

[Sh. Rajiv Gandhi]

know how much money is available for the programme and which are the schemes being financed. He will also know who are his fellow-villagers being employed on the schemes. Each beneficiary getting employment will know how much remuneration he is receiving and others are receiving, as also how many days of work he is being given and others are being given. Those who are cheated or deprived will not only have the possibility of demanding immediate redress, they will also have in their hands the ultimate weapon of the vote to turn out of office any panch or sarpanch who abuses the powers and responsibilities devolved on him. Democracy will reinforce opportunity to bring the Welfare State to the doorstep of the villager, where he lives and seeks work. For, as Jawaharlal Nehru said:

"Panchayats and village communities, should make their proposals. We can no longer function merely from the top, for we have to organise cooperatively the millions of our people and make them partners and sharers in these great undertakings."

Panditji urged us to remember that:

"Whatever plan we might make, the test of its success is how far it brings relief to the millions of our people who live on a bare subsistence level, that is the good and advancement of the masses of our people. Every other interest must be subordinated to this primary consideration..."

He added:

"Unemployment, on a large scale, casts a blight on many young lives and is one of our major problems. We cannot remove it by some magic... But we should be able to guarantee employment and work to anyone who is prepared to work hard and is not disdainful of manual labour."

That remains our ultimate goal. For the present, we are doing as much as our resources permit. All existing rural wage employment programmes stand merged into the Jawahar Rozgar Yojana. The Yojana will reach out all over the country to the 440 lakh families in rural India living below the poverty line. We aim to touch each one of these families. We aim to alleviate something of the hardship which these families face. In particular, we aim to mitigate the distress which the women of these families have faced for centuries with their legendary courage and fortitude. And we aim to secure these noble ends through the noble institution of the panchayats.

Sir, in the name of Jawaharlal Nehru, that great freedom fighter and builder of modern India, we rededicate ourselves to ending the curse of unemployment, eliminating the blight of poverty, dismantling discrimination against women, and assuring for all our people opportunity and assistance in leading a full and fulfilling life.

Thank you, Sir.

(Interruptions)

MR. DEPUTY-SPEAKER: Nothing goes on record.

*(Interruptions)**

12.40 hrs.

FINANCE BILL, 1989—*CONTD.*

[*English*]

SHRI SRIBALLAV PANIGRAHI (Deogarh): I rise to support the Finance Bill wholeheartedly. As we all know, this year's Budget is pre-poor and people's budget. We are presently at the last stage of the consideration of the Budget. It is unfortunate that this year only three Demands could be discussed. The opposition has to be blamed for that because on their insistence discussion on

insignificant and negligible matters took place. And they wasted the valuable time of the august House on extraneous and less significant matters which could have been raised much later after the budgetary process was over. Because of that, many of the important Ministries, their activities, their budgets, etc. could not be debated. Therefore, it is time that we should give serious thought to scrutiny of the Budget, Demands of different Ministries through committees as is done in Great Britain, etc.

I also whole-heartedly welcome the statement now made by our hon. Prime Minister. I would like to congratulate him. The main emphasis of this Budget was to fight out unemployment. In fact, unemployment is the number one enemy of the nation. It is the biggest problem that we are facing not only among the rural poor but also among the educated people.

12.42 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

I would like to congratulate the hon. Finance Minister for announcing certain concessions yesterday while moving the Finance Bill for consideration. The concessions announced in excise and custom duty were to the tune of Rs. 124 crores. This indicates fully that this Government is quite responsive to the people's observations, suggestions, criticism, etc.

Integration of NREP and RLEGP has been spelt out in the Budget speech of the Finance Minister. These two schemes have been merged in the Jawahar Rojgar Yojana, the details of which have just now been given by no less a person than the Prime Minister himself. This will go a long way to fight out rural unemployment and thus will bring succour and relief to the poor people throughout the country. I would like the hon. Finance Minister to give necessary directions to the State Governments about the integration of these two projects because the details are not yet available with the State Governments and the district agencies. Recently

while presiding over the DRDA meeting of District Sambalpur, Orissa, I found that the budget of the organisation for the coming year could not be finalised. Only tentatively we drew a programme, anticipating the Central assistance, etc., because the Central assistance has not yet been indicated. Therefore, I would request that unless such indications are given well in advance, it is very difficult to formulate necessary programmes at the district level.

The economy has done well last year and this year also it is expected to do well. Hon. Minister of Finance is confident that the deficit would be managed satisfactorily and that too by managing the economy efficiently.

Although the exports have recorded a remarkable improvement and they have grown by twenty-eight per cent, but the trade deficit also has widened. This is a disquieting feature. The inflation level was at 6.3 per cent as against ten per cent and odd in the previous year. This is a very good sign but, at the same time, very strict measures have to be taken to observe economy.

An interesting thing comes to my mind. As you know, Sir, when Megasthenes visited India during the time of Chandragupta Maurya, at that time the Finance Minister's post was held by Chanakya or Kautilya. When Megasthenes paid a courtesy call on him, there were two candles in his room. He blew off the candle that was lighting at that time and lighted the other candle. It surprised Megasthenes. He asked why did he do it. Kautilya said: "So long I was doing State's work and, therefore, this candle which belongs to the State was lighting. But now since you have come to me as my personal guest and since this is a personal affair, I need not waste the State property." See, Sir, what was the standard obtaining then and what is the standard obtaining now. Now everywhere, the bureaucracy is making blatant, terrible misuse of government property, government cars and so on. And you know how costly these are nowadays. The officers are sending even their children and other family members to schools and mar-

[Sh. Sriballay Panigrahi]

kets. There is a convent school in my own area. Every morning when I go for a walk, I see only government vehicles shamelessly carrying the children of officers to the school. This is the way the cars are being misused everywhere. How can we observe economy then?

As you know, Sir, corruption also is menacingly growing in different spheres. It is growing in the bureaucracy also. This is another big enemy of democracy and this has to be brought down effectively.

Another point that I would like to touch upon is the pay hike. Everywhere, in every department of the Government of India or the State Governments or in public undertakings, there has been pay hike. I am not opposed to pay hike, but, at the same time it has to be seen what repercussions it has on the general economy, on the rural economy and on the economy in the agricultural side. The Government of India, particularly the Finance Minister should be well aware of the situation. Now the minimum salary of a class-IV employee, be it of the Central Government or of a State Government, is more than Rs. 1,000. So, about Rs. 12,000 is the minimum annual income of a class-IV employee. But how many of the medium-class farmers, the well-to-do farmers, as we say, have a net annual income of this level, barring their expenditure on the agricultural operations? So, kindly see the imbalance, the precarious situation it creates. We have no answer to give to those people. So, it is a very serious thing. What remunerative price can be fixed for their agricultural produce and what other benefits we can give to them is to be given serious thought.

Then, Sir, I would like to mention about the housing problem and about power problem. I have already given suggestions on these problems. Now, about the NRI, they have money and they have deposits etc., I believe, together with that also, black-money should be unearthed. The hon. Finance Minister may kindly make this exercise

whether for black-money some concessions can be given so that black-money will come out and this money can be effectively used in this very useful sector. Sir, in the case of the primary sector, that is, the house building, etc. you know the enormous problem faced by the people who are houseless and homeless and also there is the master of energy which is at the root of everything, progress and prosperity and in many parts of the country, we are passing through acute power shortage. Drinking water supply is also another serious problem faced in different parts of the country. Without any showers since last October, particularly in Orissa, in all the districts, we are facing acute water scarcity. It is not only in Orissa but many other States also facing acute water shortage and many hon. Members have come out with this point during their speech and also through Matter under Rule 377. The Government should not think that it is the State problem. Looking at the enormity of the situation in regard to drinking water supply, Government of India, particularly the hon. Finance Minister, should take a decision at the earliest possible time and allot some funds for deepening the tube-wells, for sinking fresh tube-wells so that this will enable the people getting drinking water everywhere in the country.

Then I come to the Agriculture and irrigation. They should be given priority.

MR. CHAIRMAN: Please conclude.

SHRI SRIBALLAV PANIGRAHI: Sir, I conclude. Sir, States like Orissa which are backward and which have below the National level of income should be given the priority. Lastly, Sir...

MR. CHAIRMAN: Nothing is being recorded. Don't record.

(Interruptions)*

SHRI G.M. BANATWALLA (Ponnani): Sir, I heartily welcome the announcement with respect to 'Jawahar Rozgar Yojana' made by the hon. Prime Minister. It is a massive scheme for meeting this stupendous problem of unemployment and pov-

erty. It is taking the bull by the horn. I wish the scheme every success. That would be the success for India herself. So, the hon. Finance Minister has been kind enough to announce several concessions and excise duties and so on. These concessions are absolutely necessary. I thank him and congratulate him. The concession of excise duty on 'semia' will make our 'Id' sweeter this time. There is indeed more reliance on Indirect Taxation and this reliance is rather heavy of the total revenue of Rs. 19,844 crores. In 1980-81 we find that out of Rs. 13,927 crores. 17.18% was accounted for by Indirect Taxes. By 1987-88 Budget Estimates, this percentage had reached a level of 74%. This is a matter of serious concern. The taxes on commodities are retrograde in nature. I submit that this heavy reliance on Indirect Taxes or Commodity taxation coupled with large-scale evasion of direct Taxes may render our income-tax system inequitable.

Sir, this situation might lead to social injustice by aggravating the position with respect to the distribution of income. Sir, there is also a general increase of 5 per cent excise duty on all commodities except a few. This would be inflationary in character and I urge that it should be withdrawn.

Mr. Chairman, Sir, the middle class has received no sympathy from the hon. Finance Minister unfortunately. There is hardly any relief for the middle class. There is no raising of the exemption limit in the case of direct taxes though very much due. I would ask the Government to review this position. Here I must also draw attention to a glaring injustice. Saying that there is inflation, the rates of specific excise duties has been increased by 5 per cent, but the same consideration has not been extended to the taxpayers who also must have a rise in the exemption limit in view of the present position with respect to inflation.

Mr. Chairman, Sir, there is need to improve the capital market. I may here point out that the rate of savings has come down

from 24 per cent to 21 per cent. If this rate of saving is not increased, it would definitely affect our resource mobilisation position. For improving the capital market I emphasise that the dividend income in the hands of shareholders should be exempted from the tax liability. There is also need for further relaxation of the fiscal policies for accelerating the pace of industrialisation. I submit that 30 per cent tax on technical know-how fees should also be reduced to 20 per cent. Sir, very soon the banks will have a very difficult position with respect to their raising deposits. If a person invests in things other than bank deposits, he gets more interest rate and also exemption from income-tax. Therefore the banks would be in greater difficulty in attracting deposits in future. I suggest that investments in bank deposits should also be given the same consideration as investments in the national savings certificates and there should be exemption in income-tax. Further, banks should be allowed to decide the rate of interest that they would pay on deposits and savings accounts. This would increase their power to compete with others and raise proper resources.

I may refer to certain other grey areas which need greater attention. The foreign exchange position is very difficult. Our foreign exchange reserves are today less than Rs. 6000 crores and this is after taking into account the repatriable NRI deposits which amount to Rs. 13000 crores. In the current year the trade deficit may also go up to nearly Rs. 8000 crores. I suggest that a proper scrutiny should be made of all such schemes that may affect our foreign exchange position very adversely. Here I may refer to the question with respect to a mandatory provision laid down by the Labour Department for those going abroad for jobs and that is that their to and fro passage should be provided by the foreign employer. About those who go abroad for jobs, now the position is that their to and fro passage should be provided by the foreign employer. This would be a great deterrent for our manpower export also leading to a decline in foreign exchange remittances.

