes. But then, the law of capital gains tax is not justified. You put capital gains tax. We, all of us, in the law, put capital gains tax on the basis of acquisition value and then if we charge wealth tax on the basis of market value, justification for capital gains tax will be wiped out.

I would like to make two proposals. One, to make evasion of tax definitely not as beneficial as it can become now. Wealth tax is not exemptable under income tax.

A man does not earn to pay a wealth tax—in fact, in certain cases, it could be possible that if his income is Rs. 100 he is ending up paying tax of Rs. 150 because of the wealth tax in addition to the income tax. Obviously he is cheating. He cannot pay Rs. 150. Why should we, in law, permit such a situation? We should allow wealth tax to be deductible as an expenditure just like we allow income tax, to a certain extent. As expenditure, when one is calculating income, at least that would be realistic. If not, at least let us keep the same parameters as

we used to for capital gains and wealth tax. There is no harm in it. I am personally not against wealth tax. (*Interruptions*)

I am finishing. I personally believe that wealth tax is required because we have in our Directive Principles of State Policy, very categorically laid down that economic concentration of wealth should not be permitted. That being so, there is nothing fundamentally wrong. I am only talking about the implementation and the nitty gritty.

I would like to end by only saying that one only hopes that the Jawahar Rozgar Yojna does not remain on paper and become an instrument for income of certain bureaucrats at the lower level. We should build up a situation where this programme can actually be implemented and one can see the result. I would request the Finance Minister and specially the Prime Minister to look into this personally to see that its implementation is done. I congratulate them once again.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN): Mr. Deputy-Speaker, Sir, at the outset, I must express my gratitude to all the hon. Members who have participated in the discussion on both sides of the House—at least for a day they were present and that is why they deserve my gratitude.

SHRI K.S. RAO (Machilipatnam): And the people who are sitting now.

SHRI S.B. CHAVAN: Of course, those who are sitting here, they deserve all the more gratitude because of the fact that they have made very valuable suggestions. Hon. Members will be able to appreciate the fact that a large number of suggestions that they have made either concern the State Governments or the administrative Ministries. And I do not think it will be possible for me to react to most of the suggestions which, in fact, do not come within the purview of the Finance



Ministry. If there are certain suggestions which, in fact deserve to be replied, at a later date, when the Finance Bill is discussed, might be, I will be able to gather the information and supply to the hon. Members.

Sir, at this point, I should also refer to some of the Budget proposals and the kind of concessions which were asked by some hon. Members. That also, at the outset, I must say, will require the closest scrutiny. Before I make any announcement I do not want make an announcement and thereby come before the House by saying that though I have made the announcement, I could not implement the same because of these reasons. I don't want to do that and that is why when I reply to the Finance Bill, at that stage it may be possible for me to consider all the suggestions which the Hon. Members have made and thereafter we will be able to take a final view about the whole thing.

This being the last year of the 7th Five Year Plan, I will be able to give some information about both the financial and the physical targets which we have been able to achieve. Unfortunately, the Hon. Members—some of them—who had raised this issue—about assurances given last year and what has been the follow-up action taken by the Government in the matter—are not here. I have got the whole list of assurances given and the follow-up action taken merely for the sake of record. If they want I can pass on these papers to those who are taking notes. Otherwise, I think I will be unnecessarily taking the time of the House because I know that being a Friday, most of the Hon. Members are interested in running out to their constituencies and that is why you find that there is a very thin attendance today.

So far as the Central Government is concerned, I can say without any fear of contradiction that the financial provision that we had made at the commencement of the

7th Five Year Plan and the achievement which we are able to get at the end of the 7th Plan are; the 7th Plan provision is of the order of Rs. 95,534 crores and the actual achievement is going to be of the order of Rs. 121,830 crores. That means, we are going to exceed the Plan provision in nominal terms by about Rs. 36,000 crores. Even if we have to make a provision for the inflation, I can say that 115% minimum and might be in certain areas 120% in real terms we have been able to spend during the course of the 7th Five Year Plan. I think this will be the first Plan where in real terms we are exceeding more than 100% in real terms. In the 6th Plan with great effort we could achieve 90% in real terms; but this will be the first Five Year Plan where we are going to exceed in real terms more than 115% and it is a matter of great achievement according to me.

So far as the physical achievements are concerned, I will be able to give the figures to the Hon. Members. They are aware of the fact that we have been making definite provisions for different schemes. For the first time might be, though we had actually expected an increase in the agricultural production and the total agricultural production was to reach between 178 to 183 million tonnes that was the figure which was envisaged—later on it was revised and I can say that by the end of 1988-89 we feel confident that we will be able to achieve about 170 million tonnes or slightly more. That gives one year more. If the rain Gods are merciful next year also, I am sure that we will be able to achieve the agricultural production target that we have fixed for ourselves.

In the critical infrastructural areas, about the target of 22245 MW of additional capacity in the power sector that we had decided for the 7th Plan as a whole, I can say without any fear of contradiction that we will be able to achieve about 22000 MW by the end of the 7th Five Year Plan. This is a very vital factor so far as both agriculture and

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industrial sectors are concerned because production will ultimately depend upon the availability of electricity. Fortunately, we have also been able to increase our plant load factor. The plant load factor which was about 50.1% has now touched 56% and with a little more effort it should be possible for all the electricity boards to achieve 60% plant load factor. I have seen some power stations where they have been able to achieve the plant load factor of the order of 95% but I cannot be oblivious of the fact that there are areas where plant load factor is only 34%.

SHRI R.L. BHATIA: Where is it 95%?

SHRI S.B. CHAVAN: In Andhra Pradesh, Maharashtra and also Karnataka. There are certain areas where plant load factor has been achieved of that order. It cannot be an average. But in certain areas they have been asking for new power stations whereas in the already existing power stations their plant load factor is only 34% which is not a desirable situation. Wheresoever it is obtaining it will be better that they concentrate on this rather than putting on new power stations. (*Interruptions*) The very States are asking for new stations where the plant load factor happens to be low.

The Railways freight loadings are expected to reach 340 million tonnes in 1989-90. I am quite sure about the performance of the Railways, especially the Railways this time has done wonderfully well. I must congratulate my colleague Mr. Scindia who, in fact, has done his level best to see that the Railways freight loadings get increased to the maximum extent and I would not be surprised if he is able to exceed this figure of 340 million tonnes. That is my estimate.

Now coming to critical industrial projects which are going to be completed during the Seventh Plan—the critical industrial proj-

ects which would be commissioned before the end of the Seventh Plan—they are: HBJ pipeline; NALCO aluminium complex; 1st stage of Vizag steel plant and the fertiliser plants at Guna, Aonla and Jagdishpur. These are the few projects which are going to be completed by the end of the Seventh Plan. So in terms of infra-structure and in terms of the important projects which are also serving as infrastructure for agricultural production if they are completed well in time, I am sure, this will give a boost to our agricultural production in a big way.

