

may submit that the proposal to acquire the land lying adjacent to the Eastern part of the Trivandrum Civil Airport between Vallakadavu and Chackai may create undue hardship to nearly one thousand families since this is a thickly populated area with high yielding coconut trees. There are more convenient Government lands adjacent to the Airport. On one side of the airport is the sewage farm and on the other side is the huge campus in which the aquarium and physical education school are housed. The aquarium has remained closed for the last several years and the physical education school wants to be shifted from that campus in view of its close proximity to the Trivancore Titanium Products Ltd. Any one of these campus could easily be used for this Project.

Another important factor to be considered is the risk involved in developing an Air Force Complex within the city limits where several lakhs of people, not to speak of the many hospitals schools, colleges and other Government Offices are crowded, when there are other convenient and suitable areas available. The vast area of land in the Attipra village or the huge strip of land on the northern side of Velimalai very near to the land already acquired for the Air Force Complex (i.e. Akkulam area) will be more suitable. I would therefore plead that on humanitarian grounds the proposal to acquire the land between Vallakadavu and Chackai be dropped and steps taken for establishing the Air Force Projects choosing any one of the above four sites.

(ix) Need to declare 'UGADI' a closed holiday for Central Government offices in Andhra Pradesh.

**SHRI AJOY BISWAS** (Tripura West) : The festival of Ugadi which is the New Year's Day for Telugu speaking people of Andhra Pradesh has not been declared as a regular holiday for the last three years by the Central Government. Several representations made by the Confederation of Central Government employees and other All-India organisations functioning in Andhra Pradesh, for declaration of Ugadi as a closed holiday for Central Government offices in Andhra Pradesh, were of no avail.

Though it is a restricted holiday many of the executive staff in Central Govern-

ment Department in the States cannot avail of it for administrative reasons. The local Central Government Employees Welfare Coordination Committee has declared 15 closed holidays this year and kept a provision of one more day holiday for Ugadi subject to the clearance from the Department of Personnel and Administrative Reforms. But unfortunately this Department has not conceded the request.

Ugadi is a prime festival in Andhra Pradesh and this year it falls on 22-3-1985. Hence I urge upon the Minister of Home Affairs to take an immediate decision to declare Ugadi as a closed holiday in respect of Central Government offices in Andhra Pradesh in public interest.

12.25 hrs.

**GENERAL-BUDGET 1985-86—  
GENERAL DISCUSSION  
AND  
SUPPLEMENTARY DEMANDS FOR  
GRANTS 1984-85—GENERAL—CONTD.**

[English]

**MR. DEPUTY-SPEAKER** : Now, we take up further general discussion on the Budget (General) and Supplementary Demands for Grants (General):

**SHRI H.M. PATEL** (Sabarkantha) : I rise to offer my observations on the Central Government's Budget for 1985-86. It is a well structured Budget. The Finance Minister took as his guiding theme an observation of the late Prime Minister that no section of the vast and diverse population of this country should feel unwanted. He had, therefore, attempted to see that all sections benefit from this Budget provisions and plans. Undoubtedly, the well-to-do and the rich have benefited very considerably. This is given expression to by that deep thinking person and student of Budget, Mr. Palkhiwala, that this is one of the finest Budgets he has ever seen in the last three decades. It has also been hailed by the Federation of Indian Chambers of Commerce and Industry very warmly. I hope that when the President of the Federation gave expression to his pleasure, he must also have realised that this puts the industrialists very much on their metal. They have now to fulfil their various promises and

[*Shri H.M. Patel*]

claims that they would achieve this that and the other certain concessions were given and certain help was provided through fiscal policy and measures. They have indeed obtained through this Budget all the concessions they ever asked for and even more. Therefore, those sections are very happy. I think, the middle class also should be happy because they also have benefited and will benefit considerably from the concessions in direct taxation that have been given in this Budget. But when we look at certain other sections of the people, the farmers, the less well-to-do and the poor, then we begin to have some doubts as to the benefits conferred upon them by this Budget. The farmers have been promised, for instance, remunerative prices. The Finance Minister recognises the desirability of their receiving remunerative prices. But the only concrete proposal that he has made in this connection is that name of the Agricultural Prices Commission which determines these prices, will be changed and the term of 'Cost' included in that. One wonders whether until now the Prices Commission took no account of cost of production at all. It would seem to be so; otherwise, there would really be no necessity for now laying emphasis specifically on the word 'cost'. Cost of production is conceded to all industries when prices are fixed. But so far as the farmers are concerned all manner of excuses are trotted out, for not fixing their prices on the basis of cost of production. One can only that hope since it is the Finance Minister's intention that farmers' interest, should be safeguarded that hereafter prices will be determined with an honest attempt at basing them upon cost of production arrived at a very reasonable manner. He has also offered small and marginal farmers hope by saying that he is going to introduce a crop insurance scheme. Crop Insurance Scheme would certainly be a very welcome thing. The only difficulty is that it is not so very easy to implement. I had myself, when I had an opportunity in this regard, asked the General Insurance Corporation to try out crop insurance in limited areas with a view to finding out what difficulties would have to be overcome if we wanted to introduce a crop insurance scheme in a very general way. I hope that some report of this experiment must have been