[Sh. G.M. Banatwalla]

13.00 hrs.

Sir, there is a strict competition in the international market. Our neighbouring competitors offer better terms and they do not insist on this pre-paid ticket advice. As a result of this, there would be a fall in the number of our workers going abroad for jobs. There is no employment here and we also deny them employment in foreign countries. There would also be a fall in the foreign remittances. I urge upon the Finance Minister to take up the matter with the Labour Ministry to see that the situation is remedied and this mandatory provision with regard to PTA is immediately withdrawn.

I am here to refer to foreign exchange remittances of Keralites working in the Gulf countries. During the last 10 years, according to a very conservative basis, nearly Rs. 5,000 crores are the remittances of these Keralites, working abroad. During these days, there is a steady increase in those who have gone abroad for jobs and returning to our country. There is an increase in returned immigrants. 70% of these returnees are also below the age of 40 years. There is also very difficult position in Kerala and I urge upon the Government to set up a fund for rehabilitation to those returning from the Gulf who had gone there for work. This fund be set up allocating 50% of the remittances totalling over Rs. 5,000 crores during the past few years.

I may also insist upon the Government for a scheme to be evolved for giving individual States appropriate incentives and allocations based on the performance of each State in earning the foreign exchange. For the purpose, a product development fund may be set up with 15% of total export earning for financing development of export products and for financing export-oriented products.

Mr. Chairman, Sir, there is a discontinuation of the Central investment subsidy scheme to non-manufacturing activities and

non-manufacturing industries. This has created a very difficult position, specially in my district in Mallapuram where a large number of small scale industries are closed. The position is that even the subsidy that had been sanctioned already has not been paid. Now they are being told that it would not be paid according to the new rules, namely discontinuing the subsidy. I urge upon the Government to take into consideration the miserable plight of the small scale industries, specially in Mallapuram in Kerala where we are in a miserable plight. I urge upon the Government to restore the Central investment subsidy scheme to the non-manufacturing industries. Sir, we are grateful to the Government for having exempted tax on foreign exchange taken for purpose of Haj pilgrims. The foreign exchange tax is not levied on such foreign exchange which is given to the pilgrims who go for Haj pilgrimage. That is a good thing. But there is a little anomaly here. Many go for Umra and Ziarat. Their foreign exchange is subject to taxation. I urge upon the Government that this anomaly be removed. In the manner in which the Haj pilgrims are allowed exemption from foreign exchange tax, similarly those going to the Holy Mecca, those going for Umra and Ziarat should also be exempted from the same thing. Otherwise, an anomaly continues.

There is a lot more to be said. But I would respect your bell indicating that I should conclude. But before I conclude, I have to refer to an important matter with respect to education. The Demands of the Ministry of Education could not come up for discussion. It was guillotined. Naturally, I could not participate nor move my cut motion. But, there is an important point that is agitating our minds and that I would like the Government to consider.

The Hindi Readers 'Samkshipta Ramayan' and 'Samkshipta Mahabharat' prepared by NCERT have been made compulsory for Sixth and Seventh Classes in Delhi. I do understand that these books are presented as India's cultural heritage. However, the fact remains that the books themselves in-

roduce Shri Ramachandraji as Vishnu and Krishnaji as Ishwar incarnations. These are all religious beliefs. They cannot be imposed. Students cannot be asked compulsorily to study these along with compulsory learning by heart of as many as 12 or more Slokas over there. India being a multiple society, I urge upon the Government that the prescribed compulsion for all students in this respect be withdrawn in accordance with the secular ideals.

With these words, I thank you.

SHRI AMAL DATTA (Diamond Harbour): This year's Budget, being the election year, naturally we are expecting to have a new orientation and that has been given in the Budget as well as in the Finance Bill. But from the speech introducing the Finance Bill yesterday by the Finance Minister, it is clear, reading between the lines, that he is quite conscious of the precarious economic situation of the country.

The country has walked into a debt trap, the recognition is there, reading between the lines of the Finance Minister's speech. In spite of the export effort which has been mounted and we hear about it year after year, day in and day out, the trade gap this year is expected to be around Rs. 8,000 crores as against Rs. 6,600 crores last year. This is a consequence of the policy which the Government has been following so far and it still continues to be followed and the assertion of the Finance Minister in his speech that the trade gap would be reduced, is of no avail and we will only experience at the end of the year. I will come to that later.

This Government from the very initial year of 1985 has been striking a new path, acquiring a new image, an image of being a very modern Government and being modern it meant that the people supporting the Government, the people for whom the Government was working, the 5% of the rich and affluent people, must have all the amenities and facilities which are available to the rich people all over the world and, with that motive, and intention, and object, they started

a new economic policy for establishing here industries which now the Finance Minister says are kit culture consumerist industries. But this is what we have been saying from 1985 and even now the recognition has not come to the extent it should have. The steps are not being taken although phrases are being uttered to the contrary. The Government is a rich Government of a poor country and represents the rich people of the poor country. Therefore, its policies are one of going for this modern gadgetry-oriented kit culture consumerist products which are imported in wholesale or in SKD condition and by application of screw-driver technology assembled here. Similarly, the export effort which the Government has mounted is not indigenous-based export effort. It is an export effort where the import content itself is 40 per cent. So, whenever this Government tries to export Rs. 1000 crores more worth of goods, it will be automatically importing Rs. 400 crores worth of goods to sustain that export. If that is the position, this Government will never be able to quite catch up with the gap. The other reason being the people who are exporting, the people whose incomes have been generated through export are the people who will create demand for this kind of luxury goods which have to be either imported or whose components have to be imported for assembling here. So, this is the Government's image right from 1985 which it is acquiring. But now the election is coming. The Government has now to turn back and say: "No, we are not representing the rich people. We are for the poor people as well. Or, we are only for the poor people. Let the rich people go to the dogs for the time being." For the next few months, if the Government can identify itself with the poor people, then it will be good for this Government at the polls. Therefore, the tax on colour TV, Maruti Cars, posh hotels, air travel, foreign travel was reduced and certain other consumer durables, as the Minister informed yesterday, have been taken off the OGL and put them into the restricted list. All this is a gimmick for the purpose of getting through the election and acquiring a new face for it—a pro-poor, anti-rich face but this is only a hallucination because the economy

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has gone to such a stage that it cannot now stop the import of all those components, all those machineries, all those raw-materials for which the facilities have already been established.

Sir, the Finance Minister has also said that the Government is not back-tracking on the assurance given that the components for these modernised factories will be available, will be allowed to be imported; the Government cannot go back on that. Therefore, the high-level import which is no longer there because of petroleum, which is no longer there because of the bulk import but which is there because of the components, raw-materials for the so-called modernised industries, will continue at a very high level as days pass and income is generated by the rich section. The demand will go up and the trade gap will go on increasing.

Sir, now we hear why there is so much unemployment; why the industries which have been there for a long time should no longer be able to sustain themselves. We hear that this is because of the fact that these have not been modernised. What is the cost of modernisation? They scrap the items wholesale and buy new machinery, new generation of machinery from abroad, bring the machinery here and dispense with the labour and then they run automatically. This is the new economic policy of the Government. It has now come or is coming to fruition, as a result of which the workers are not needed or not needed in any sizable quantity to run the industry and produce goods has meant that the distribution of income which was already inequitable has become more inequitable today. Another result of this inequity in distribution of income is the demand that is generated only in a small sector of society. Seventy per cent of the people of India live in villages, depend on agriculture. The increase in the population of rural areas has been at least to the extent of 2.5 per cent per annum and the increase in real income in the rural sector has been only 1.6 per cent per annum. What does that

mean? It means about one per cent reduction in real income in the rural areas per year for the last twenty years. And this has now gained further momentum. These people in the rural areas can barely make their ends meet for the purpose of their food, for their very basic necessities. They cannot buy even clothing. That is why, the scheme of giving saris and all that in the election year. These people cannot generate income and the main income accrues to the five per cent people. The indigenous industries which should have been able to work full time and over-time and still would not have been able to cater to the demands of 800 million people, are today lying closed. Because out of those 800 million people, 70 per cent have no income to spend on anything except on food. Even that also is not enough. Income is generated in a small section and they have so much of income that their needs are not satisfied with India made Indian goods. They are satisfied with India made foreign goods or even better with imported foreign goods. This is what this Government has been consciously catering to for the last four years. It now wants to go back and turn a different face by saying, "now we have started taxing the rich people by taxing the air travel. Who pays for the air travel? The rich people themselves do not pay for the air travel and for all these things. Everything will come either from the Government sector or from the private corporate sector.

PROF. MADHU DANDEVATE (Rajapur): Or from Parliament.

SHRI AMAL DATTA: Neither this foreign travel nor air ticket is going to touch the people on whom you are saying that you are going to focus your taxation. You have not focussed. On the other hand, five per cent increase in excise duty all round is going to hurt the poor people who cannot even buy their basic necessities. I do not know whether it is consciously done or it is an usual bungling which the Government is doing.

Now out of these Rs. 903 crores which the Government said that they would be raising through the excise duty, they have

given away a sizeable portion—Rs. 118 crores. It is very good. If it is going to help the poor people, it is good. But does it help the poor people always when the Government gives concessions in duties? I think, last year, in the Budget speech, concessions were given in excise duty and also on customs duty in respect of polyester filament yarn and other types of man-made fibres like acrylic, nylon and this and that.

PROF. MADHU DANDAVATE: It is a minority Government.

SHRIAMAL DATTA: Then we were told that whatever revenue sacrifice was being made was being made for the purpose of poor people. The Government fully expected—this was the speech of the then Finance Minister—that these concessions would be passed on to the consumers. And the Government will watch whether it is being passed on or not. And if it is not passed on, then the Government may withdraw the concession. These three things were stated in April during the Budget speech. Whatever sacrifice was there in 1987-88 terms, that would have been Rs. 241 crores. It has now been found out and is in a report given to the Parliament. In 1988-89 terms it would be more than that. Who is benefited out of it? The consumer is not. What steps the Government took to see that the benefits were passed on to the consumer? Practically nothing. Nominally a Committee was set up which sat twice or so. Besides that, they could not do anything. They gave it up. If that is the case, the Government cannot enforce that the concessions will be used for the purpose for which it is given, what is the purpose of giving concessions, except to enrich some people who are supporters of the Government or maybe who fill their election fund coffer?

We also find that the Government has increased the prices of so many commodities just before the Budget Session started or even after the Session started. The administered prices of steel and coal were raised and also some items like aluminium were de-controlled. I understand that aluminium has

gone out of the market; it is not available. Hundreds of crores of rupees have thereby through the administered price rise as well as by the de-control been given to the private sector. If it only reached the public sector, I would not mind because at least it remains with the Government; it is a transfer from one pocket to another. But it is now lying in the pockets of the rich people. No doubt, they are supposed to support the Government in various ways and materially.