So this is also another area where, in fact, we deserve to congratulate all those who are concerned. They have done their best to see that they achieve not only the financial targets but they also achieve the physical targets.

Now I would like to mention some of the general issues raised by hon. Members here. The main point on which, in fact, a large number of Members spoke is always about the disparities in development in different parts of the country. Hon. Members are aware of the fact that there are three types of categories of States where the Central assistance is given in different manner. There are special category States where the assistance is given in the shape of 90% grant and 10% loan. These States being very backward they are given special dispensation and I will request all the hon. Members who are from those areas to concentrate and see that they are able to take the maximum advantage of the benefits which are given by the Central Government. Unfortunately, in these very States I find a tendency that non-Plan expenditure is on the increase. I will tell them after all it is your own money. Don't consider that it is given by Central Government; so, no matter, on what we spend. This special dispensation has been given for matters of development so that in a specified period, you are on par with the rest of the country and you don't have that feeling in

your mind that being backward, we cannot possibly have the same kind of development as other areas are having. That kind of feeling should not be in your mind. That's why special category States have been given special dispensation. Ninety per cent grant is given to you and hardly 10 per cent loan is given and that too we have been able to give with all kinds of concessions. There is also the North-Eastern Regional Council which is in addition to what is being provided by the Central Government. There are certain shortcomings and some shortfalls. I would like to mention any of those. But, at the same time, I would request the hon. Members, who come from those respective areas, to see that they take maximum advantage and see that every pie reaches the targetted group. If we fail in that, I don't think that there will be any justification for merely asking for something more.

AN. HON. MEMBER: I would like to ask something relating to these issues.

SHRI S. B. CHAVAN: If you have any point, you can raise it after I finish my speech. Then, I will try to explain what the position is.

The second category of States is of those States where the per capita income happens to be below the national average. Those are the areas where modified Gadgil formula is made applicable. Depending upon the backwardness, special assistance is being provided to those areas so that they are also able to reach the level of the national average at least. If they were to exceed, certainly, we would be very happy. But those are the areas where our expectation is that they should be able to reach the national average at the earliest. The third is the other category where rest of the States are being given normal Gadgil formula assistance. So, these are the three kinds of States.

Now, the point arises that in the States

themselves there is a feeling. People say that this part of Uttar Pradesh is very much backward. In some part of Maharashtra, people say: "We are very much backward." In Orissa, some hon. Members say... (*Interruptions*) You are seeing Orissa as a whole. But in the State itself, there are some developed areas and some under-developed areas. That is a kind of feeling that some people have. I don't think that the Central Government can possibly take the responsibility of giving any additional assistance for removal of disparities in the State itself. It is the responsibility of the State Governments themselves that they should look into the matter and consciously take the decision that from the total amount, which has been made available, so much they will try to earmark for development of a comparatively backward area of the same State and do not ask any additional amount from the Central Government.

Besides this, we have been giving special assistance for area approach programmes. There are certain tribal areas for which the Central Government gives full subsidy. Almost hundred per cent grant is being given for the development of the tribal areas. There are also desert areas—DPAP areas. There are various proportions in which the grant and the loan amount are being given to these States so that they are able to concentrate on those areas and these people do not have a feeling of being neglected.

I will request all the hon. Members that we should try to concentrate and see that there are very few occasions when you are required to ask the Central Government for giving special kind of assistance for different kinds of schemes. There is always a competition amongst my colleagues also in the Central Ministries. We have the central schemes which are located in different areas. As one of the hon. Members also said, if you are to compare devolution of the resources under the Constitution.... and

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compare them with what comes to the Centre and what goes to the States, I have made a very careful study of the entire thing—I can say that the fear expressed by some of the States that they are being neglected, their powers of taxation are taken away by the Central Government, the entire power of taxation is being concentrated in the Central Government and they are deprived of their legitimate revenue is not borne out by facts. Right from 1951 onwards, with the devolution, if I have to give you the figure, I can say that minimum 51 per cent becomes available to the State Governments and hardly 49 per cent is the share of the Central Government. I am prepared to discuss this issue with any of the Members of the Opposition. Whether my figures are true and correct, certainly we can discuss and try to convince each other. But why to spread this kind of a canard that the Central Government is trying to neglect certain areas deliberately, Central Government is unnecessarily appropriating to itself the laws of taxation, all revenues are being concentrated in the Central Government? This is not borne out by facts. And that is why, if you have any doubt about this aspect of the question, certainly we can discuss. If there is any mistake, I will not make it a prestige issue, I will definitely discuss with them. If there is any correction, certainly we will make the correction but an unrealistic sort of attitude should not be adopted by some of the States who seem to be spreading this sort of a feeling, which according to me, is not a desirable kind of a thing.

So far as this years Budget is concerned, I can say that in my speech, part A, the very first sentence makes absolutely clear as to what is the philosophy behind the whole approach of this Budget. The philosophy has been that of growth, modernisation, self-reliance, social justice and generation of employment. These are the five issues that

we have kept before our mind and we saw to it that it should result in growth, but growth not at the cost of modernisation. Specially in certain areas, we have to compete with international community also. We are aware of the fact that people are very friendly to India but at them same time, I do not think that you can expect that they should show you mercy or special consideration for being friendly and accept your sub-standard goods. Your goods should also merit considerations and that is why it becomes absolutely necessary that these goods should be updated technically. The new technologies have to be imported, if even certain concessions have to be; given—in spite of the fact that we have constraint of resoures and foreign exchange resources are very scare. But at the same time, if you want to succeed in the world, and make your goods competitive, you have to update the technology and import the same. A number of items are being imported in order to see that our goods are of a particular standard. Every effort will have to be made to see that we increase our exports. We have been giving all kinds of concessions to non-resident Indians for opening accounts, investing in portfolio investments, giving them more concessions in certain matters. Ultimately these are very temporary sort of palliatives that we can offer. The real solution of the problem will be to see as to how to increase our exports. Every effort will have to be made to see that we export traditional items and non-traditional items to traditional countries and non-traditional countries to the maximum extent possible. There is good will all over. Fortunately, our Prime Minister has been going all round and he is being consulted. Every one has to be very proud that our young Prime Minister is being consulted by the entire community of newly freed nations. I must say that every week you will find that some dignitaries of a high order are in Delhi for consultation. This is the kind of goodwill that our Prime Minister has been able to generate. We should take maximum



advantage of the same and create a feeling among them that it is not only the developing countries, but the under-developed countries also have to come together. Certainly, we mean that our presence should be felt by all the developed countries. If that position has to be obtained, we will have to make a vigorous attempt to see that we are able to export not only to developing countries, but even to the developed countries. There is a tremendous scope for increasing our exports in this direction.