available to the Finance Minister before he decided to announce on the floor of the House that he will be introducing this crop insurance scheme. Crop insurance scheme is a very complicated matter and I would only offer one suggestion to the Finance Minister that he proceed experimentally and slowly in this direction. If the results of the initial pilot projects are found satisfactory, he can then introduce it speedily in the whole country. But it would be a very unfortunate thing if having introduced it you have to find that you have to withdraw it. Similarly, as far as other poorer sections are concerned, a social security scheme is offered, employment guarantees are also offered, but however welcome these schemes may be, they are not going to be easy to implement with the administrative machinery that we have at present. We can no doubt create satisfactory administrative machinery but that again will take time. I hope that he will go about it in a very determined but cautious way so that it can really be made a success.

A vital point which has been brushed aside some what lightly is the question of prices. The Finance Ministry and the Finance Minister have claimed that this Budget will not lead to inflation or increase prices and if there is an increase it will be of a very minor nature. I hope that their optimistic assessment turns out to be correct but I see no reason for such optimism. They talk complacently of the amount of deficit financing which is of record nature. For the year 1984-85 they had envisaged a deficit of Rs. 1,773 crores but by the end of the year they expect it to rise to very nearly Rs. 4,000 crores. Therefore, they say that this year's estimate of deficit financing, which they will have to face, being lower than Rs. 4,000 crores, that is. Rs. 3,400 crores, we need not apprehend any larger degree of inflation than the one which we have had to face during 1984-85. I think the way to look at it should have been this that the original deficit expected by the previous Finance Minister was Rs. 1,773 crores which is actual fact rose to Rs. 4,000 crores: there is no reason to think that the deficit estimated for 1985-86 at Rs. 3,400 crores will remain at Rs. 3,400 crores or be perhaps less and not more.

If it is more, if it increases at the rate at which last year's deficit estimates rose, then I think there would be a very difficult situation. The possibility of inflation is a very grim reality. No doubt, the Finance Minister says that we have a good stock of food-grains, there is adequate reserve of foreign exchange and, therefore, by watching the situation closely, we will be able to keep inflation under check. I hope that Finance Minister's efforts will be successful, because none of us would really like to have inflation running riot. But, I am afraid, in such matters it is wiser to go about more cautiously. Here is a great risk taken, which is virtually a gamble on monsoon. If the monsoon is satisfactory, then the prospect of deficit financing being contained at a reasonable level will be somewhat greater. But, heaven forbid, if it fails, the possibility of a disaster cannot lightly be brushed aside.

It must not be forgotten that the Finance Minister has not kept away from taking other steps to increase his resources and they must inevitably lead to an increase in prices of essential commodities. Already, the psychology of the people being what it is, and the normal behaviour of the business community in this country being what it is, within 24 hours of the announcement of the budget, the prices of all manner of commodities, including essential commodities have gone up, and they will go up more. The result of fresh indirect taxes that have been imposed, or increases in the case of existing levies, will further push up prices. The price of kerosene has risen considerably, very substantially. The price of cooking gas also has gone up very appreciably, and it is not an item which is consumed only by the rich. With the increase in taxes on crude, the prices of petroleum products have gone up. Transport costs will go up and the cost of a number of other items will go up considerably, and as time goes on, the increase will be considerable.

It must not also be forgotten that the railway budget, which for various reasons, is brought as a separate budget, has increased passenger fares and freights. The effect of the railway budget will be to raise prices Con.