This is the character of the Government. They are now trying to change the colour with the election approaching. But I am sure that the people will know what they are and they will not get the support which they could otherwise have. Hundreds of schemes have been announced in the Parliament during the last five years during the Budget and afterwards. Today also I am told the Prime Minister has announced a scheme. We welcome all the schemes. But can you or have you implemented these schemes fully, properly and correctly in accordance with the spirit of the schemes? Any one of them? I would like the Finance Minister to be able to tell us. I would like very much our Government to be able to function properly—whatever Government, that is, whoever mans the Government does not matter. The country suffers if the Government cannot function, if it is totally incompetent. That is what has been happening. Schemes after schemes have been announced; but there is no implementation.

Now, I come to the balance of trade position again. What has been happening in India is that there is import of luxury consumption items and import of machinery for modernising. All this have built up a very sustained sizeable, ever increasing demand for goods from abroad. This has created for us now—today we are told—a trade gap of Rs. 8000 crores. As I said, it will keep on increasing. The Government once tried to close the gap by increasing the export effort. In increasing the export effort what they have got in mind is that they will give incentives, they will give cash subsidies and people will go and make the export. Now, it is not

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working. The Government has had these policies for a long time. It is not working. One of the reasons indicated in the Finance Minister's speech itself is that the machinery for administration of these incentives and cash subsidies were not there or properly working. So, he says the main problem is to make the machinery work in a timely and appropriate manner. But when nothing works in the Government, will this particular machinery work? But what will work and what, in fact, has worked very much in India is the advantage of these schemes of incentives through REP licenses, etc., and the cash subsidies by dishonest and unscrupulous traders; some of them have become so rich as to be able to call the tune of the Government today, by just taking the incentives and cashing them, taking the subsidies on the basis of alleged exports which have never been made. So the Government should give all kinds of incentives, after ascertaining that the machinery exists to prevent the dishonest people from taking advantage of this, because most of it today is going to people who are not making any export efforts at all. But as regards exports, there is no way to check that. That is what I am told. Now, what again has happened is that the Government has shown us by our export efforts that the export value has gone up by 28%. So, the absolute increase may be three thousand crores of rupees or something. But what is this 28%? This 28% is in Rupees. It is not 28% in Dollars. If you give us the calculation in foreign exchange then that will be the correct calculation. Otherwise the Parliament is in danger of being misled.

THE MINISTER OF FINANCE (SHRI S.B. CHAVAN): It is 15 to 16% in Dollars.

SHRI AMAL DATTA: Thank you very much. I was going to give a little higher figure. I was going to say 17 to 18%. So, 15 to 16% is fine. That is the amount of export increase and the import increase is also a little more than that, I think, percentage-wise. So, definitely the trade has increased. This has led us where? According to the

Government, the foreign debt today is Rs. 55 thousand crores. According to other sources—coming from outside India, but authoritative sources like YCD—it is Rs. 90 thousand crores, at the end of 1988. Some other sources say that even that Rs. 90 thousand crores YCD figure does not include certain hidden credits. The Government has taken for defence purchases which again is estimated at around 15 thousand crores of rupees, it comes to about one lakh crores of rupees. Possibly now India is the fourth largest debtor country in the world having beaten Indonesia in the last one year. Whatever is the inflow of foreign credit, today it goes—practically the whole of it goes—in servicing the debt, so far as the Government sector is concerned. So, the Government is not gaining anything unless it can get a large amount of extra credit from the financial institutions like IMF and the World Bank. So, we have to go in for another bowl of begging, which we had decried even in 1981 or 1982 when they have taken the IMF loan for the first time. Now you have gone for it. You will for ever go with a begging bowl in hand, to these people to get money. They will dictate terms. They have dictated terms. First of all, we were not willing. But we have become too much willing and complain towards the end, during the last five years. So whatever industrial policy changes, State policy changes, they wanted, we have implemented each of them. Where has it landed us? It has again landed us with a begging bowl to get more money from them and we are having a bigger external debt than ever. We will become the second or the third largest debtor in the world.

The country is supposed to be advancing economically but has it advanced? Many false claims are made by the Government including one of self-sufficiency in food. What is the criteria of self-sufficiency in respect of food? Is there any criteria that per head of population this much of food will make us self-sufficient.

Further, apart from foodgrains, Government does not make any effort to encourage any other agricultural product excepting when

we are faced with foreign exchange crisis as had happened in the case of oilseeds. It is only then that Government comes in the field. This country is such a big country. There are many varied agro-climatic zones. Apart from foodgrains so many other types of agricultural raw-materials are grown but the Government does not encourage it. I speak from experience. Our State used to produce and was the highest exporter of jute and tea. Both these commodities have been allowed to languish. Tea export, no doubt, is there but it has not grown. Quantitatively, it is what it was forty years ago. At the time of Independence, it was 200 million kg and today also it is 200 million kg. Other countries who had not heard the name of tea have come in the field and given us competition whereas we have not been able to go anywhere. We have lost our traditional items to this competition. We are now only depending on one large importer for this purpose.

Similarly, Government has not paid any attention to jute. We were told in 1970 that jute has no future. But there are many South East Asian countries which have gone in for jute cultivation in 1970s and now they have got jute mills where they are producing varied items. They are not only producing better jute but they are also producing varied items which they are exporting. But we are nowhere. Similarly, there are so many other things.

What I am trying to impress is that Government has totally neglected the rural sector and also along with it agriculture. That is one of the reasons why we are continuously having to look for employment in industry which it is not possible to give for 800 million people. For establishing new industries we have to go to foreign countries and beg for loans and then walk into the debt trap just because Government is always having its face turned towards the so-called rich people. That is what the Government thinks it represents. Government serves their needs.

This attitude has to be changed otherwise there will be no respite from this situation.

Central Government has never tried to see that the basic functions which the States have been given by the Constitution are discharged by them. First of all they have taken their sources of revenue and not given them fresh ones. The amounts which they are entitled to get out of the Central Revenue, namely, from Income Tax and Customs have been reduced. Without any consultation with the State Governments excise duty concessions are given even by notifications. Concessions to the extent of thousands of crores of rupees are given every year and nobody comes to know to whom and why they have been given. The loser is not only the Central Government but also the State Governments who ought to be told that this is what they are going to lose on account of these concessions. They are never told about it. As a result the State Governments and Central Government are in the same position so far as World Bank and IMF loans are concerned. Whatever assistance the Central Government gives to the States just goes for servicing the debt to the Central Government. So, what shall we do? The States are not able to carry out the basic functions which the people expect them to do. Now, we find that the Government, not only content with giving a fillip to private industries but it is also bringing in the private capital into the field of banking in the name of venture capital. In today's Economic Times, there is a news that the Government has allowed the venture capital in the private sector. The Government has allowed such a scheme. So, banking is being given to the private sector through the backdoor. This privatisation, this new economic policy, is one of the major reasons for failures. It has failed the Government in industry and it will also fail the Government in banking. It will only serve to make a few people richer than they are.

With these words, I conclude.

[*Translation*]

SHRI ANOOPCHAND SHAH (Bombay North): Mr. Chairman, Sir, I rise to support the Finance Bill which has been placed before the House. I also want to put certain suggestions for the consideration of the hon. Finance Minister. We passed a bill and gave permission to the State Government to increase professional tax. A number of States have increased the limit of professional tax in their respective Budgets, in the process creating the financial resources that they needed. But the tax levied on the salaried people is not deducted from their total income for the purpose of income tax. This point should be considered. In State where the limit of professional tax has been increased, the salaried people should be allowed deduction of the amount paid as professional tax from their annual income for the purpose for income tax.

A surcharge is imposed on income tax but the States do not have any share in that. This is an injustice with the States and they are made to suffer heavy losses on this account. Whatever surcharge Central Government imposes on income-tax the State Governments should also be given their share in that.

Royalty is paid to States like Gujarat and Assam where oil and natural gas are found on-shore. But royalty is not paid where there are off-shore resources of oil and natural gas. I want to quote the example of Maharashtra in particular. Tax is received on the oil and natural gas we get from Bombay High but no royalty is paid to the State. The State is affected by the measures taken for the operation of the off-shore drilling. Still no royalty is paid. The State does not have any rights over off-shore land as this belongs to the Central Government even though it may be under water. The Centre should re-consider this issue to see in what way the State can be helped.

People engaged in the diamond trade in Bombay like diamond merchants, exporters, traders and cutters etc. launched a big

'morcha' against income tax in Bombay. Representations were sent to the hon. Prime Minister and the hon. Finance Minister because the diamond trade brings the maximum foreign exchange. Diamond exporters and others in the diamond trade are facing some problems on account of income tax, be it in the form of surveys or raids. So this 'morcha' was an expression of their feelings in this matter. Officials went from here and had a dialogue with them. I am sure that the Centre has given a sympathetic consideration to the demands of those engaged in the diamond trade. Before diamonds are exported they go through a process of cutting and polishing. For this purpose there is a smaller industry that prepares a diamond before it reaches the traders and exporters.

As far as my constituency is concerned, there are many small-scale and cottage industries over their providing employment to lakhs of people. But the Centre and the Income Tax Department have been sympathetic to the traders and exporters only. I am not objecting to this but the lakhs of workers who are engaged in this cottage industry are being harassed even though 98% of them are tax-payers. I hope the Government will sympathetically consider the case of these workers.

Despite the repeated requests of many hon. Members the Government is unwilling to increase the income-tax limit above Rs. 18,000. I fail to understand as to why the Government has such a rigid policy in this matter. The Government says that incomes upto Rs. 25,000 are not taxed. Can a person with an income upto Rs. 20,000 or Rs. 22,000 save anything? If a person saves he gets a benefit otherwise not. This point should be considered and the income-tax exemption limit should be increased from Rs. 18,000 to Rs. 25,000 or Rs. 30,000 in order to provide some relief to middle income groups. This has been expected since the past 2-3 years.

Some difficulties are being experienced by the mill producers on account of the new Direct Taxes Bill. A representation was submitted to the hon. Prime Minister and the

same has been forwarded to the hon. Finance Minister. Efforts should be made to give due consideration to this problem and provide whatever relief is possible.

In the end I want to say that the effect of increases in direct and indirect taxes has to be borne by the consumer. All the Consumer Protection Acts have not really been able to protect the consumer. The burden of all the taxes is ultimately passed on to the consumer. Taxes on businessmen, trade or industry are ineffective as it is the consumer who is ultimately affected. Steps should be taken to save the consumers from the burden of these taxes.

With these words I express my support for this Finance Bill.

[*English*]

SHRI P. KOLANDAIVELU (Gobichettipalayam): Sir, the Finance Minister has to be congratulated for having presented a very good Budget for the year 1989-90. Sir, the Budget presented by the Finance Minister gives emphasis on the employment generation. The Finance Minister has avoided levy of any further taxes. The policy that has been adopted by the Government has to be appreciated. It is the policy of tapping the rich and patting the poor. Even though this is the election year, this policy has been adopted by the Government. Anyhow, the plans and programmes have to be appreciated by one and all. The Budget for the year 1989-90 has been widely welcomed all over the country. The Finance Minister has to take into consideration.....

[*Translation*]

SHRI MANVENDRA SINGH: Sir, I am on a point of order. Such an important matter is being discussed but only 2-3 Members are present in the House. There is no quorum in the House.

[*English*]

MR. CHAIRMAN: The Bell is being

rung. Now there is quorum. Hon. Member Shri Kolandaivelu may continue his speech.