If the hon. Members are interested, I will give you all the concessions which, in fact, we have announced. So far as the concession part is concerned, for export purposes the fiscal and monetary measures which we have adopted are that exports profits are totally exempted from income tax under Section 80 H and C; benefit of five-year tax holiday available to units in the free trade zone has also been extended to hundred per cent export-oriented units; coverage of CCS and duty drawbacks has been increased with simplification in procedure and larger quantitative support; extended coverage of MODVAT to help in reducing the cost and prices which would make exports more competitive; interest concessions on term loan to export oriented units have been extended where the concession is dependent on the classification of use as hundred per cent, or as export-oriented units having exports more than 25 per cent of their total sales; interest concessions on pre-shipment and post-shipment credits have been further increased from March 1989. EXIM Bank has been supporting supplier's credit and providing buyer's credit to facilitate exports. Interest rates on these credits are highly concessional. Blanket exchange permit schemes have been broad-based and further liberalised exports are allowed barring a few products to utilize as ten per cent of the foreign exchange earnings for export promotion activities. For exporters of computer software the eligibility of blanket permit up to 30

per cent of the net foreign exchange earned. Then, the international price reimbursement scheme has also been made applicable; pre-bid clearance for deferred payments where the RBI has directed EXIM Bank to grant up to Rs. 50 crores for export of engineering goods on deferred payment basis. Then, liberal grant of agency commission, productivity fund for assisting export throust units and liberalization of licensing and other institutional measures which the Government has undertaken is a totally comprehensive scheme that has been prepared for the benefit of those who are engaged in the area of export.

I do not think we can possibly afford the kind of concessions that we are giving, but I think this is the right time to give these concessions, because they would ultimately result in greater exports, which, in fact, will be the real solution to our problems.

The next point which I would like to deal is how to raise there sources required for the 8th Plan, for next year also. The Budget is, in fact, giving some kind of an indication as to how the resources have to be raised for the next Five Year Plan. There also, if the hon. Members are interested, they may look to part B of my speech were I have stated as to what are the objectives that we have kept in view. These are promoting productive employment, protecting the consumption standards of the poor, discouraging non-essential luxury consumption, particularly when it is import intensive, providing some relief to middle income tax payers, maintaining the tempo of industrial moderanization, and growth, containing the Budget deficit for 1989-90 etc. These are the main objectives that we have kept before us while finalizing the 1989-90 Budget.

First of all, I would like to deal with the problem of deficit for the year 1989-90. Hon. Members are aware of the fact that in the year 1988-89 revenue deficit was Rs. 11030

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crores and in 1989 -90 it is going to be Rs. 7012 crores. The overall deficit which was Rs. 7940 crores has been reduced to Rs. 7337 crores. This is a conscious and deliberate attempt made by this Government to see that our overall deficit gets reduced so that we are able to save some money for being invested for developmental purposes. This effort will have to be intensified. At least I am not still quite satisfied that we have succeeded in saving the non-essential expenditure. That exercise will continue and I am sure that by the end of 1989-90 it should be possible for us to come before this House and say that with the intensive effort that we have made the schemes which are not at all that relevant—a number of schemes which were started 30 years back are still continuing and I don't think what kind of work they have been doing have been done away with. All the administrative Ministries are requested and all my colleagues in the Central Government are requested to kindly apply their minds and see that non-essential items, especially on the non-plan side should be done away with and we should be able to show a definite saving.

A point was made by the Hon. Member, Shri Madhav Reddi. But unfortunately he is not here. The point was about the transfer of Rs. 2300 crores from the OCC Account to the revenue side. This point was clarified by my colleague yesterday. The Hon. Member saw some kind of jugglery in this kind of transfer. I am sorry to say that he has not been able to totally appreciate it and that is why he used that kind of word. If hon. Members will go through the Budget, "The Budget at Glance" and the explanatory memorandum given, it clearly indicates as to how Rs. 2300 crores on the overall side, both on the credit and debit side have been shown. So, there is no secrecy about it; there is no jugglery about it and there is no effort to mislead the House and stealthily trying to

take some money from one account and put into another or showing some artificial kind of decrease in the revenue deficit. I don't think that that is borne out by facts and that's why that point has been very effectively explained by my Hon. colleague, Shri Gadhvi, yesterday. It leaves hardly any scope for any kind of misunderstanding. I am sure that the Hon. Members who are sitting opposite too are convinced on the issue that there is hardly anything to say against this kind of a transfer. Enough money is available in the OCC Account; almost Rs. 8700 crores are available and we have just taken Rs. 2300 crores. The rest of the money has also been kept there with a view that sometimes in the future if there is a difference between the retention price and the market price, then this amount should easily become available to us. At least for the next 10 years, I don't visualise that such a kind of situation is going to arise. Almost every year we are adding Rs. 1100 crores to the same account. I don't think we can possibly afford this kind of luxury and just keep that money there. Not utilising the money for the purpose of development would not be a correct approach and that is why it was correct to have transferred that much amount. There is hardly any justification for even keeping the rest of money but I don't think we can possibly immediately transfer the entire money. So, we have made a beginning. Year before last also it was done; this year also it has been done. So, there is no jugglery of words in order to suppress some facts from this House.

Certainly, I can assure the hon. member that I will be the last person to do that. I have never tried to mislead the House. If I have certain information, I have never kept it hidden unless of course, public interest requires that it should not be revealed. That is a different matter. But these are matters which are open to every body. You can come and see things for yourselves and convince yourselves.

The Opposition are unhappy over the fact that we have been able to reduce the deficit. This is a great achievement under the leadership of Shri Rajiv Gandhi. Our Prime Minister has been able to achieve this kind of a reduction in the deficit and show to the entire world that instead of the crunch in resources, our revenue deficit has been reduced. This is going to be our definite direction. Our purpose is that we propose to reduce our deficit to a manageable extent. But to expect that it is going to reach zero-deficit level is also another extreme. I do not think any developing country can possibly think of reaching a zero-deficit level. Zero-deficit is almost an impossibility. I do not think there is any harm in having a deficit if it is going to be utilised properly. But unfortunately, if deficit is utilised for revenue purposes, then it becomes very harmful. That is why we have to be very careful and prudent. We must see that we utilise this deficit for a good purpose, say for completion of projects which otherwise would have remained incomplete. This is the point on which every one of us will have to concentrate.