Likewise, the public sector enterprises, which are monopolistic in nature, have now been given the liberty to increase their prices, in order that they may generate resources for meeting their commitments and for expansion. Full advantage is being taken of this right by some of the units. Oil companies have done so. Coal India has certainly not lagged behind. The posts and telegraphs and telephones have raised their tariff. If every public sector unit thus increases the rates on its own, you can imagine the effect it would have on the price situation generally, thus hitting the common man. All in all, I would say all these various indirect taxation proposals that have been made will have a very serious effect on the prices and the price rise will be very significant indeed.

It is also interesting to note that the Central Plan provision this year is more or less the same as in the last year. Fortunately, I think, the Finance Minister has made generous increases to the State Governments and the State Governments ought, therefore, to be able to increase their production through their enterprises. They should be able to make satisfactory contributions for the benefit of the society. But the Plan development so far as the Central Government is concerned has been kept stationary. This may now be altogether bad because if the plan provision has been raised further the deficit financing would have been ever higher.

I do not know to what extent there has been coordination between the various objectives and the budget provision to meet those objectives. In regard to conservation to which the Prime Minister attaches great importance, the provision that has been actually made is small. It is proposed that five million hectares of waste land will be vegetated, will be made green land. For greening of five million hectares of waste land and afforestation etc. only Rs. 54 crores have been provided. Although the object in view is very sound, the provision necessary to carry out a scheme has not been adequate. May be there are some special reasons for it, but I am rather surprised why in a matter of such importance, sufficient provision has not been made.

[*Shri H.M. Patel*]

Then I think same comment is necessary on the fact that no attempt has been made to reduce non-plan expenditure. The Finance Minister refers to the fact that defence expenditure, interest payments and subsidies on fertilisers, food etc. take away over 70% of non-plan expenditure. He also says that the non-Plan expenditure is continuously rising. But he has made no specific attempt at economy. It would seem that he has come to the conclusion that it is not possible. Nevertheless many new schemes are proposed which must inevitably increase expenditure rather than reduce it.

In regard to the black money, the Prime Minister has said that they would make a determined attempt at controlling and eliminating it — and the Finance Minister also refers to the flow of black-money no particular steps have been taken even to curb it. Certain fiscal proposals have been made for the reduction of tax rates etc., abolition of estate duty and so on. All these may make people behave more honestly. But mere behaviour does not mean that black-money will not continue to be generated. Liberalisation of general and economic policy will also move in the direction of generating less black money.

But it is not clear as to how many controls are going to be removed and to what extent. Controls, to my mind, do generate black money as they provide the temptation to generate black money. I think however many more measures are necessary in order to curb black money effectively. In fact, one of the striking things about the Finance Minister's Budget speech is that though it great many sentiments and in which principles are enunciated which are unexceptionable, it remains mere enunciation of principles and expression of sentiments. The concrete measures that have to be taken in order to see that those sentiments become a reality are not to be found.

Before I go further, I would like to congratulate the Finance Minister on one other thing. He says that his taxation measures etc. are conceived in a time frame by which presumably he means that he will go on moving in this direction for the rest of the life of this Parliament, say, five years. This is very necessary if the tax-payers are

to believe that they can rely upon the fact that whatever steps the Finance Minister or the Government has taken will continue for a period of time. Then alone they will be encouraged to make long term investment I think it is a very wise thing that the Finance Minister has done to say that this is his intention and he is, of course, also fortunately in a position to give effect to this particular line of action.

Sir, I think I have dealt with most of the points that need to be referred to. I would only like to say this...

MR. DEPUTY-SPEAKER : More Members are there from your Party to speak. Twenty-eight minutes are allotted for the Janata Party. There are six more Members yet to speak.

*(Interruptions)*

SHRI G.G. SWELL : You have not touched more important points—how to generate resources.

SHRI H.M. PATEL : How to generate resources is exactly what the Finance Minister should have told us. I agree.

SHRI G.G. SWELL : You could suggest.

SHRI H.M. PATEL : I can suggest and of course, there is no reason why I should not do this and if there were time, I will do it.

SHRI RAM PYARE PANIKA : None from your side is suggesting the generation of resources.

MR. DEPUTY-SPEAKER : Let Mr. Patel speak. Why people are interrupting like this?

SHRI H.M. PATEL ; I am glad that they are advising me as to what I should say and what I should not.

SHRI G.G. SWELL : It is only to make the debate meaningful.

MR. DEPUTY-SPEAKER : It cannot be argued like this. Let him speak and when you have the opportunity, you can point out these things.