SHRI P. KOLANDAIVELU: Sir, the Finance Minister must be very careful as far as the question of balance of payment is concerned. At this juncture I want to point out one aspect about the foreign investment by the non-resident Indians in India. Due to continuous depletion in the rate of exchange and the fear that there may be devaluation, the non-resident Indians are selling their investments. Almost a panicky situation is being created in the country.

Sir, the NRIs have made crores and crores of rupees and they have invested their money in various fields. But due to the continuous fall in the value of rupee, the NRIs are selling their investments away. They resort to this practice because the Government will not permit the loss in foreign exchange rate to be set off against the capital gain profit earned. In view of this, the NRIs do not earn any profit in actual practice. But they are liable to pay tax in India on the profits they make! For example, many of the NRIs who have invested their foreign exchange at the conversion rate of Rs. 11 per US dollar are converting it into US dollars at the rate of Rs. 16 per dollar after a few years. Of course, they are getting a profit of Rs. 5 per dollar. But at the same time, the so called profit of Rs. 5 on the investment of Rs. 11 will be taken away by depletion in the foreign exchange, though they have paid a tax on this Rs. 5/-. They are paying nearly 20 per cent of this Rs. 5/- as tax. That is why a panicky situation is being created among the NRI investors. The situation is so bad that there is a fear that roughly about 5 billion dollars might be remitted out of India through such panic sale, during this year. I have got reliable information from the investing community abroad. This is bound to create a very serious situation to our balance of payments position. I would urge upon the hon. Minister to consider this crisis situation urgently and when he comes for reply, I hope he would throw some light on this subject. I would like him to give an assurance in this House that the Government would urgently agree to

[Sh. P. Kolandaivelu]

amend Section 48 of the Income Tax Act.

For the benefit of the House I want to mention that presently Section 43 (a) allows for adjustments in respect of foreign exchange liability for import of capital assets. A similar provision should be incorporated to have adjustments in respect of foreign investments in case of exchange fluctuations. That is why I would urge upon the Minister to consider bringing in an Ordinance similar to one which was made for raising funds for Armenian victims, which was exempted from tax. This would restore the confidence at least of the foreign investors so that they can invest more money. By doing so, more foreign exchange will flow into this country.

This is a very important and a serious matter. This has to be considered by the Finance Minister.

SHRITARUNKANTIGHOSH (Barasat): Mr. Chairman, Sir, India's progress in the field of both industry and agriculture is phenomenal among all nations which have become independent after 1940. But even then I would like to place before the House certain observations for the kind consideration of the Finance Minister as also of this House.

First of all, there is a new thinking which is going on throughout the world regarding how to develop the economy in a faster way. Even the mighty Russia, which is one of the greatest world powers today after Mr. Gorbachev took over, they are also having a complete re-thinking as to how to revitalise their economy. The same thing is going on in China and also in many other countries which the called Communist countries.

Just now I was listening to the speech of Shri Amal Datta. I was thinking the chain of thought when we should realise that theory which was launched 50 years back or 80 years back. That may not be tenable today. We must think which is good for the country and for the people. As a matter of if we take

export, certainly India is exporting a lot of goods and things like that. But if we think what we were doing in 1951 and what we are doing today, we feel that we have not really advanced much in that regard.

14.00 hrs.

In 1951, India's share of world export was one per cent and today India's share is half a per cent, whereas in 1951 many other countries which were behind India, like South Korea, Taiwan, Hongkong and Singapore, today, they are ahead of India in export trade. Now only that: in Hongkong which is only a city-State, 10% of its trade is controlled by Indians. And these Indians are also only a few thousands in number. You will be surprised to know that this 10% of Hongkong's trade is larger than the total trade of India, a vast country like ours.

The same is with Singapore, just a mere city-State, which can export much more than India as a whole. The root cause, as I can see it, is that India being a captive market, the producers here never think about competition outside India. It is not a consumers' market, it is a captive market; a producer's market. So, they can increase their price, charge any price they like; and as such, they cannot compete outside. India has got all the natural gifts given by God. We have got iron ore, we have got coal, we are now finding oil and gas almost every day; and all the raw materials that we need today. Even then, we cannot increase our export trade, because India's economy has become a high-cost economy.

I would request our Finance Minister as also his Minister of State, the young Mr. Ajit Panja to do something, to see how to break this strangle-hold of this high-cost economy. Here, the cost of production of any product is higher than anywhere in the world. As I have said quite a number of times, to produce a cup of tea in America is less costly than to produce a cup of tea in India. Why should it be so? Can we not really find a way-out to break this high-cost economy? Then India can surge ahead. Today our industrialists,

whether in the public sector or the public sector, know that they have got a ready-made market in India. It is a captive market. Nothing will be allowed to come in. So, they can rob the consumers like anything. So, my request to the hon. Ministers here is that they should find out what are the root causes of this high-cost economy in India; and then, and then only can they produce things at a cheaper rate, and then we can really compete with any other country in the world.

Our workers are not less efficient, our technicians are not less efficient, and there is no shortage of raw materials. The whole country can produce things which are as good or as cheap as any other country in the world.

In agriculture, we have gone ahead rapidly, mainly because there, the agriculturists are on their own. We have given them their inputs, and they have to work hard; and we have been able to surge ahead. But in India today, particularly the public sector undertakings—which should show the path, and be examples—whether due to more Government control being there or some other reasons, cannot produce things which can compete and beat down other competitors in the world market.

I am connected with a newspaper. I see that with regard to the newsprint that is being produced here, every year they demand that the price of it should be increased by Rs. 1,000 or Rs. 2,000. I do not really understand why they cannot produce newsprint at a price which is comparable with world market prices.

The same is the case with any other thing that we produce. So, this one thing which I would like to emphasize very strongly, if we want to improve things in our country.

I went to Thailand recently: a small country which is now forging ahead very rapidly. I am sure they will be at par, or may surge ahead of India within a few years' time. As an Indian, as a citizen of a country with 80 crores of people, a vast country with all the

gifts given by God, I cannot understand why India cannot be one of the leading and mighty industrialized nations in this world.

I want to thank our beloved Prime Minister, Rajiv Gandhi, for his announcement regarding Jawahar Rozgar Yojana today. This Yojana is an important announcement, I should say, in this year.

SHRI SAIFUDDIN CHOWDHARY
(Katwa): On the eve of elections.

SHRI TARUNKANTIGHOSH: Whether it is on the eve of elections or not, it does not matter much. Why should you say these things? (*Interruptions*) This is one of the most important announcements made by the Prime Minister. (*Interruptions*)

SHRI SAIFUDDIN CHOWDHARY:
Then jobs have to be given before elections. (*Interruptions*)

SHRI TARUN KANTI GHOSH: Today unemployment is a thing which is eating the very heart of our youths. If we want to really do away with poverty, if we want to really do away with this frustration, if we want them really to forge ahead, then our youths should be given a hope that they will not be put in a position where they feel frustrated and only think what to do for tomorrow. I want to make a request to all the State Governments through this Parliament that let this Yojana be taken as non-political, non-partisan Yojana; Let it not be taken for giving an advantage to a particular political party or something like that. This is I am also telling to my friends in the opposition that, when the Panchayats will spend this money, they should spend it for the good of the youths, not for the Congress youths or Communist or this youth or that youth. This is one request that I want to make through this House.

SHRI SAIFUDDIN CHOWDHARY:
Accepted.

SHRI TARUN KANTI GHOSH: Thank you very much. Please make it acceptable to your leader also.

SHRISAIFUDDIN CHOWDHARY: That is not necessary.

SHRI TARUN KANTI GHOSH: I feel that we should change our Constitution to make one provision that job is guaranteed to every man according to his ability. But to do it, my request to the hon. Minister would be to kindly introduce technical education and training in each school throughout the country. We should not only produce Clerks but also people who can work with both hands and produce things for the consumption of our country.

Now, I want to tell some problems of my own State. First it is a problem of the jute industry. It is not only problem of the workers, as my young brothers will say, but also a problem of the agriculturists. Half of the agriculturists in my State also produce jute. I am sure, the Minister of State for Finance. Shri A.K. Panja knows about it very well; and this jute industry not only affects the workers but also a large number of agriculturists. But the price factor is a very great factor. I do not know why it always fluctuates and it fluctuates to the detriment of the interest of the agriculturists. So, I would like to request the hon. Minister to do something so that the jute industry can be put on its feet and the agriculturists would get their right price.

For the last ten years or 15 years, maybe for certain reason, I do not want to go into the political things, but I say for certain reasons the industrial growth in West Bengal has been not only stagnant but also retarded. I do not want to blame anybody here for this. All I want to tell my hon. friend the hon. Minister is that some steps have to be taken in this respect so that West Bengal, which was about 10 years ago or 15 years ago, a living industrial State in India, may regain its position. To do that, there has to be some scheme, some definite scheme with which we can layout industrialists, we can give them power. There is so much shortage of power. We can give them other ingredients so that they can really start industries. I am sorry, you do not want me to speak. There are so many things about my State which I

want to tell here. In any case, what I have tried to say, I hope our hon. Minister will take note of and take some definite steps so that these problems could be solved.

SHRI D.B. PATIL (Kolaba): Mr. Chairman, while replying to the debate on the Finance Bill last year, the then hon. Finance Minister, Shri N.D. Tiwari had described his Budget as "*Roti, Kapada, Makan and Rozgar Budget*". We have given an impression that nothing was left to be done and henceforth as everything is done, proper care will be taken in all respects. This year being an election year, we are damn sure that the present Budget will be a populist budget and there is nothing to wonder at because ultimately through methods like this, the well-being of the people is to be achieved.

At about 12.30 P.M. today the hon. Prime Minister had made a very important statement about eradication of unemployment in the rural areas. He had described it as the Nehru Rozgar Yojana, and I am very glad to see that such types of schemes are being announced and proclaimed. But, I have my own doubts whether the scheme will be implemented honestly. I use the word 'honestly' deliberately. The hon. Prime Minister in December 1987 had announced a programme at Madras in the AICC session that his Government would announce and execute certain programmes like *Garibi Hatao* and *Bekari Hatao*. I do not think and I do not understand whether he was saying it innocently, or pleading innocence. The words *Bekari Hatao* or *Garibi Hatao* are not new slogan; Since the inception of planning in our country, that is, from 1951-52 it was planned under each Plan that at the end of that Plan the number of unemployed should be reduced to what it was at the beginning of the Plan. But the experience shows that after all the Plans the number of unemployed all the while increased disproportionately; the Government had failed miserably. And the Prime Minister is announcing such schemes! I do not know whether he has this failure in his mind. If he had this failure in his mind, he would have given particulars about this Nehru Rozgar Yojana.

14.13 hrs.

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

After May there will be June, July, August, September, followed by the rainy season. There is no scope for implementing these schemes. Then when is this scheme likely to be implemented? It is not likely to be implemented before December, that is, the days of Lok Sabha elections. Then, why is he announcing it at this juncture?

He has also made a provision in the Budget to the tune of Rs. 500 crore for the educated unemployed. Is it not going to be implemented? According to me, it is not going to be implemented. These are all populist slogans. We should not betray the faith the people have placed in us. Why has this not been done during the last four years? In the last four years, if we examine and scrutinise our experience, attempts have been made in this direction but there is total failure on the part of the Government. So, so far as this announcement is concerned, it will be very difficult to believe it.