Shri Bipin Pal Das referred to the reduction in the allocation for Defence. He has said that in Defence, provision for Navy should not have been reduced. Every one of us should appreciate the fact that our Prime Minister has gone out of the way for this purpose. He went to China, Pakistan and Sri Lanka. Now, this is the new signal which we are trying to give. We say that we sincerely believe in resolving our issues by negotiations. We are not interested in confrontation. Confrontation is neither in the interest of India nor in the interest of our neighbouring countries. So, the best solution to the problem is negotiation. We have been teaching to the entire world that it is not by conflict, but by negotiations that we should be able to resolve our issues. So, the same approach has been adopted here. That is the reason why, we have deliberately

reduced the provision on Defence expenditure. I am sure, my colleague in the Defence Ministry will be able to see that moneys are available for essential projects. By pruning the expenditure on non-essential items, he may be able to provide the necessary funds for on-going schemes. I can assure the hon. members and the defence Forces through this House that God forbid if an eventuality were to arise where more provision is required, they can rest assured that the Government will not be lacking in its defence preparedness. Defence preparedness will be the topmost priority item on our agenda. It is not that we propose to neglect the Defence Forces. We are certainly interested in defence preparedness. Nobody can take us for a ride. Everybody should be aware of the fact that we are a strong nation. If there were any threat, we can defend our country's freedom. We will never take any offensive action. At the same time it is our moral responsibility to defend ourselves. Nobody can have the courage to come and attack India. If such a situation were to arise, and if more funds are required, we are certainly prepared to give more. Under these circumstances, I do not find any reason to have some kind of suspicion.

PROF. N.G. RANGA (Guntur): More attention should be paid to Navy.

SHRI S. B. CHAVAN: Not only Navy, but all the three Defence Forces will get the kind of assistance that they require, and more also when they need it.

I have said something important on which I would like to lay stress and that is the merger of two existing schemes and supplementing the same with Nehru Rojgar Yojana. The point which all the hon. Members have actually raised was that the schemes are very good but the way the schemes are being implemented is much to be desired. How we can possibly improve the situation without coming into conflict with

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the State Governments is a main point which we will have to keep in our mind. In order to find a solution to the minor issues, let us not create a major issue. So, the point will be, we have to see that every pie reaches the targeted person and no middleman succeeds in taking away the money even if it comes to anyone who may be belonging to either parties in the Opposition or even our own party. Some times there are people who try to take advantage of the poverty of the people. The most important aspect which I must inform the House is that we should approach this problem of poverty alleviation not be just distributing money that we possibly can give. Can you do this? If you have to do it, I think you will be killing the self-respect of the person, his innovative capacity. He, with his power of initiative wants to work. You should have full faith in the person that if he is given work, he will work for the creation of natural assets in our society. So, rather than giving the person a dole, he should be given some work. Let him do the work without compromising his self-respect. If we try to pay him, I think the dignity of the labour will also be maintained and we will be serving the very good cause that we have in mind. I can say that without any fear of contradiction. I am extremely happy that in the Seventh Plan as a whole the million mandays that we have contemplated in 24.50 or so and I am quite confident that by the end of the Seventh Plan, this employment generation is going to exceed the target that we have fixed for ourselves. This is the most important achievement of the Seventh Five Year Plan. This will lay a very firm foundation for the Eighth Plan to come. My only request will be that in order to make these schemes very effective—both as a joint sector as well as to find a subsidy—it has been provided by the Government. There are a large number of people who are trying to take advantage of the poverty of the persons, their total helplessness in the matter. First of all, those

people who are in the organisation should concentrate on this and see that every pie reaches them and I can assure every Member, through this House, who is interested to see that we succeed in giving the benefits of this scheme to the poor man that they will get the full support of the Government of India. They should not have any doubt about it. If any of the State Governments were to mis-utilise this, then of course, instead of telling me in a very generalised manner, if certain things are brought to my notice that these are the few instances—you need not give more than 5-6 instances—and if I am convinced that the State Governments are distorting the purpose of the scheme and they are utilising the scheme for some other purpose, then of course they will be the worst sufferers and the entire money will have to be recovered from the State Governments concerned. I do not think that we can possibly afford this kind of a luxury. But at the same time some kind of a supervision of the Members would be in the interest of the country at the State level and at the district level the involvement of the public representatives is very essential. That is why I would request all the State Governments—I am specially writing to all the Chief Ministers, whether they belong to our party or others—to kindly see that these Committees are being set up at the district level and also at the State level. And the monitoring cell will have to be created. This monitoring cell will go from here to different States, in order to find out as to how the money has been utilized by different State Governments; and they will directly submit their reports to the administrative Ministries concerned. If these two things are attended to, I think we can to some extent eliminate the undesirable kind of activity which is still going on in certain areas.

My colleague, Shri Faleiro is also going round, meeting with the bankers and having joint meetings with them, and trying to find out as to how some kind of an undesirable



activity being indulged in by some people in the banks, is also being eliminated. That is the only approach at this stage. We are still thinking of some other mechanism; but unless the whole thing is finalized, it will not be proper on my part to say anything. But we are aware of the fact that such a problem exists; and we should see that we are able to put an end to this kind of an activity by some people.

Now the next point: the hon. Member Shri Reddi had also made a reference by saying: 'On the one side you are planning that there is going to be a 5% rate of growth; and on the other, we find that on a long-term trend basis, it comes to 3.5%'. I have checked up these figures. Even on a long-term basis, the trend is more than 3.5%; and definitely for the last ten years, we can say with full confidence that it is near about 5%. So I do not think that what Mr. Reddi has said is borne out by facts. Might be, he might have read the figures for the previous years. The trend then was 3.5%; there is no doubt about it. But thereafter, for the last five years, we find that definitely it has gone up to more than 3.5%, as was being mentioned by him.

So, this gives a feeling of satisfaction, viz. that we have been able to cross this limit; and that we will be near 5%, is a very good augury for the 8th Plan as a whole.

He also tried to ridicule the concept of memorandum of understanding which is being reached between the public sector undertakings and the Government. Actually, he should be happy about it, because these undertakings, in fact, could not contribute anything for the Central Revenues for developmental purposes. Now, there is a clear indication that from Rs. 57 crores, we have now almost reached Rs. 650 crores. Might be, some more contribution is quite justified; but at the same time, you cannot possibly say that there is no definite indication that such a kind of contribution is expected from the public sector undertakings. When we say

that they should have the commanding heights of the economy, it is also their responsibility—they have to contribute for the general well-being of the people at large. That is why the memorandum of understanding is a very important instrument which is being used for this purpose; and that is being monitored by a team of officers wherein the officers of the Finance Ministry are also involved; and we try to see that it is being observed, observed, it is not merely a kind of paper which they are handed over, without a sense of responsibility. If they fail in it, they will have to bear the consequences. It is a fact which is known to them. And that is why I think it is a very desirable kind of thing that we have done. It is not only in the oil sector; but the non-oil sector also has been showing some kind of an improvement. There is no doubt that more improvement is required, and that that improvement will have to be achieved, and if it is a totally lost case, where you find that in spite of the efforts that we have made they are not able to come up to our standards, then, of course, as a last resort, we will have to take action against them.