**PROF. MADHU DANDAVATE :** Sir, he is almost suggesting that he should take over as Finance Minister!

**SHRI H.M. PATEL:** Mr. Swell is feeling unhappy.

**SHRI G.G. SWELL :** Your criticism is all negative. Give us something positive.

**SHRI H.M. PATEL :** Mr. Deputy-Speaker, Sir, I am astonished at Mr. Swell's lack of comprehension. He thinks that all that I have said is negative. I thought...

**SHRI G.G. SWELL :** Mostly.

**SHRI H.M. PATEL :** I am glad he at least concedes that it is mostly negative. Well, I think the Finance Minister will be very happy if he receives such negative comments only; comments of the kind that I have made, if they are regarded as negative, then heaven help the Finance Minister. He will find that most people's comments including those of his partymen most offensive, most aggressive, whereas I have not been aggressive at all. On the contrary I have attempted to see what virtues there are in his proposals.

I have emphasised the virtues rather than the shortcomings. There are shortcomings and I think, it is desirable that they should be brought to your notice to see that they are removed. You may, if it is still possible, keeping an open mind to remove them. I think, there is no reason why an approach of this nature should not be welcomed. If they do not welcome it and if they prefer that more aggressive and more offensive observations should be made, I shall bear that in mind for my participation in the debate, in future.

**PROF. MADHU DANDAVATE :** Sir, allow me more time so that, I will satisfy those hon. Members.

**SHRI G.G. SWELL :** I am not the Finance Minister.

[*Translation*]

**SHRI ZAINUL BASHER (Ghazipur):** Mr. Deputy Speaker, Sir, I rise to support the Budget presented by the Finance Minister. Many doubts have been expressed

about this year's Budget. These doubts have arisen in the minds of the Opposition as well as the Ruling Party Members.

12.52 hrs.

[**SHRI VAKKOM PURUSHOTHAMAN**  
*in the Chair*]

The biggest cause of these doubts is the praise showered by big industrialists, big businessman and those persons who have been pleading for free trade for many years. This has strengthened the doubts further. Just now our former Finance Minister, Shri Patel was speaking. Shri Patel has also appreciated the Budget approach in many respects. When he himself was the Finance Minister, he could not gather courage to do certain things which have been done in this Budget. His appreciation of the Budget has also created doubts.

Mr. Chairman, Sir, during the long period of rule by Pandit Jawahar Lal Nehru and Smt. Indira Gandhi, certain values had come to be accepted in this country, these values being the establishment of a socialistic pattern of society, development through planning, mixed economy with preference to Public Sector over Private Sector, exclusive control of Public Sector over the infrastructure, more burden of taxation on the rich and affluent sections and relief to the poor and weaker sections, controlled economy with the aim of checking the tendency of profiteering and higher incomes and raising the poor and weaker sections above the poverty line to the maximum extent. Over the years, these values have formed the basis of our Party's policies and all the Budgets presented in this House have followed these policies scrupulously. But the Budget presented this time has deviated a little from these principles. What is the extent of deviation, the likely impact of this Budget on these principles and to what extent will the future economy of the country be based on these principles? All these things will be answered by the Finance Minister in his reply but this doubt is getting stronger that we have moved from left of the centre to right of the centre. Our economic policy, so far, has remained tilted towards left of the centre. But with this Budget a doubt has been created that we have moved towards right of the centre.

[*Shri Zainul Basher*]

In the past, we have been imposing taxes on the rich and affluent people and giving relief to the poor. We expanded the Public Sector and gave preference to it. If the Public Sector has not come up to the expectations then where lies the fault and who is responsible for it? Why did the people who were entrusted with the responsibility fail to discharge it and why was no improvement made? Was the system wrong or was the policy defective? What are the causes of losses? Was the management deficient? The Finance Minister has to answer these questions. If the policy or system was not bad and the management was deficient then there was nothing wrong with our policy.

Mr. Chairman, Sir, in this Budget, for the first time, the Private Sector has been freed from a number sharkless. Monopoly Houses have been given concessions. Estate Duty has been abolished and concessions in Wealth Tax, Corporate Tax and Income Tax have been given on a large scale. The poor and the common people have been adversely affected with increased rates of excise duties. The prices of kerosene oil, cooking gas, soap, and vegetable oil have gone up. I am not referring to the increase in prices due to the Railway Budget. I am only talking of the hike which has resulted due to this Budget. Kerosene oil and cement have become costly. Mr. Chairman, Sir, the prices of bidis, which are smoked by the poor, have also gone up. Pan Masala too has become costly. Most of the commodities have become costlier due to increase in duties on petroleum products. Mr. Sharma chews pan, I do not. *Main jo peeta hun woh nahin mehngi hui hai* (what I consume has not become costly).