Then, the hon. Finance Minister in his speech while introducing the Finance Bill for consideration, has stated that some concessions have been given to certain sectors. These concessions are related to TV sets and two wheelers. These concessions are for the middle class people and not for the poorest of the poor. So far as the poorest of the poor is concerned, some concessions have been announced in regard to plastic articles by withdrawing certain duties. I welcome these concessions.

The, I come to passing of these concessions to the consumers. Last year the Finance Minister has stated in clear terms that if the concessions are not passed on to the consumers, then these concessions will be withdrawn. I would like to know from the Finance Minister whether such an attempt was made to examine or scrutinise whether the concessions have been passed on to the consumers or not. I would also like to know whether any agency has been created to see

whether the concessions have been passed to the consumers or not. I think there is no such agency at present. How is it the Finance Minister can withdraw the concessions without ascertaining whether the concessions have been passed on to the consumers or not? The hon. Minister may repeat the same argument. But he should take into consideration this aspect. I would like to have a clarification on this point.

Now I come to ceiling on properties. There is a ceiling on agricultural property since 1960. Various Acts have been passed in various States laying down ceiling limits. No agriculturist can have land more than the ceiling limit. But there has not been any attempt to have a ceiling on urban property as well as in industrial sector. Anyone can have any number of houses costing any amount. So far as the industrial sector is concerned, the assets of Tatas and Birlas now-a-days are nearing Rs. 5000 crores. There is no limitation on those big industries and big industrial families. You should take this into consideration.

There is a wide gap so far as income gap is concerned. The Government servants and the workers in the public sector are being protected against the price rise through DA, if not fully, to a limited extent. The organised sector is to the extent of two crores fifty lakhs. Now the present population is eighty crores. That means, 77.50 crores of people are not protected against the price rise. You can imagine their plight now. I have nothing to say against the organised sector being protected against the price rise. But it is the duty of the Government to protect the unorganised sector also. That has not been done.

Lastly I would like to say one point about the parallel economy of black money. There are attempts of the Government to unearth black money, but they could not succeed in it to the desired extent. Because of the black money, prices are rising very high and ultimately the poor people have to suffer.

In Maharashtra there are certain fisher-

[Sh. D. P. Patil]

men cooperative societies. Now the Income Tax Officers have issued notices to the individual members of the fishermen cooperative societies that they should submit their accounts. I doubt that the earnings of individual members of fishermen societies are such that it should attract income-tax. So, they are being unnecessarily harassed. I would like the hon. Finance Minister to investigate this matter and direct the ITOs not to harass the individual fishermen who are members of the cooperative societies.

[*Translation*]

CH. LACHCHHI RAM (Jalaun): Mr. Deputy Speaker, Sir, I support the Finance Bill of the current year 1989-90 presented by the hon. Minister of Finance. In fact, the Budget presented by the hon. Minister of Finance is a commendable one, but it has become a habit with our colleagues in opposition parties to criticise the efforts made by the Government, howsoever welfare oriented programmes it may make for the well being of the people. Our country was relieved of the bondage of Colonisation. Our country has made more progress in comparison to the progress made by all other countries which became independent over the years. Our country is ahead of all of them. It confronted many natural calamities and other difficulties. Even then it has been making steady progress. The countries which attained independence earlier than us, commend our progress and follow us. Our hon. Prime Minister has made announcements for the welfare of the villages. A number of provisions have been made in this Budget to realise the dreams of Pandit Jawahar Lal Nehru that he had dreamt for the speedy development of the country and it has been acclaimed all over the world. Our villages are comparatively lagging behind and it is our duty to pay more attention towards them. In fact, two types of people live in our villages. One type consists of those people who used to be the supporters of British during the British time. Their condition is good. Their children receive good education. They have

capital and are capable of obtaining all sorts of facilities. The other type consists of those people who have always been backward, who always lacked proper education and has been facing the problem of unemployment. They still continue to be poor. It is also one of the reasons of their poverty that they have always been working as farm labourers. Today modern machines have been introduced in agriculture. Due to machanisation in agriculture a large number of farm labourers have been rendered jobless. Our Government has launched a number of schemes for improving the standard of education of the people belonging to weaker sections and several boys of these weaker sections have become educated. But a sizable number of them expects employment opportunities from the Government. No arrangements have so far been made to provide employment to those children of farm labourers who have become educated.

I have a suggestion in this regard. There is only one way to solve the problem of unemployment in the villages. My suggestion is that the Government should set up big factories in villages instead of cities and give priority to people belonging to weaker sections in the matter of employment in these factories who have no jobs and who have been rendered jobless consequent upon mechanisation in agriculture and are roaming about in search of jobs. People in large numbers migrate to cities from villages. They confront a number of hardships. It is a very deplorable situation. Sir, through you, I would like to call upon the hon. Minister of Finance that he should evolve such a policy under which two to four factories should be set up in each district so that un-employed people could be provided employment opportunities in these factories and they need not migrate to cities.

Sir, I support the points put forth by my hon. colleagues about raising the exemption limit of income tax. The exemption limit of income tax fixed at Rs. 18,000 is very low. The limit should be fixed at Rs. 25,000 keeping in view the situation arising from the price rise. I support the views of my hon. col-

leagues for fixing the limit at Rs. 25,000.

Sir, the Government has taken a decision to fill the vacancies reserved for scheduled castes. But there is rampant corruption in it. Forty years have passed and the number of reserved vacancies has continuously been rising. It is because the vacancies which were reserved for them have not so far been filled up. A firm stand needs to be taken in this regard. I would like to submit that people belonging to weaker sections should be given priority in the newly opened factories. Children of people who have large sources of employment, who own big farms and factories get employment. The reasons being that they get their children recruited by paying bribes and by adopting corrupt methods. There is great discontentment among people belonging to weaker sections that the Government had made a commitment to fill up the vacancies reserved for them, but these vacancies remain unfilled even after a lapse of 40 years. Therefore, through you, I would like to request the hon. Minister of Finance that he should take firm steps in this direction. Discontentment among weaker sections is spreading continuously and it will create a very critical situation in future and will become a big problem for us. It is, therefore, necessary that special efforts should be made in this regard.

Sir, agriculture is the biggest problem in the villages. Even after 40 years of achieving independence and making great efforts in this field, more than half of our land area remains un-irrigated. Some farmers for whom means of irrigation are available are making progress but, those farms who do not get water for their land are in difficulty and grief. There are six rivers flowing through my constituency, out of which 2-3 rivers flowing from other States join them. But the water of these rivers flow out without any utilisation because there is no dam on any of these rivers.

I would like to submit that Dam projects should be sanctioned for the areas experiencing shortage of water. In this regard, I

had made a request to the Government of Uttar Pradesh to construct a reservoir at Panchnad, the confluence of 5 rivers in my constituency. But the Government of Uttar Pradesh is not in a position to take up the work for want of funds. I would like to request the hon. Minister of Finance to provide funds as a special case for constructing dams which is an urgent need. Our population goes on increasing by 1 1/2 crore people every year and we have to increase the foodgrains production at the same speed. For this, there should be provision of water for irrigation.

There is net work of large deposits of gas in our country. Fertiliser factories should be set up in the area to utilise these gas deposits. A gas pipe line passes through my constituency and a number of outlets have been set up there. If two to three gas based factories are set up in my area the problem of unemployment in the area could be solved.

I would like to request the hon. Minister of Finance to provide more funds for the backward areas so that the un-employment problem in these areas could be removed. With these words I support the Finance Bill presented by the hon. Minister of Finance.

[English]

SHRI HET RAM (Sirsa): Mr. Deputy-Speaker, in the Finance Bill presented to the House, it has been mentioned that some concessions have been provided. But concessions to whom? Who need the concessions today in India? The poorest of the poor need the concessions. Sir, 5% Excise duty concession has been provide. But that will be only for capitalist society or the capitalists in India. Concessions on colour TV and scooters, which are used by middle-class or lower-middle class will not help in any way. Colour TV is not the necessity of the present day, especially to those living in the rural parts of the country whose per capita income is not more than Rs. 1.20. But you are going to provide some concession for the TV, Colour TV, scooters, cars, etc. They are not at all needed for the poor of our country.

[Sh. Het Ram]

Sir, as far as Indian economy is concerned, that becomes rudderless. It has no aim. It has become the closed circuit encircled by the capitalists in the country. Whenever they need concessions, they get them by promulgation or by some other means or by changing the laws, rules and regulations. But the poor people do not get any benefits at all. Indian society has become cancerous due to its faulty economic system and this economic system is not at all helpful to the poor. Just before the budget the wheat was selling in Delhi market at Rs. 350 per quintal and steel was costing at Rs. 800 per m. tonne. But now, what a change has taken place. Wheat is sold at approximately Rs. 180 per quintal and still price is going up more than Rs. 1000 per m. tonne. But how you are playing with the poor people and farmers? How you are expecting the poor people to have houses when aluminium is going out of market and when the price of steel is rising? And cement which was available at Rs. 52 per bag is, after the budget, Rs. 82 per bag. (Interruptions) The Government should see that poor people are provided with all the necessities. But there is a rise of more than 30 per cent in the prices of various goods now. They made a mess of the total economy. I would say, Mr. Deputy-Speaker, that what is needed in India is the development of man, development of human resources. But what are we doing? In the First Plan for education the allocation was 7.3 per cent of the total, now it has come down to 1.3 per cent of the total in the Seventh Plan. You have created the new educational system on the basis of four classes of the Vedic age. Society was divided into four classes. One was the Brahmin class. Today the neo-brahmins, the monied people, avail of education for their children. Where? In the public schools. The rich have the Doon School where everything is available. There are hostels, there are servants, a swimming pool, a laboratory, a library and everything. For middle classes there are Government and Government-aided schools where their children get the education. There are primary schools or the

aided schools which are having less educated teachers, without any furniture, without any chart or blackboard, where the lower middle class people send their children. Now, we have a new education policy for open school and open university without a teacher and other infrastructure. For whom? For those who are Scheduled Castes, who have no avenues of education.

Now you are talking of vocationalisation. What is vocationalisation? Earlier vocationalisation was there in the Indian society. The cobbler, the sweeper, the barber etc. have been degenerated into caste system and now what do you expect from vocationalisation? Again this will strengthen the caste system. So, liberal education is the need of the day. I hope the Scheduled Castes will be given liberal education. It was through liberal education Ambedkar rose to the status. Mahatma Gandhi also got liberal education. After doing B.A. and LL.B from London, he started shoe-making and weaving. If you are going to force vocationalisation on the poor people in the name of education, you are denying them real education. The poorest of the poor should be provided with the school, with a blackboard and with teachers and other infrastructure. Here, education is becoming a business and all the rich people are getting education and poor people, specially those belonging to the Scheduled Castes and other lower castes are not having anything.