I am aware of the fact—one hon. lady Member made a reference to West Bengal; and she brought to our notice that when the factory is closed, retrenchment compensation is given to the workers; or, when there is a reduction in the strength of the workers, some of them are proposed to be given a kind of what they call the Golden Handshake.

Thereafter, whatever money becomes available, that is also subject to income tax. I can assure the House that, for this humanitarian work, if this kind of income tax is leviable, certainly we will see that we amend the Act so that we do not cut anything from the workers' retrenchment compensation that they will get.

An apprehension was also expressed

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[English]

by some of the hon. members about the debt trap—internal debt and the external debt, specially the external debt. Everybody seems to be quite apprehensive that we may not go the way the other developing countries have gone. Now they are in a terrific position and they are totally exploited by all the developed countries. I can assure the hon. members that we are conscious of the fact; we are very vigilant about it; and prudently we are trying to take money for our projects, but, at the same time, see that we do not fall into the trap which they may lay for us; that is a kind of conscious feeling that we have to keep in mind. I can say that the total debt at the beginning of the current financial year, medium and long-term debt, disbursed and outstanding on Government's account, non-Government's account, IMF and external commercial borrowings, amount to Rs. 55,000 crores. Of this, nearly 70 per cent was owed to official multilateral or bilateral creditors on Government and non-Government's account reflecting past assistance. (2) Less than 10 per cent was owed to IMM. (3) Under a quarter was accounted for by external commercial borrowings. While the external debt figure may appear large, it is important to compare some key ratios relating to India versus a group of 17 highly indebted middle income countries identified by the World Bank. The total debt to GNP in case of India in 1987-88 happened to be 17 per cent while in the case of highly indebted countries, it is 60.8 per cent. There is no comparison.

[Translation]

SHRI VIR SEN (Khurja): It is not a matter of satisfaction if we are more indebted as compared to other countries.

SHRI S. B. CHAVAN: It is a different thing whether it is a matter of satisfaction or not, but I want to tell that we are not falling in any trap.

Another point is about the debt service. As percentage of GNP, it is 1.8 while in the case of HIC in 1986 it was about 4.9. The interest on debt divided by current receipts plus (export plus invisible) comes to 9.5 per cent; and it is 18.7 per cent in their case. Interest divided by GNP comes to 0.7 per cent while in their case it is 3.2 per cent. The percentage of concessional debt in total public and publicly guaranteed debt comes to 68 and it is 5.6 per cent in their case. For 1986-87 in which comparable World Bank data is readily available, average interest rate on new commitments for India from all creditors was 5.1 per cent while in the case of HIC countries it was 7.9 per cent.

SHRI R. L. BHATIA (Amritsar): Where private people have collaboration with foreign countries, will it take care of all this?

SHRI S. B. CHAVAN: The entire debt. External debt has been properly accounted for in this. I will definitely say that there is no room for having a this kind of feeling that we are going to fall into a debt trap though we have to be conscious about the same; I cannot rule out that possibility in order to attract loan from other countries; it might be possible that we might be tempted to seek that kind of loan. If it is not properly utilised, certainly we can fall a prey to that kind of a situation.

So, we are quite conscious of it. We are aware of that fact and we are vigilant about it so that we do not go to that position.

The next point will be about the savings rate, unfortunately though we started our Sixth Plan in a big way on the basis of almost 24 per cent of the savings, the saving rate has come down, and that is why we will find that there are three or four new instruments of savings which have been specially announced, and a special interest has been given to all those who invest in savings. It is

for this purpose that these instruments have to be properly utilised by the State Governments and all the machinery which in fact is involved in it. Here also some people have been asking me as to why is it that "you are confining the scheme of savings to the extent of Government employees only, why not extend it to the employees of the public sector?". They are also in a way Government employees. Whether we can extend a scheme to that area is a point on which certainly we will be very sympathetic and if it is possible we will try to extend the scheme to the public sector employees also so that they will be able to save to a great extent and get the interest and at the same time help the nation in the matter of development. These are the two objectives that we have in view and I am quite sure that what has been done in the case of the Government employees, if it is extended to these people also, I am sure they will also be able to take full advantage of the same. The details have to be worked out. I cannot possibly say at this stage as to what is the nature of the scheme, what are the details. These are the things on which we have to apply our minds and work out all the details.

There is only one point about which I would like to clarify the position and I have done. An erroneous impression was created that we made across the board five per cent increase on all items and imposed a duty of five per cent on all of them. Contrary to the general impression, the five per cent increase in the central excise duty is not on all commodities. It is only on a few items which carried specific rates of duty.

It was noticed that while the prices of such commodities have risen over the years, in many cases, the specific rate has not been altered to keep pace with the price increases. Hence a modest indexation of the rates on these commodities was attempted by way of increasing the pre-budget specific rates by five per cent. So, this is the only

clarification because this was totally misunderstood by a large number of people, wrong impressions were being created as if it was across the board that a five per cent increase has been attempted by the Government. While doing so, care was taken to leave out items of mass consumption such as sugar, tea, coffee, vegetable oils, banaspati, cotton yarn and fabrics, and electric bulbs. The revenue yield expected from the five per cent increase is about Rs. 220 crores in a year. It would mainly come from aerated water, cement, tyres, paper, paper-boards, man-made paper, yarn and fabrics. So, that was a point which I thought was not properly understood and, in fact, there was some kind of a misunderstanding in different sections that it is across the board that we have made an increase of that order.

There is only one more point and I have done, and that is about certain clarifications which in fact are very necessary, specially in the case of Agriculture. For Agriculture as a whole we have given additional Rs. 4,000 crores and reduced the rate from 14 per cent to 12 per cent. So, that is the thing which we have attempted and I am quite sure that a large number of people will be able to take advantage of the same. Those who are entitled to being termed as small and marginal farmers, in their case, all the banks have been given a direction that they should not recover more than what is the principal. That is what we call *Damdapat*. The interest should not exceed the principal amount. That is, it should not be more than one hundred per cent, that is the directive the Reserve Bank has given in the case of small and marginal farmers.