**SHRI RAM PYARE PANIKA :** *Hamen inke peene par kuchh shanka hui hai* (We have some misgiving about what he consumes).

**SHRI ZAINUL BASHER :** *Main cigarette peeta hun.* (I only smoke cigarettes) and I do feel it should not be smoked.

Mr. Chairman, Sir, the tax import on petroleum products will definitely lead to increase in prices. Enhancement in railway

fares and freights will also increase the price of every commodity. Who will bear the burden of this increase in prices? This burden will not be borne by the affluent sections or Income tax payers, Corporate tax payers, big industrialists or businessmen because their transport expenses are adjusted in the income tax. The Public Sector Companies will also not be affected because the Government will take with one hand and pay with the other. It is the people living in villages and the common man who will have to pay more for travel. The hike in prices due to increase in railway freight will also be borne by them.

13 hrs.

On the one hand you are increasing their burden by imposing taxes, on the other hand you are increasing the railway fares and freights which again will be affecting the poor, who are non-taxpayers. This increase will not affect the taxpayers because they will get rebate in income tax by including the increase infares in their transport expenses. It will increase the burden of the poor and they will become poorer. The hike in bus, rail and air fares is due to increase in the tax on petroleum products. I think the enhancement in railway fares is also because of the increase in duties on petroleum products. That increase has been included by the Railway Minister in his Budget and if he has not done so he may possibly further increase the railway fares which will escalate the prices further thus affecting the poor. Relief has been provided only to four to five million taxpayers, and amongst them also, those taxpayers who are paying more tax have been given more relief and those who are paying less amount have been provided with lesser relief. I also welcome the relief provided by the Prime Minister to the poor. I do not want to overlook that. For example, crop insurance is a welcome step. This is a revolutionary scheme for the farmers. The farmers of the entire country will be benefited by this scheme. This is a very good beginning and it is hoped that in future, this will be extended to other crops as well. I want to thank the Finance Minister for the Social Security Scheme also. I praise him for including this scheme in the Budget but presently it will cover only 100 districts. What will be the criterion for selecting these

100 districts? My submission is that it should cover the whole of the country simultaneously.

Mr. Chairman, Sir, I am concerned about one more thing to which I want to draw the attention of the Hon. Finance Minister in particular and also that of the Government. Under the anti poverty programmes like National Rural Employment Programme, and National Rural Landless Employment Guarantee Programme, a lot of good work has been done in the villages during the last 2 to 3 years and a large number of people have benefited by way of employment.

They are coming above the poverty line. We were expecting allocation of larger funds for these programmes because we have seen the miracle of these programmes in the elections wherein we got massive support from the people. But I am sorry to say that the Hon. Finance Minister, has maintained the *status quo*.

[English]

SHRI Y.S. MAHAJAN : The Finance Minister has promised more, money if necessary.

SHRI ZAINUL BASHER : The Finance Minister should know that it is necessary.

[Translation]

The result of maintaining *status quo* will be that the funds allocated will be consumed by the ongoing projects and there will be no funds available for the new projects. Rs. 400 crores will be spent under NREP on the ongoing projects and they will have no money for the new projects. I would like to submit through you that the Hon'ble Finance Minister, who is luckily present in the House, should look into this. NREP and Landless Employment Guarantee Programme are revolutionary steps and have done a miracle in the whole country by providing employment, and by lifting the people above the poverty line. These Programmes have not been funded to the extent we were expecting which will hit the poor hard.

THE MINISTER OF FINANCE AND COMMERCE AND SUPPLY (SHRI VISHWA NATH PRATAP SINGH) : It will be done.

[English]

There were elections in several States and the State Governments could not finalise the programmes. So far as anti-poverty programmes are concerned, we are committed and we will commit resources for those.

SHRI ZAINUL BASHER : I am very happy.

[Translation]

The self-employment scheme for educated unemployed is a very good scheme. People are getting benefit out of it.....(Interruptions) Irregularities have come to notice in the matter of disbursement of funds. The deserving people do not get the money. The greatest shortcoming in it is that money is disbursed by government officials only. Charges of corruption have also come to notice that some well off person is getting money in the name of his son, nephew or brother. Money is going to same family under two or three names. The people belonging to weaker sections like harijans and other backward classes for being deprived of this benefit. Will the Finance Minister see to it that the representatives of the people are involved in the disbursement of funds.