As far as higher education is concerned, in India the percentage is 4.5 whereas the Government claims that we are having the highest human resources, trained and educated. This 4.5 per cent is the lowest in the world. Even Korea and Vietnam are not having resources equal to India, but the percentage of higher education there is higher than that of India. In America it is 55 per cent. Here we think that higher education is needed. The new education policy is contemplated in the way that a boy will enter the school and without any evaluation and examination after studying for 10 years in the schools will come out with a certificate and he is called educated. They want to kill the

education system so that the poorest of the poor and the Scheduled Caste may not rise in the society, so that no Ambedkar may grow to oppose Shri Rajiv Gandhi. If our education system is not strengthened, all your export policy and import policy will remain bad. As far as the export is concerned, we are exporting minerals, we are exporting ores at low cost which will be needed by our industries. Things are imported only for Ministers, politicians and industrialists who may have air-conditioners, imported car and imported furnishings for their bungalows. I have seen villages where nothing is imported. Why are our import bills rising? We are not considering agriculture in which 77% of our people are engaged. I will plead with the Finance Minister that the rate of interest should be based on the rate of return. Industrialists are always having 20% margin, but farmers are having no margin. If he is to pay 12% of interest, he may be having no return due to natural calamities like drought. Now, the farmer has to pay 12% of interest, but it should not be more than 6%. 77% of our people are engaged in agriculture, but only 17% of Bank loan has been earmarked for agriculture. 17% of our population consist of Scheduled Castes, but only 1% of bank loan is earmarked for them under DRI scheme. I am happy our Hon. Prime Minister has announced the 'Nehru Rozgar Yojana'. But I think the fate of this programme will be like that of any other programme—NREP and IRDP—because the Government is not having any thrust or will power to implement this programme. Funds are allocated for the same. It was not fund, but the will power and implementation which were lacking. I hope that this programme will not be a pre-election propaganda or guffaw for the people and the politicians and the funds will not be misused at the cost of the poor people.

[*Translation*]

SHRISHANKARLAL (Pali): Mr. Deputy Speaker, Sir, I support the Finance Bill presented by the hon. Minister alongwith the concessions of Rs. 123 crores announced by him during the course of discussion.

It is true that there should have been detailed discussions on various demands placed before the House. But I accuse the opposition parties particularly who raised other issues instead of allowing the House to utilise its precious time on the discussion of Demands for Grants of the Budget. In this way they deprived the hon. Members of the House from taking part in this very important discussion.

I would like to submit that the primary objective of the Budget is to bring socialism within the constitutional frame work. In pursuance of these objectives our leader Shri Rajiv Gandhi and earlier to that Shrimati Indira Gandhi announced a policy that poverty would be alleviated by providing employment to people. In furtherance of these objectives the Prime Minister was just now making a submission of the schemes announced under this policy that the plan outlay for this purpose has been raised from Rs. 500 crores to Rs. 2000 crores which is a matter of happiness for all of us. It is also worth nothing that the schemes will be implemented through the Panchayats and one member in each family will be provided with employment.

In this connection I would like to submit that farmers live in the villages. While presenting the Budget, the hon. Minister of Finance made some announcements, but they were not clear. As such I would like to draw the attention of the hon. Minister of Finance that at the time of recovery of loans taken by the farmers two to three times of the principal amount of the loan is recovered. The interest on debt is charged from them for the period during which they confront calamities famine and flood. Therefore, I would like to submit through you that they may announce that amount charged against the debts advanced to villagers will not be more than double the amount of loan itself and that this rule will be applicable to all rural areas. Then only we will be able to provide relief to the poor. At present, interest is charged for the period during which they confront flood and famine. We observe that farmers are over-burdened because of debt specially in

[Sh. Shankarlal]

Rajasthan where huge interest is charged on debts. It has created a serious problem.

The demands specially for Ministry of Welfare, which have been presented, include a provision which has been made for scheduled castes and scheduled Tribes and it has also been stated that provision has been made for backward classes but when scrutinised, it reveals that there is nothing significant for backward classes and it is national only. On page 23 and 27 for demands pertaining to Ministry of welfare, it has been stated that a specific amount will be earmarked for the welfare of scheduled castes, scheduled tribes and backward classes but when we go into the details, it is found that there is no such provision for the welfare of backward classes. Social Service Institutions are also helped by the Ministry of welfare. The assistance provided under this head to Indian Red Cross Society, is very meagre. Indian Red Cross is such an organisation which not only provides help inside the country but also abroad. It is true that discussion has not been held in the House on the demands pertaining to Ministry of Welfare and therefore, I submit that you should pay attention to it.

While strengthening Panchayats, we should also pay attention towards providing certain facilities to them. At present, we find that there are no post office at many Panchayat headquarters. There is not even P.C.O. facility at some places. Therefore, I want to submit through you to the Hon. Minister that if Government is going to implement schemes worth crores of rupees through Panchayat Raj and also strengthen them then the Panchayats should not have any problem. Wherever there are no post office and P.C.O. telephones facilities, the same should be provided there and there should not be any problem.

I want to say one thing about the report submitted by the Ninth Finance Commission. A glance through the report reveals that it has overlooked Rajasthan State. I want to

draw attention of the Hon. Minister to page 41 of the report where margin money given to the different states has been mentioned. Although margin money to the States has been increased yet no change has been made in respect of Rajasthan. For example, Andhra Pradesh was allocated Rs. 24.50 crores in the report of Eighth Finance Commission, Rs. 43.25 crores have been provided in the Report of Ninth Finance Commission, for Haryana it was Rs. 4.50 crores but now it is Rs. 5.75 crores, for Maharashtra it was Rs. 7.25 crores but now it is 13 crores. Rajasthan is being provided Rs. 16.75 crores against an equal sum earlier. While recommendations have been made to increase margin money in respect of other States, Rajasthan has been over-looked. Similarly, in the formula of Grants and Aids stated therein, we find only Rs. 8.37 crores earmarked for Rajasthan whereas other States have been granted more money. Since time at my disposal is short, I am unable to give you full figures. Even then, I want to draw the attention of the Hon. Minister towards page 41 and 52 of the report of Ninth Finance Commission. Justice should be done to Rajasthan so that various schemes can be implemented in Rajasthan which is a backward as well as desert, famine and drought prone area.

I want to say one more very important thing about Ministry of Human Resources. A mention has been made about education and upliftment of the human being through the efforts of the Ministry. I want to make one submission. Our India, a country of saints has remained in forefront in important education to the world. We should now also move forward by making special provision for importing cultural and moral education in the world. Where there exists is an atmosphere of rivalry in the matter of Atomic Energy and communal passions are generated in the world, India should come forward to introduce something new to bring an end to the aforesaid atmosphere by importing moral and cultural education. The new Ministry of Human Resources should keep aside funds for this purpose and utilise them for the same.

I also want to say something about trade union. Subjects like trade unions and labour are contained in the concurrent list as per our constitution. I want to tell you that 5 thousand labourers struck work for 3 months in Pally Textiles Mills in my area and the case relating to increase of work-load is pending in the tribunal but in spite of this, the millowners changed the workload whereas they have no right to do so. The workers resorted to strike and the State Government should have passed the order under section 10 (K) of Industrial Disputes Act but they did not do so. I want that Government of India should get the matter investigated as Government takes special care of farmers and workers in our country and it wants to bring socialism under the leadership of our Shri Rajiv Gandhi. Where injustice is done to workers and farmers, Government of India should come forward and act.

In the end, I want to raise a point about Ministry of Law and Justice. A mention has been made about legal aid to the poor in the Report of Ministry of Law and Justice but I want to say that this does not benefit the people in any way. Every citizen of India wants justice today but those who do not have resources are being denied justice and those who have money get justice. Therefore, it is my submission that legal profession should be nationalised so that people may get justice. Government should make arrangements to provide justice to the poor people.

With these words, I support the Finance Bill.

*SHRI HARIHAR SOREN (Keonjhar):
Mr. Deputy Speaker, Sir, I rise to support the Finance Bill 1989-90. At the outset, I would like to congratulate the Honourable Finance Minister for presenting a well planned Budget. This is a pro-poor Budget. The Government of India has adopted some national policies for different sections. The aims and the objectives of those policies are to provide benefit to every section of the society. The people of this country will certainly be benefitted if the plan and programmes drawn up by the

Government are properly implemented. India is mainly an Agricultural country. Majority of the people in this country live in villages. They are poor and helpless. They need the help of the Government. So we have to make all possible efforts to implement the programmes which are meant for the upliftment of the rural people, the farmers and other weaker section of the society. So long the poor people are not being progressed. We cannot say that the country has achieved its success in reaching the target of implementing different rural development programmes. Sir, the Government have been allocating huge amount of money for implementing different rural development programmes. There is no dearth of resources in the country. But, it is regrettable that the entire fund which is earmarked is not being spent for the welfare of the people. The fund earmarked for rural development programmes are being misused or diverted to some other programmes. Of course it is a fact that due to the constraint of resources many programmes are not being taken up in time. I thank the Government for making efforts to get external assistance for some programmes which are of great national importance. The country is taking loan from IMF and World Bank for implementing some major programmes. The Government is also very sincere in mobilising resources through bonds etc. I appreciate the policy of the Government. But it is unfortunate that some Honourable Members from Opposition have said that the Budget 1989-90 is an election Budget. They are politicising every issue. But, I would like to say, what is harm in presenting a people's welfare Budget? Is it not our duty to raise the status of the poor people of this country. If so, what is wrong in formulating Budget for them? Sir, all classes of people are living in this country. There are rich people, there are poor and there are people from middle class. It is the duty of the middle, upper middle and rich class of people to make some contribution to the national exchequer. If the well-to-do people make some sacrifice then only the poor people will get some benefit. Keeping all these things in mind, the Finance Minister has imposed some taxes on Agriculture. The wealth tax has been imposed on the people

*Translation of the speech originally delivered in Oriya.

[Sh. Harihar Soren]

of higher income group. The direct taxes and indirect taxes have been increased. These taxes will be paid by the higher income group of people. It will not affect the poor people. The rich, upper-middle and middle classes of people will have to pay some taxes. That money will be diverted to the people welfare programmes. The Government wants to collect the taxes in legal way. Therefore there is no point in criticising the Government for imposing taxes.

Sir, there is lack of proper cooperation from the people who are appointed by the Government for collecting taxes and also the tax-payers. Many tax-payers evade income tax and wealth tax. Some Government officials protect them in some way or the other. The Government is losing a huge amount of revenue every year on account of this. Generally the tax-payers are rich and influential. They influence the Government officials and through them they evade taxes. So, I would like to suggest to the Finance Minister to issue clear guidelines to the State Governments to mobilise resources. Whether the officials who collect taxes belong to the State Governments or the Central Government, they should be asked not to fall in the trap of dishonest tax payers. Moreover there should be regular monitoring of the activities of the Government officials who try to help the tax-payers in unfair ways. Every year we make the projection of earning resources through income tax and wealth tax for that year. But when the financial year ends, we find that we are lagging far behind than our projection. While presenting the Budget, the Minister makes it clear every year as to what amount would be spent under different programmes in that year, when the year comes to an end we find that we have spent much more than what we had earmarked. Therefore I stress upon the collection of income tax and wealth tax. The higher income groups must pay their taxes during the year. If it is collected sincerely and paid honestly we will get sufficient fund for different programmes. If there is deficit, the balance fund which is required, could be met from external credit.

There are some capitalists who have accumulated huge amount of wealth. We have to introduce some schemes through which they will have to part with some of their wealth. That money should be spent for the poor people of this country. We have to extract that wealth from them and to utilise the same for the benefit of the poor masses.

Sir, we have achieved self-sufficiency in agricultural production. We have got surplus foodgrains in the country. But the tragedy is that the condition of every farmer and the worker in the country has not been improved. The vested interests are taking the benefit of their poverty. The middlemen are exploiting the poor farmers. The workers are being exploited by the employers. We have to free the workers and the farmers from the clutches of the middlemen and the employers. There should not be any exploitation.