Now there is only one clarification, about amendment provisions relating to the agricultural income, which I am trying to clarify:

" Prior to 1st April, 1970, capital gains arising from transfer of agricultural

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land was not subjected to tax, as agricultural land was excluded from the definition of 'capital asset' in section 2 (14) of the Income-tax Act. By virtue of amendment of sub-clause (iii) of clause (14) of section 2 with effect from 1st April, 1970, agricultural land situated in any area comprised within the jurisdiction of a Municipality or Cantonment Board (having a population of not less than ten thousand) or in any area outside the limits of any Municipality or Cantonment Board (having a population of not less than ten thousand) upto a maximum distance of 8 Kms. from such limits as notified by the Central Government and included within the definition of 'capital asset' and hence, any gain arising from the transfer of such agricultural land was brought within the purview of capital gains taxation. Certain courts have, however, held that profits from the sale of agricultural land constitute 'agricultural income' and therefore, it is exempt from tax under section 10 of the Income-tax Act. Some Courts have held that such income is taxable. The settlement of the judicial controversy by a decision of the Supreme Court may take a long time. Till then, uncertainty in law would not be desirable. Therefore, as a measure of rationalisation, it is proposed to clarify by way of insertion of an Explanation that capital gains arising from the transfer of the aforesaid agricultural land will not constitute 'revenue' within the meaning of section 2 (1A) of the Income-tax Act."

This is a very important decision that we have taken and now they will be totally excluded from the definition of 'income'. Agriculturist as such is going to benefit from the land; which is supposed to be a very

valuable land, and that is why he will be entitled for the full benefit of the income that he gets from the sale of such agricultural lands.

In the case of poultry, we have made an exception. There we have given some concessions. A point was raised by some hon. Members as to why not give the kind of concession in the case of dairy. I can assure the hon. Members that if they go through the definition of 'agriculture', they will understand that 'agriculture' also includes 'dairy'. That is why, since agriculture is exempted, dairy automatically gets exempted. That is why, both the sections, poultry and dairy, get exempted. This is another feature which the hon. Members should be able to understand..(Interruptions)

SHRI A. CHARLES (Trivandrum):  
What about fisheries?

SHRI S. B. CHAVAN: Fisheries—I have full sympathy for your cause. But unless I have all the details, it will not be proper on my part to make any announcement here. Before the Finance Bill is finalised certainly I will get that matter examined, provided they are not trawler holders.

If they are not trawler holders—in the case of ordinary fishermen, certainly we are prepared to go out of the way to help them out, but the details will have to be worked out by us.

Again Sir, I would like to assure the House that there are certain schemes which have been deliberately framed with a view to generate fresh employment. One of them is, Nehru Yojana. The merger of the two schemes is another. The third thing is, a number of schemes are now coming under the banner of KVIC. Most of the hon. Members will be aware of the fact that it is an employment generator to a considerable extent. If every village were to have some



units of KVIC, then I am sure the problem of unemployment will be solved in that area and no new schemes will be called for in that particular area. But unfortunately, we have certain preferences. Now, there are some people, who, in fact, are in great demand. But we want white collared jobs. There are young people who are interested in getting white collared jobs. They are not interested in doing the kind of field work. They are prepared to pay you Rs. 100 per day. But you rather prefer to have a white collared job and just while away your time and not accept it because we have a very peculiar notion that doing this kind of manual work is below the dignity of a person. That attitude has to change. and you will find that ample opportunity in the villages and urban areas where lot of employment is there, is available. So KVIC is another area where lot of employment is going to be generated.

The third area will be housing activity to which we have given a boost. LIC is having a housing scheme. We have the Housing Finance Corporation. Housing Bank that we have established, is going to advance the money to small sections of the people. And all the other banks we have specially asked to advance the loan for housing purposes. Housing also has got lot of potential for employment.

So these three or four schemes that we have especially put into this Budget, will generate lot of employment. I am sure, with the kind of cooperation that I expect from all the hon. Members we will be able to create an atmosphere wherein the small man, the poor man, those who are in the rural areas, those who live in huts and urban areas, they should get a feeling that they are belonging to the society and the society is there to look after them. That is the kind of approach that we have to adopt in this matter. I am sure that with the cooperation of all the hon. Members we will succeed in creating that kind of atmosphere.

I now commend this Budget for the acceptance of this House.

**SHRI BRAJAMOHAN MOHANTY (Puri):** One thing about the regional disparity. The hon. Minister has specified the measures they have taken including the modification of the Gadgil Formula, soft plan approach, area approach. In spite of that, may I know from the hon. Minister whether towards the end of the Seventh Plan there will be any perceptible change in the regional disparity? If not, I would like to know what new strategy is being adopted by the Finance Minister because Rastrapatiji has promised in his Address that in the Eighth Five Year Plan vigorous efforts will be made to eliminate regional disparity?

*Dam dupat* will not be there so far as marginal and small farmers are concerned. I am happy to know that from the hon. Minister. But may I know whether a small investor, a person who has purchased a rickshaw, will not be charged the compound interest and the *dam dupat* will be available for him.

**PROF. N.G. RANGA (Guntur):** I wish to congratulate the hon. Finance Minister and his colleagues for the masterly way in which they have explained the various provisions of the Budget and especially that point for which they are responsible now and about which there has been so much controversy and debate i.e. why they have tried to take advantage of all those reserves for revenue purposes. They have given a very satisfactory answer. My hon. friend has said why we should allow that to go on gathering dust while the Government is obliged to borrow and then also increase inflation because of deficit budget and so on. I congratulate them on the courage that they have displayed in making this innovation.

Secondly, the Maharashtra Government made itself responsible for the first time

[Prof. N.G. Ranga]

In India in assuring employment for one adult in every family. I do not know whether at that time my hon. friend was the head of that Government or not. I congratulate the Maharashtra Government. But then, the Government of India wants to extend it to the whole of India. We would like the Government of India to see that a report is published about the working of that scheme in Maharashtra for their own guidance and also for the guidance of the State Governments and of the Members.

Thirdly, my hon. friend rightly became eloquent about the possibility of generating and encouraging generation of more and more employment in the rural areas. I am sure, he is aware of the fact that the handloom weavers are having a very bad time and quite a number of weavers had to resort to suicide also. Many of them have died because of prolonged process of undernourishment and unemployment and all the rest. I would like my hon. friend to take time by the forelock and devise some ways and means by which he can possibly help those people—the handloom weaving industry as a whole. Lakhs of them who are employed in this industry, have been loyal to their low habitation. So, give special facilities to them to construct their own houses through the new schemes.

DR. KRUPASINDHU BHOI (Sambalpur): Hon. Deputy Speaker, Sir, definitely I would congratulate the Minister, but the Minister has congratulated Madhavrao Scindia Ji. But I think we, the Members of Parliament are not congratulating him because last year he could get 38 per cent Plan assistance but this year it has come down to 32 per cent. I am talking about assistance in terms of money. If last year he had got 38 per cent for his Ministry, this year he should tell the Finance Minister to at least maintain that level. For example, I am telling about the

Sambalpur-Talchar railway line...*(Interruptions)*

MR. DEPUTY SPEAKER: No, individual things I cannot allow. Time is short and I have to finish...