He knows who is poor. He can discriminate between two deserving persons. He will get the money disbursed to only deserving persons. If the representatives of people are involved in the proper implementation of employment schemes, then such complaints can be removed. I would like to draw the attention of the Finance Minister towards Eastern U.P. He was Chief Minister of U.P. also and, fortunately, he comes from Eastern U.P. The part of the country is very much poverty-stricken. The people of Eastern U.P. had made lots of sacrifices for the country's independence but now they are being ignored. Its population is 38 percent of the total population of Uttar Pradesh. You will be surprised to know that the rate of growth of population in

[*Shri Zainul Basher*]

Eastern U.P. has come down whereas it has increased at other places. In 1952, the population of Eastern U.P. was 39 percent of the total population of U.P. In 1981 it came down to 38 percent *i.e.* there has been a decline of 1 percent. But the density of population has increased. Agriculture is the main occupation there. The percentage of small and landless farmers in Eastern U.P. is 82 whereas in Western U.P., their percentage is only 72. Unemployment problem is also there. You will also be surprised to know that the number of unemployed persons in Eastern U.P. is half of the total number of unemployed persons in Uttar Pradesh whereas its population is only 38 percent.

Eastern U.P. was already lagging behind in the matter of industries and the same situation still continues. All the new industries are being set up in Western U.P. The Finance Minister is aware of the problems facing Eastern U.P. I know that U.P. Government have certain limitations and they are helpless so far as the development of Eastern U.P. is concerned. I request the Finance Minister, who had been the Chief Minister of U.P. also, to use his good offices and make special provision for the development of the Eastern parts of U.P. in the Seventh Five Year Plan. The Central Government should take over this responsibility and take steps for the development of Eastern U.P. as has been done for the development of hill areas, desert areas, the North-Eastern region and Kashmir. With these words I thank you for giving me ample time to speak.

[*English*]

DR. KRUPASINDHU BHOI (Sambalpur) : First I congratulate the Finance Minister and our hon. Prime Minister, Mr. Rajiv Gandhi because this budget is a bridge to the Twentyfirst century.

To begin with, permit me to quote a Sanskrit sloka :

*Ayam Nijah paroveti, Ganana laghu-  
chetam. Udara charitanam tu, Vasudhatva  
Kutumbakam.*

I will give the English translation :

Mine and thine are from a misanthrop mind, where as a philanthrop treats the world as a single family.

That is the culture of India which has been demonstrated by Pandit Jawaharlal Nehru, followed by Shrimati Indira Gandhi and our dynamic Prime Minister who has shown in action in this budget which is a barometer to gauge his mind. Mr. Rajiv Gandhi inherited a grey matter To make a modern India he has inherited the blood of Jawaharlal Nehru and Shrimati Indira Gandhi and to curb the unholy triveni of corruption he has inherited the blood of Feroze Gandhi. He wants to show to the world that he can make our country and the third world a Rama Rajya according to the wishes of our beloved ex Prime Minister, Shrimati Indira Gandhi who has died and gave the last drop of her blood for bridging the nation.

I will not go into the details of the budget because I am not a man from this particular faculty. So, according to Mr. Rajiv Gandhi—he was speaking on the Budget in 1982-83-I quote:

“An expanding investment programm needs an increasing volume of resources. The resource mobilisation does not seem to match the requirements. Government finds that there is a tendency on the part of various sectors of the economy to look upon concessions as the only way of improving their sagging fortunes. If the required development resources are to be raised without inflation, there will have to be a greater readiness on the part of the people who can bear further taxation to shoulder additional burdens.”

Whether we are happy with the budget or not, while considering the budget, we should think that it is for an individual, keeping in mind Char vaka who says:

*Yavat jeevet sukham jeevet, Rinam-  
kritwa ghritam pibet Bhasmibhootasya  
dehasya punaragamnam Kutah.*

It means this is for our individual consolation. But we have fixed the parameters of resource mobilisation in the budget. Shri H.M. Patel, the ex-Finance Minister has aborately congratulated our Finance Minister saying that the problem which he could



not solve the new Finance Minister is trying to solve it.