Sir, I am happy to say that today, our Prime Minister made some announcement with regard to the introduction of Jawahar Rojgar Yojana. This national scheme will certainly provide benefit to the poorer section of the society. It will go a long way in solving the unemployment problems in the country. But the question lies on its proper implementation. The State Governments should be issued with clear instruction as to how this programme is to be implemented effectively. How the unemployed are to get employment through this scheme.

Sir, I do not wish to take much time of the House. I would only like to raise some issues pertaining to my Constituency. At the beginning of my speech I had said that it is very necessary to develop our Agriculture. We have also to develop our industry. I come from Keonjhar District of Orissa. It is a tribal populated district. Most of the people are poor. They are mainly small and marginal farmers. But it is regrettable that they are facing a great problem due to want of irrigation facilities available for them. They depend on rain water. But some years, due to scanty rainfall, they fail to get good crops. Kanpur medium irrigation project was proposed to be executed in Champua sub-

division of my district. But fund has not been provided for that project so far. It will irrigate thousands of acres of land if it is executed. The people of a drought affected sub-division will get great relief as the problem of water will be over. The project is pending before the Central Water Commission since long. I would like to urge upon the Finance minister to provide adequate fund for that project so that it would be implemented during the seven plan period.

15.00 hrs.

Sir, the district of Keonjhar abounds with mineral resources. But it is unfortunate that the local people are facing unemployment problem. If the mineral resources which are available in that district are properly exploited and mineral-based industries are set up, the local youths will get employment. They will be able to earn their livelihood in those mines and mineral-based industries. We are exporting the minerals produced in Keonjhar District. Instead of exporting the raw-materials, we should utilise them in the mineral-based Industries. We are importing the finished goods from foreign countries. If we utilise the raw-materials available in the country by manufacturing those items we can reduce the import bills. Some Hon'ble Members have referred to the existing export and import position in the country. I agree with them that the export should increase and we should reduce the import. Therefore, instead of exporting the minerals we should utilise them in our country. In this way, we can provide employment to our people and also export the finished goods. If we do so, we can reduce the import Bill and also earn foreign exchange by exporting finished goods. In this way we can raise the resources of our country.

With these words I thank you very much and conclude my speech.

SHRI BALWANT SINGH RAMOOWALIA (Sangrur): Mr. Deputy Speaker, Sir, I rise to raise a particular point on Finance Bill. First of all, I want to thank the Finance Minister for reducing the expanses on T.V.

by reducing the excise duty. Only being an opposition Member, it will not be correct to say that this concession is only for the rich. I thank Shri Chavan that he has given a relief on T.V. Now-a-days everybody needs T.V. It is not a source of listening to music but it is a source of education, scientific research, general knowledge and many other things. As such, it has become part and parcel of life.

The main thing which I want to point out is that Punjab problem is a national problem. Communal disturbances have taken place in Delhi, Kanpur, and throughout India during last 9-10 years. Some people organised and murdered Sikhs at Bokaro, there were Hindu-Muslims riots but Hindu-Sikhs riots have never occurred in Punjab since Hindu-Sikh brotherhood is established there. What is happening there, is being done by the terrorists coming from outside. I want to raise the point that the people of Punjab do not quarrel, good atmosphere prevails in Punjab, there is a harmonious relations among all the classes, social and family relationships exists between Hindus and Sikhs but B.S.F., Para-military forces and C.R.P. personnel are posted after every 5-10 kilometers. I want to raise the point that when Punjab is a national problem, expenses for Para-military forces and police should be borne by the centre.

It is pleasure to note that Shri Chavan has smiled, it means that he agrees that the expenses should be borne by the Central Government. The expenses being incurred on the deployment of the B.S.F. and the C.R.P.F. and on the jeeps, cars, buses etc. used by the Government offices should be borne by the Central Government. It is clear that foreign forces are trying to destabilise this country. When outside forces and enemy countries are trying to interfere in the country, although they are more active in Punjab, they cannot be considered to be the enemies of Punjab alone. Why should it be thought that these forces are attempting to destabilise only Punjab? Therefore, I would like to make a strong appeal to provide funds out of the Central exchequer for this purpose. The Government could not have done

[Sh. Balawant Singh Ramoowalia]

more than this in the given economic circumstances and with the limited resources at its disposal. It has made every effort on its part. However, a little more initiative should be taken and prices of agricultural inputs should be reduced. There is an increase of Rs. 10 to Rs. 15 in the price of certain thing every year with the result that demands for bonus are made. There is a certain brand of tractor in Punjab and I will not take its name because it will boost its publicity but I will convey it to you in private in this regard. The people wait in queues for purchasing this tractor. 2-4 persons approach me every day to get that tractor for them because it is manufactured in the private sector. As regards items such as the tractors, water pumps, P.V.C. pipes used for installing tubewells etc., the hon. Finance Minister should convene a meeting shortly and seriously consider as to which inputs are used by the farmers and how their prices can be reduced. If full attention is paid, there will be no need to increase their prices by Rs. 15 to Rs. 20, instead the cost of production will be reduced by Rs. 30 per quintal.

When I go abroad, I do not bring any goods from there and even if I do, I refer to avoid the green channel. If the goods brought from abroad costs less than Rs. 1,250/- no custom duty is charged on them. But this limit is too less. I would like to suggest that this limit should be increased to Rs. 5000/- because for the last 20 years there has been no revision in this limit. I would like to submit one more point which relates to earning more revenue by the Government. I had written a letter to the hon. Minister on 23rd March. There is Government orders dated, 2 December, 1988 and Notice No. 84 of 1988. I had informed you that the Glaxo Drugs and Pharmaceuticals which is a multinational company, was permitted to import a medicine called Saftajidum Fortum duty free, under O.G.L. scheme. This medicine is used under special prescriptions only. It comes in the finished form. There are certain firms which import its raw material and prepare the medicine indigenously. When they sell it in

the market, they have to pay duty thereon, whereas the Glaxo company gets this medicine direct from London duty-free. Duty should also be imposed on the Glaxo company. It will increase the revenue of the Government. I am not talking about expenditure but about income. As this medicine is used for special purposes... As your have rung the bell, I sit down.

*SHRI RADHAKANTA DIGAL (Phulbani): Mr. Deputy Speaker, Sir, I would like to speak in Oriya. I rise to support the Finance Bill moved by our Finance Minister. We have been discussing the Finance Bill for a long time and many Honourable Members have expressed their views on this Bill. I welcome this bill and also I would like to express my views on this Bill. Sir, you have imposed taxes on Agricultural in the line of our national policies. I welcome the imposition of taxes. Because it is not going to affect the small and marginal farmers, the Scheduled Castes, Scheduled Tribes or the poor people. Sir, 72 crores of the people in this country were waiting for the Budget. You have formulated the Budget in such a way that the people of every section of the society has appreciated it. It is Budget for the poor, the scheduled castes, the Scheduled Tribes and other weaker section of the society. People living in every nook and corner of the country has welcomed the Budget. Because you have drawn up some programme or the other for every citizen of this country.

Sir, India is an agricultural country. About 70% of the population of this country earn their livelihood from agriculture. So it is very necessary to give job priority an implementing the schemes for the development of agriculture. We have to identify the areas which areas which are lagging far behind the advanced states in Agricultural Production. I would like to say so, because a huge amount of money has been spent on Agriculture during last four decades or so. But, the fund is spent in a limited area and many areas have remained untouched. I represent a backward district Phulbani in Orissa. I got elected from that Constituency in 1984. The Honourable Finance Minister is a very senior

*Translation of the speech originally delivered in Oriya.

and veteran leader. He knows the geographical location and the condition of the people in my Constituency. The Honourable Prime Minister who is the leader of the House visited my district in 1985. He had said that every effort would be made to develop my district. He had said that schemes would be drawn for the development of the people of Phulabani and Kalahandi districts. In this context, I would like to say that the agricultural development of my district has not become possible due to want of adequate irrigation facilities. There are four main irrigation projects in Phulabani district which are pending since long. They are Bagha, Khadag, Bonda Pipili and Lambakphai-irrigation projects. The survey and estimate of these projects have been completed since 1975, but till today these projects have not been accorded financial approval. I do not know why these projects have been pending since long, whether it is due to the fault of the State Govt. of Orissa or due to the negligence of the Central Government. When you are making efforts for the development of Agriculture, I request you Honourable Finance Minister to find out the reasons of the delay in the execution of these projects. At the same time, I request you to provide necessary financial assistance for implementing them projects. As you know Sir, my district is a drought prone district. As many as four blocks in the district are severely affected by drought. In fact, the entire district is reeling under severe drought this year. You have taken a number of steps to help the drought affected people. But frankly speaking Sir, they are very inadequate. If you really want the agricultural development of the district, I would like to appeal to you to expedite the four irrigation projects in my district which I mentioned here. Sir, my second demand is with regard to the setting up of Industries in my district. As you know Sir, my district was identified as a 'No Industry District' in the year 1980. Till today, no attempt has been made to set up Industry in my district. No major or medium Industry has been set up there so far. Today you are planning to provide jobs to unemployed. You have taken steps to provide work to the people through IRDP, RLEGP and NREP. I

would like to tell you that enough job opportunities have not been created for the people of Phulabani through these schemes. Sir, you have taken policy decision to set up Industries in the 'No Industry District' A project proposal to set up Industries with an investment of Rs. 150/- crores at Manamunda in Phulabani District is pending for the financial approval of the Central Govt. I would like to request you through the Honourable Deputy Speaker to accord financial approval to that project proposal at an early date.

Thirdly, I would like to raise another point with regard to rail communication. As you know Sir, Phulabani is lagging far behind many other districts in the country in the matter of rail communication. There is a sizeable Scheduled Castes and Scheduled Tribes population in that district. If we want all round progress of those SC & ST people we must provide them proper communication facilities. It is unfortunate that rail communication facility has not been provided in that district so far. The country achieved independence in the year 1947. When we are deprived of the rail communication facility in the district, we feel that we have not achieved our independence. When I got elected to Lok Sabha in 1984, I raised this point in the House. I have been writing to the Railway Minister as well as the Prime Minister to take up the Construction work of the proposed Khurdha Road-Bolangir line via Phulabani. But it is a matter of great regret that the Honourable Railway Minister Mr. Schindia has refused to take up that project. He says that the project is not economically viable. Sir, if this project is implemented it will go a long way in solving the communication problem of a backward district. It will cater to the communication need of a large number of SC & ST people living in that district. So, the construction of proposed Khurdha-Road-Balangir via Phulabani line should be started immediately. Sir, a word about Education you have constructed some Residential school and hostel building in the district of Phulabani. As I had stated earlier it is a SC & ST populated district in the State of Orissa. The existing number of schools and hostels are not able to accommodate the SC

[Sh. Radhakanta Digal]

& ST students of the district. Moreover the building work of the low cost hostels constructed by the State Harijan & Tribal Welfare department are not of good quality. The rate at which stipend is being given to the SC & ST student is very inadequate. I would like to suggest the revision of the rate of stipend. You are giving Rs. 60/- per month to each SC or ST student who is reading in Class VII or VIII. How can a student meet his study expenses with this low amount of stipend. This is just like paying poverty allowance to those students, i.e., the future of the nation. Therefore I strongly recommend to the govt. to revise this rate. I demand the increase of the stipend to Rs. 100/- per student upto class VII. The High School students upto +2 should get Rs. 150/- each per month. The college students upto the M.A., should get minimum Rs. 250/- per month each so that they can continue and complete their higher education.