*(Interruptions)*

MR. DEPUTY SPEAKER: I have to conclude it. I cannot reopen the whole debate.

DR. KRUPASINDHU BHOI: Please bear with me, Sir. Rs. one hundred crores worth of diamonds and gems are being smuggled from that area ...*(Interruptions)*

MR. DEPUTY SPEAKER: You can speak on the next item. He cannot reply to all these things....

*(Interruptions)*

DR. KRUPASINDHU BHOI: I am helping the Minister to have internal mobilisation of resources. Rs. one hundred crores he can get. Secondly, ....*(Interruptions)*

MR. DEPUTY SPEAKER: No secondly. I cannot allow you if you go on like that...

*(Interruptions)*

DR. KRUPASINDHU BHOI: About Rs. 150 crores he is spending on nuclear plant for the explosion of population because there was a thermo-nuclear accident...*(Interruptions)*

MR. DEPUTY SPEAKER: I cannot allow these things. These are not clarifications that you are seeking.

SHRI HAFIZ MOHD. SIDDIQ (Moradabad): I would like to know from the hon. Minister whether the Haj-pilgrims will also be covered under the proposal of tax sought to

be levied on the tourists intending to visit foreign countries?

[English]

SHRI VIR SEN (Khurja): Sir, I would like to know from the Minister whether he would be willing to apply the same rule as he applies to the farmers, in the case of small-scale industries and sick industries, that is, not to realise the total interest more than the principal.

SHRI S. B. CHAVAN: Sir, hon. Member Shri Mohanty made two points. One was about the kind of scheme which is now made applicable in the case of small and marginal land holders. A similar kind of scheme is going to be extended in the case of rickshaw-pullers. I do not have readymade information available with me, but there is a scheme available which tries to help the weaker sections of the society. Differential rate of interest is being charged in the case of all weaker sections but I am not quite sure whether it also covers the rickshaw-pullers. This is a point about which I will have to ascertain the facts and then I will be able to pass on the information to the hon. Member.

15.00 hrs.

Sir, I am quite sympathetic to the cause of the weavers. I am aware of the fact that there are a large number of weavers who are in fact in a very bad plight. I am also aware of the fact that there are certain sections who are trying to exploit the poverty condition of these poor weavers. All the money which was made available for being granted as a kind of subsidy by the Government, has been misutilised by some interested party. Certainly I will be interested to find out this fact. I do not have any ready-made scheme available with me. But I will try to get the information from the Textile Ministry. But certainly that is the section which in fact deserves help and this point is well take. But

I can't promise what action will be taken in this matter immediately and that depends on the nature of the scheme and the total financial implications which it will have.

Now, the last point which the hon. Member has made is that he has objection to my congratulating my colleague, the Railway Minister. It is because of the fact that there is some particular line for which I have congratulated him. The fact that the freight carried is almost more than double during the course of the plan is itself a matter of great pride. That is the reason why I have congratulated him. It is in the interest of the country as a whole and the freight movement has increased at a definite rate so that more amount is available and that amount he can utilise for all the railway line that he might be having in view. It is in the national interest and that is why I have deliberately congratulated him for very good work that he has done in this matter (*Interruptions*)

SHRI BRAJAMOHAN MOHANTY: My question was regarding sick industries.

SHRI S. B. CHAVAN: In the case of sick industries also, we have a mechanism of I.B.R.I. which is available and we are looking into the matter. They have submitted a proposal to us and it depends on the merits of individual scheme. As a class, I can't possibly say that everybody is going to be given the concessional rate of interest. But in order to revive the sick unit, if it is a viable unit and without the assistance from the Central Government if the unit cannot be revived, certainly we have taken the responsibility to give assistance to such sick units. It is a matter of policy about which we have taken a decision. If it is a sick unit, whether it is viable or not, just try to give assistance is a matter which I can't possibly do it.

MR. DEPUTY-SPEAKER: I shall now put the Demands for Grants on Account

[Mr. Deputy Speaker]

(General) for 1989-90 to vote.

The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fifth column of the Order Paper, be granted

to the President out of the Consolidated Fund of India, *on account*, for or towards defraying the charges during the year ending on the 31st day of March 1990, in respect of the heads of demands entered in the Fourth Column thereof against Demands Nos. 1 to 28, 30, 31, 33 to 86, 88, 90 to 95."

*The motion was adopted.**Demands for Grants on Account (General) for 1989-90 voted by Lok Sabha*

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House	
		1	2
		Revenue Rs.	Capital Rs.
<i>Ministry of Agriculture</i>			
1.	Agriculture	70,79,00,000	3,34,00,000
2.	Other Services of Department of Agriculture and Cooperation	56,77,00,000	25,88,00,000
3.	Department of Agricultural Research and Education	38,50,00,000	—
4.	Department of Rural Development	1072,97,00,000	5,00,000
5.	Department of Fertilizers	1015,94,00,000	41,75,00,000
<i>Ministry of Civil Aviation and Tourism</i>			
6.	Department Civil Aviation	12,09,00,000	3,11,00,000
7.	Department of Tourism	8,15,00,000	3,01,00,000
<i>Ministry of Commerce</i>			
8.	Department of Commerce	292,88,00,000	28,24,00,000
9.	Department of Supply	3,79,00,000	—
<i>Ministry of Communications</i>			
10.	Ministry of Communications	1,08,00,000	—



1	2	3	
11.	<b>Postal Services</b>	204,79,00,000	8,03,00,000
12.	<b>Telecommunication Services</b>	529,53,00,000	364,58,00,000
<b><i>Ministry of Defence</i></b>			
13.	<b>Ministry of Defence</b>	121,67,00,000	29,33,00,000
14.	<b>Defence Pensions</b>	224,93,00,000	—
15.	<b>Defence Services-Army</b>	1128,59,00,000	—
16.	<b>Defence Service-Navy</b>	130,75,00,000	—
17.	<b>Defence Services-Air Force</b>	312,26,00,000	—
18.	<b>Defence Ordnance Factories</b>	23,35,00,000	—
19.	<b>Capital Outlay on Defence Services</b>	—	649,08,00,000
<b><i>Ministry of Energy</i></b>			
20.	<b>Department of Coal</b>	24,75,00,000	250,83,00,000
21.	<b>Department of Power</b>	60,31,00,000	332,87,00,000
22.	<b>Department of Non-Conventional Energy Sources</b>	18,74,00,000	55,00,000
<b><i>Ministry of Environment and Forests</i></b>			
23.	<b>Ministry of Environment and Forests</b>	35,11,00,000	51,00,000
<b><i>Ministry of External Affairs</i></b>			
24.	<b>Ministry of External Affairs</b>	82,89,00,000	10,73,00,000
<b><i>Ministry of Finance</i></b>			
25.	<b>Department of Economic Affairs</b>	66,66,00,000	24,86,00,000
26.	<b>Currency, Coinage and Stamps</b>	49,17,00,000	30,86,00,000
27.	<b>Payments to Financial Institutions</b>	49,34,00,000	811,03,00,000
28.	<b>Pensions</b>	88,74,00,000	—