Sir, the hon. Finance Minister comes from the place of holy Triveni of Jamuna, Ganga and Saraswati. For that reason he has tried to resolve the crisis. Mr. Patel said that inflation is a must in this deficit budget of over Rs. 3000 crores. I will talk about resource mobilisation a little later but here I would like to say that the eminent economist, Nani Palkhiwala who has always been criticising the budget has praised it this time. The Chambers of Commerce are praising the budget. The men in the villages who do not have access to the press are also welcoming the present budget. The Defence which required to be given preference has rightly been given the preference. My friend from the Opposition mentioned that 70 per cent of the programmes under 20-point programme have not been implemented throughout the country. Excepting a few States which are not in a mood to implement this programme because where there is poverty they will be the gainer, in all Congress (I) ruled States the programme has been implemented very nicely.

Shri Janardhana Poojary, the Minister of State in the Ministry of Finance has pointed out that the banking people are creating very much hindrance in the grant of loans under ARP, IRDP and Self Employment Guarantee Scheme. Here I would also like to point out that in so far as Orissa is concerned the quota has been fixed by the State Government and all the blocs are not getting an equal quota.

Sir, as has been suggested by Shri Rajivji several times I have also suggested that Central monitoring system should be there in the Finance Ministry to see that the infra-structure of the country grows. Availability of coal has been increased to 147 million tonnes and it is expected to go up to 156 million tonnes quantitatively. But what is the caloric value of coal extracted? We are for modernisation and expansion. The quality of coal being poor is given as an excuse by the power-plants in the State sector. There is 60 per cent capacity utilisation of the power-plants under NTPC but it is only 40 per cent in regard to those who are under State control. Here I would

like to suggest that coal slurry project which is prevalent in Australia can be tried here. We have spent 97,000 crores in the public sector undertaking—although the Minister said it is 1,10,000 crores—whereas they are behaving like big monopolists. A little earlier I had pointed out about the slippages in the steel plants. In regard to Haldia complex the slippages are to the tune of 84 months. Why there are slippages?

We are always trying to import foreign technology. In that context, I would submit, we are not revamping our national research laboratories. They should be made up-to-date in order to absorb foreign technology. All imports of technology should be done through all these expert bodies which are there. We have got 38 national research laboratories. The scientists there are underworked. Our late Prime Minister, Shri Jawaharlal Nehru, was instrumental in starting these research laboratories.

Then, I would like to submit that the Coal Slurry Process and Gravity Flotation Process should be tried in our power plants. There is a sanctioned capacity of the order of 19 thousand MW but we have achieved 14 thousand MW, I think we will achieve another 2 thousand MW in the last year of the 6th year plan.

Sir, I beg to submit that the people cannot get the benefits of economic development until and unless family planning programme gets topmost priority. There is a very big population explosion. We have poverty in the midst of plenty. We must utilise the services of ladies to mobilise the family welfare programmes. Otherwise we cannot achieve the goal which we signed in Alma Ata Declaration in 1977. We cannot achieve the goal of 'Health for all' enunciated by our late Prime Minister by 2,000 A.D. Only 3% of plan outlay earmarked for Health programmes. This is a matter of great concern to us. There should be a Resolution on this subject in this House. There should be more funding for these schemes.

Sir, western Orissa has always been neglected since independence. Our late Prime Minister Mrs Indira Gandhi gave clearance for Talcher-Sambalpur railway line. But in

[*Dr. Krupasindhu Bhoi*]

the name of late Prime Minister, the Itawah railway line has been sufficiently funded but only a meagre account was allotted for this project. Only Rs 1.50 crore is allotted for this project; it should be increased. The foundation stone for Railway Division and Railway line was laid by Shri Rajiv Gandhi, the then General Secretary and Member of Parliament. For the Sambalpur railway division no money has been provided for. There should be sufficient money provided for this purpose.

Sir, there are various leakages which should be plugged. The Railway Department is always telling us that they do not get sufficient money from out of the Plan outlay. But these leakages are there, and they should be plugged and there should be a proper monitoring system in respect of our public sector undertakings. It should be monitored by a computer by the Finance Minister, in his chamber. This computer system will tell us whether our public sector undertakings work properly or not. For that reason the Ministry should have a better monitoring system to monitor public sector undertakings for better mobilisation of our internal resources.

A big deficiency in the NALCO complex in Orissa is the escalation of cost by 100%. But in Tomago of Australia, Messers, Pschiny Ltd. have installed one project containing up-to-date technology, only with 25% cost escalation, and not more. Now, here, we are spending nearly Rs 2400 crores instead of the original cost of Rs. 1200 crores. There is 100% escalation in cost. This has been going on in all our public sector undertakings. I request that the hon. Minister should take necessary remedial measures in this regard.