Lastly, I would like to make my points very briefly and then I shall conclude my speech.

I would like to tell the Finance Minister through you that my Lok Sabha Constituency has 4 Assembly constituencies from Phulabani, 2 from Bolangir and another Assembly segment from Ganjam district, i.e., Bhanja-nagar. Honourable Shri Somnath Rath belongs to that area. I and Mr. Rath have been demanding since long to implement Rushikulya Command Area Programme, Nua-para and Biluakhai Projects. In order to develop agriculture in those areas you have to implement these projects.

DR. KRUPASINDHU BHOI: You speak a few words about 'No Industry Districts'.

SHRI RADHAKANTA DIGAL: I have already made that point. Sir, the Honourable Members from opposition are criticising the poverty alleviation and employment oriented programmes of the govt. But, I would like to tell them that it is Congress Party under the leadership of Smt. Indira Gandhi only tried to

remove poverty and unemployment from this country. Now, the worthy son of a worthy mother our present dynamic Prime Minister Shri Rajiv Gandhi is making all possible efforts to remove poverty and unemployment from this country. The dream of Smt. Indira Gandhi was to make India a great country. Shri Rajiv Gandhi is making sincere effort to fulfil her dream. The Nehru Rojgar Yojana will certainly remove unemployment. I would like to request the Honourable Finance Minister to identify Phulabani as a district for the introduction of Jawahar Rojgar Yojana.

With these words I thank you very much and conclude my speech.

SHRI G. BHOOPATHY (Peddapalli): Mr. Deputy Speaker, Sir, the proposed expenditure of Rs. 16,400 crores is under discussion in the House. It is a gratifying fact and such a discussion should take place. It is very essential to spend this sum for the welfare and progress of the poor people, harijans, adivasis and other backward sections of society. However, when Central Schemes are prepared, their benefits are mostly enjoyed by the politicians, traders and officials of and do not reach the poor people. Crores of rupees have been spent since the time of independence and had those sum been properly utilised there would not have been any poor person left in the country by now. The crores of rupees which are allocated for the welfare of the poor people every year are not spent accordingly. All this money is being diverted to enable the top officers to travel throughout the country with their families in comfort. It is on account of such misuse of funds that the number of poor people is increasing in the country and no concrete measures are being taken for their upliftment.

The hon. Minister had stated in his reply to a question that 37 percent of the people have been lifted above the poverty line. In order to lift these people above the poverty line, either assets like cows and buffaloes have been provided or subsidies worth Rs. 100 or Rs. 200 have been given. I would like

to know whether it is in this manner that the Government wishes to uplift them? This sort of work does not behove the Government.

The Singreni colliery is located in my constituency and about 1 to 2 lakhs of labourers are working in it. They are constantly demanding facilities like housing, foodgrains, clothes and schools. The Government should look into their problems which they are facing and solve them.

The Inchampalli project is in my area of Telangana. The Government had got a survey conducted by a French team regarding this project. But a meeting of the Chief Ministers of three States has not been called so far. This meeting should be called at the earliest so that a decision may be taken to expedite the matter. At least 200 villages are located at the site of this project. However, these villages are not being developed. Steps are not being taken to build houses for these poor people. The Government should pay attention in that direction. Along with it, efforts should be made to expedite the work of the Inchampalli project. With these words, I conclude.

SHRI C. JANGA REDDY (Hanamkonda): Mr. Speaker, Sir, the Government propose to spend crores of rupees in accordance with the provisions of this Finance Bill. In spite of spending such vast sums, the condition of the farmers and of the labourers is worsening day by day and the gap between the villages and the cities is widening. What is the reasons behind this phenomena? It is a common knowledge that 80 to 90 percent of the rural people are engaged in agriculture and they do not have any other source of income. Today the people of the rural areas are migrating to cities in large numbers. But little attention is being paid by the Government in this direction.

In my supplementary to a reply of the hon. Minister I had categorically asked the basis on which the Agricultural Costs and Price Commission fixes the prices and what are the norms in this regard? Along with it, I had also wanted to know whether or not the

farmers get at least 10 to 15 percent of profit by the remunerative prices which are being provided by the Government. The hon. Minister has given a very evasive reply to my supplementary. The Government is well-aware of the condition of farmers living in the rural areas. Our condition is miserable and the condition of the agricultural labourers in worse. Whatever reply is framed by the Government servants is placed here by the hon. Minister. I had written a letter also in this connection and I have received its reply today only but I have forgotten to bring it here. If I had the reply with me I could have shown it to you. In my letter I had wanted to know whether 10 to 15 percent of remunerative prices are being offered in the case of Jawar, bajra and paddy. It has been stated in the reply that prices are fixed keeping in view the interest of the consumers. What does it mean? Do you want to suppress the farmers. Is the Government interested in knowing whether the farmers are getting clothes to wear and whether their children are getting passes for travelling by the railways free of cost. The Government has never paid any attention in this direction. If the Government fails to provide remunerative prices to the farmers for their produce, the farmers will leave their profession of agriculture and the country will not get foodgrains. Rice was imported from Thailand recently and wheat has been imported from other places. Similarly other agricultural items are also being imported. The stocks of rice in Kerala are getting rotten and have started stinking but it is not being purchased. Its purchase has come to a halt since past two months. The same is the case with chillies. The Trading Corporation should set up markets in Hyderabad and Warangal for the purchase of commodities like chillies etc. but unfortunately such measures are not being taken.

The other day a truck carrying the farmers along with their produce of chillies from Warrangal to Nagpur overturned resulting in death of 10 persons. The distance between Warrangal and Nagpur is about 250-300 kms. only and within this short distance of about 250 kms. the price differential is Rs. 500/- per quintal. Why is the Government so

[Sh. C.Janga Reddy]

unconcerned about the interests of farmers? The farmers and handloom weavers are committing suicide. Only yesterday one of the Members belonging to the ruling party said that handloom weavers were greatly disappointed with the Government's handloom policy and were committing suicide. Handloom weavers in Andhra Pradesh too, are dying of starvation and are being drawn to suicide. The Government of Andhra Pradesh ordered an enquiry but they refused to accept the truth.. (*Interruptions*)... It has nothing to do with the Ramarao Government but it is due to the textile policy of Shri Rajiv Gandhi that the handloom weavers are not getting work and are unable to find buyers for their cloth in the market and thus they are forced to commit suicide. It is beyond my comprehension as to how does it happen that the prices of cotton fall while the prices of yarn and cloth register an increase. After all there should be some correlation. The rates at which the fertilisers are supplied to the farmer should be taken into account while fixing the price of his produce. Similarly you should pay attention to the wide gap between the production cost and selling price of industrial goods. The production of Coca Cola costs about 70 paise only while it is sold at the rate of Rs. 3/- . Similarly, the cost of production of Bajaj scooter is about Rs. 7500/- while its selling price is Rs. 13000/-. Why there is such a wide difference? You are the least bothered as to what the farmer gets in return for his labour and other inputs, there is no buyer for his produce in the market. Even after realising a lot of money from him, he is being harassed.

I have written to the hon. Minister drawing his attention to the issue of payment of compensation to the farmers by the Delhi Administration for their land acquired for allotment to the housing societies and for construction of houses for its officers and employees. The farmers are paid compensation after five years with an interest at the rate of 6 or 4 percent. Compensation is paid after 10 years or 5 years of acquisition with some interest but the market value prevail-

ing 5 years ago is taken into account and then income-tax is charged on this amount under section 194 (c). Is it not an act of cruelty? You are paying compensation after 15 years for the land acquired for Srisalem Project and that too when people went to court and then you paying Rs. 10,000/- for the land, the price of which in fact is Rs. 50,000/- per acre. So much so that income tax is being charged on the interest on Rs. 10,000 for ten years. Hon. Minister, Sir, is it not a criminal act. The farmers should be exempted from the provisions of section 194 (c), as I have already written to him. Lakhs of rupees have been recovered in Kurnool and Mahbub Nagar districts affected by the Srisalem Project. Is it not injustice that first you acquire their land using force and then pay compensation much later and interest is not paid to them? Due to the undue delay in land acquisition proceeding payment to them is delayed.

[English]

In the land Acquisition Act there is a provision to pay the interest.

[Translation]

So it is a criminal act to levy income tax on interest, the authorities of Finance Department are criminals, it is a clear case of picking the pocket of farmers and their exploitation. So they should be exempted from payment of income tax at the earliest.

Besides, I would like to tell that funds are being wasted on the schemes like NREP and RLEGP, which are not going to deliver the goods. The achievement is not up to the desired level. You are giving the money to the State Governments but the accounts are not being audited.

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (KUMARI SAROJ KHAPARDE): Is the scheme of supplying rice at the rate of Rs. 21/- per kg. good?

SHRI C. JANGA REDDY: There is a

provision of, 'Muster-Roll' under the NREP and RLEGP. The officials obtain thumb impression of 15 persons while actually only 10 workers are engaged. The amounts paid under these programmes should be subject to audit as funds are being misappropriated. I do favour allocation of funds for rural development but the focal point of my submission is that it is a misconception that funds are reaching directly to the labourers. The Village Development Officer acts as an intermediary under RLEGP, who misappropriates the funds. Large scale misuse of these funds is taking place in all the States with the sole exception of Maharashtra. The performance does not measure up to the quantum of funds provided by the Central Government. There is no prescribed unit to measure the work to be put in by a labourer for Rs. 6, 10 paid by you under N.R.E.P. or R.L.E.G.P. and this is resulting in misuse of funds. I have written a letter to the hon. Minister that the State Governments are concentrating on schemes which attract immediate public attention in order to win over the voters during the coming elections. Shri N.T. Rama Roa, our Chief Minister has supplied rice at the rate of Rs. 2/- per kg. in Andhra Pradesh, which cost about Rs. 3 crores. Such schemes have stalled the development projects. With this sum of Rs. 13 crores two development projects could be undertaken. You must exercise some control on the State Governments so that they may not be able to divert funds for such works aimed at winning votes.

Mr. Deputy Speaker, Sir, I thank you for giving me an opportunity to speak.

15.36 hrs.

COMMITTEES ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[*Translation*]

Sixty-Fifth Report

SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI (Rajkot): Mr. Deputy Speaker, Sir, I beg to move:

"That this House do agree with the Sixty-Fifth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 26th April, 1989".

[*English*]

MR. DEPUTY SPEAKER: The question is:

"That this House do agree with the Sixty-Fifth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 26th April, 1989"

The motion was adopted

15.37 hrs.

RESOLUTION RE: MEASURES TO CONTROL POPULATION EXPLOSION.
Contd.

[*English*]

MR. DEPUTY SPEAKER: We will take up further discussion on Resolution regarding measures to control population explosion moved by Dr. Krupasindhu Bhoi on 31st March 1989.

Dr. Manoj Pandey may continue his speech. He is not present in the House. Mr. Somnath Rath.

SHRI DAL CHANDER JAIN (Damoh): Sir, I am on a point of order. I request that other Resolutions may also please be taken up today. Otherwise, we may be not find time to discuss them.

MR. DEPUTY SPEAKER: Only 40 minutes are left for the resolution under discussion. After the Minister's intervention and the final reply, we will certainly take up the other Resolutions today itself. Please sit down.

SHRI DAL CHANDER JAIN: Thank you, Sir.