1	2	3	
30.	Transfers to State Governments	625,94,00,000	17,50,00,000
31.	Loans to Government Servants, etc.	—	30,17,00,000
33.	Department of Expenditure	134,30,00,000	42,00,000
34.	Audit	37,48,00,000	—
35.	Department of Revenue	29,30,00,000	51,00,000
36.	Direct Taxes	32,16,00,000	20,00,00,000
37.	Indirect Taxes	51,43,00,000	21,23,00,000
<i>Ministry of Food and Civil Supplies</i>			
38.	Department of Food	395,84,00,000	29,43,00,000
39.	Department of Civil Supplies	4,99,00,000	64,00,000
<i>Ministry of Food Processing Industries</i>			
40.	Ministry of Food Processing Industries	2,67,00,000	1,68,00,000
<i>Ministry of Health and Family Welfare</i>			
41.	Department of Health	71,59,00,000	27,87,00,000
42.	Department of Family Welfare	122,81,00,000	26,00,000
<i>Ministry of Home Affairs</i>			
43.	Ministry of Home Affairs	31,07,00,000	1,33,00,000
44.	Cabinet	3,50,00,000	—
45.	Police	206,82,00,000	24,28,00,000
46.	Other Expenditure of the Ministry of Home Affairs	42,56,00,000	24,04,00,000
47.	Transfers to Union Territory Governments	10,37,00,000	5,51,00,000

1	2	3
<i>Ministry of Human Resource Development</i>		
48.	Department of Education	253,68,00,000      13,00,000
49.	Department of Youth Affairs and Sports	15,92,00,000      32,00,000
50.	Art and Culture	18,79,00,000      3,42,00,000
51.	Department of Women and Child Development	49,51,00,000      33,00,000
<i>Ministry of Industry</i>		
52.	Department of Industrial Development	57,50,00,000      45,34,00,000
53.	Department of Company Affairs	1,33,00,000      1,00,000
54.	Department of Chemicals and Petrochemicals <sup>5</sup>	2,83,00,000      14,01,00,000
53	Department of Public Enterprises	6,04,00,000      69,90,00,000
<i>Ministry of Information and Broadcasting</i>		
56.	Ministry of Information & Broadcasting	12,71,00,000      45,00,000
57.	Broadcasting Services	85,37,00,000      50,39,00,000
<i>Ministry of Labour</i>		
58.	Ministry of Labour	50,15,00,000      21,00,000
<i>Ministry of Law and Justice</i>		
59.	Law and Justice	30,99,00,000      —
<i>Ministry of Parliamentary Affairs</i>		
60.	Ministry of Parliamentary Affairs	17,00,000      —
<i>Ministry of Personnel, Public Grievances and Pensions</i>		
61.	Ministry of Personnel, Public Grievances and Pensions	6,87,00,000      54,00,000

1	2	3	
<i>Ministry of Petroleum and Natural Gas</i>			
62.	Ministry of Petroleum and Natural Gas	18,56,00,000	27,53,00,00
<i>Ministry of Planning</i>			
63.	Planning	6,80,00,000	2,08,00,000
64.	Department of Statistics	6,22,00,000	—
<i>Ministry of Programme Implementation</i>			
65.	Ministry of Programme Implementation	14,00,000	—
<i>Ministry of Science and Technology</i>			
66.	Department of Science and Technology	38,30,00,000	5,26,00,000
67.	Department of Scientific and Industrial Research	37,64,00,000	88,00,000
68.	Department of Biotechnology	8,44,00,000	75,00,000
<i>Ministry of Steel and Mines</i>			
69.	Department of Steel	10,11,00,000	107,79,00,000
70.	Department of Mines	26,22,00,000	10,54,00,000
<i>Ministry of Surface Transport</i>			
71.	Surface Transport	4,96,00,000	24,40,00,000
72.	Roads	53,69,00,000	173,64,00,000
73.	Ports, Lighthouses and Shipping	18,71,00,000	76,55,00,000
<i>Ministry of Textiles</i>			
74.	Ministry of Textiles	94,54,00,000	51,88,00,000
<i>Ministry of Urban Development</i>			
75.	Urban Development and Housing	16,25,00,000	19,78,00,000



1	2	3	
76.	Public Works	29,61,00,000	21,27,00,000
77.	Stationery and Printing	13,01,00,000	72,00,000
<i>Ministry of Water Resources</i>			
78.	Ministry of Water Resources	54,51,00,000	3,44,00,000
<i>Ministry of Welfare</i>			
79.	Ministry of Welfare	50,33,00,000	60,00,000
<i>Department of Atomic Energy</i>			
80.	Atomic Energy	63,11,00,000	96,34,00,000
81.	Nuclear Power Schemes	70,70,00,000	40,00,00,000
<i>Department of Electronics</i>			
82.	Department of Electronics	12,76,00,000	5,39,00,000
<i>Department of Ocean Development</i>			
83.	Department of Ocean Development	4,82,00,000	48,00,000
<i>Department of Space</i>			
84.	Department of Space	44,18,00,000	43,93,00,000
<i>Parliament, Secretariats of of the President, Vice- President and Union Public Service Commission</i>			
85.	Lok Sabha	2,93,00,000	—
86.	Rajya Sabha	1,16,00,000	—
88.	Secretariat of the Vice-President	4,00,000	—
<i>Ministry of Home Affairs-Union Territories (Without Legislature)</i>			
90.	Delhi	138,89,00,000	72,73,00,000
31.	Andaman and Nicobar Islands	20,55,00,000	13,24,00,000

1	2			3
92.	Dadra and Nagar Haveli	4,22,00,000		1,08,00,000
93.	Lakshadweep	4,84,00,000		2,49,00,000
94.	Chandigarh	23,67,00,000		6,44,00,000
95.	Daman and Diu	2,43,00,000		1,70,00,000

15.03 hrs.

APPROPRIATION (VOTE ON ACCOUNT)  
BILL\*, 1989

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): I beg to move for leave to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1989-90.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1989-90".

*The motion was adopted.*

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SHRI B. K. GADHVI: I introduce the Bill.

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): I beg to move\*\*:

" That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1989-90, be take into consideration."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year 1989-90 be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: Let us now take up clause-by-clause consideration of the Bill.

The question is:

\* Published in Gazettee of India Extraordinary Part II, Section 2, dated 17-3-1989.

\*\* Introduced/moved with the recommendation of the President.