MR. CHAIRMAN : Please conclude.

DR. KRUPASINDHU BHOI : I am coming to the last point. Sir, there will be criticism from the Opposition. In this context, I would like to quote a 'sloka' in Sanskrit.

Udyati yadi bhanuh paschimadig vi-  
bhage,

Prachalati yadi meruh sheettam yati  
kahnih,

Vikasah yadi padmah parvatanam shik-  
hagre,

Na chalati Khalavakyam sajjananam.

Even if the Sun rises in the West, even if the mountain moves, even if the fire becomes cold, even if lotus blooms in the mountain crevice, the voice of the sages cannot be choked by the evil designs of the wicked. The voice of sages, voice of Mahatma Gandhi, Pandit Jawaharlal Nehru, Shrimati Indira Gandhi and now Shri Rajiv Gandhi has been reflected by our holy 'Triveni' leader, the hon. Finance Minister, in his Budget.

[*Translation*]

SHRI VIRDHI CHANDER JAIN  
(Barmer) : Mr. Chairman, Sir, the Finance Minister has taken some bold steps in the Budget presented by him for the year 1985-86.....(*Interruptions*)...

I shall try to conclude my speech early, but I shall have to say something. I belong to a desert area, so, please show me some consideration.

In the Budget for the year 1971, the rate of income-tax was increased to 93 per cent but now it has been reduced to 50 per cent. The purpose behind it is to eradicate black money and to check tax evasion. If this purpose is served, then this will be a praiseworthy step. The Budget will be evaluated from this point of view. The Finance Minister has stated that income-tax evaders will be dealt with under penal provisions and deterrent action will be taken against them. Previously, the income-tax authorities used their discretion and if somebody made payment of income-tax arrears even after the raid, no action was taken against him. But now penal action will be taken. It would be possible to implement the provisions properly if deterrent punishment is awarded through special courts. Its success depends on how this scheme is implemented.

Secondly, there was a deficit of Rs. 1773 crore in last year's Budget which has grown to Rs. 4,000 crores now. This year's budget shows a deficit of Rs. 3,379 crore. We could not control the situation when

there was a deficit of Rs. 1,773 crores in the Budget for the year 1984-85 and this deficit has increased to Rs. 4,000 crores now. At that time there was a deficit despite a good crop. In this way how can we expect that the situation will improve and deficit financing can be controlled? In the present circumstances, I apprehend deficit financing might go upto Rs. 15,000 crores during the Seventh Five Year Plan and it will be difficult to control the situation. Stringent measures should be taken in this regard. In this connection we would also not like a cut in the Plan. We would not like either heavy taxation or heavy borrowings. Now the question arises how to meet the situation. It is a very challenging question. We have not so far been able to control the managements of our public enterprises in which we have made investment to the tune of crores of rupees. We are not even getting interest on this investment. More attention is needed to be paid in this regard. It is absolutely necessary to ensure efficient administration of public enterprises. According to the present practice, I.A.S. officers are appointed as their Chairman and Managing Directors, who have no experience in that line. Therefore, they prove an utter failure there. I suggest that persons having expertise and special knowledge in that field may be appointed as Chairmen and Managing Directors of public enterprises. Their selection may be made by a special Commission and the most competent persons may be appointed as chairmen and Managing Directors. The present system of appointing IAS Officers is not correct and it should be changed. My second suggestion is that there is need to bring down the unnecessary expenditure being incurred in various departments. Just now I was going through the Annual Report of the Department of Education for the year 1983-84. At page 31 of this report, it has been stated that the number of students in an educational institute was 1541 and the number of teaching staff was 316 in which the number of professors was 68 and that of Asstt. Professors was 97 and 151. In this way you will see that there is one Professor for every five students.

There are institution which are over-staffed and there is no need to keep surplus

staff. Similarly, you have provided to the officers jeeps and other vehicles which are being misused by them. These things should be checked. I suggest that in each Department a committee should be formed which may find out ways and means to effect savings. The Committee can find out how useless expenditure can be avoided. You should take some steps in this direction.

The Budget has benefited specially the capitalists and the middle class people but the benefits which should have accrued to the poor and to the farmers have not been provided to them. You have not increased the funds allotted for your rural development programme like IRDP, NREP or programmes for the small farmers to the desired extent. It has been stated that an assessment will be made at the time of implementation as to how much more money is required. The amount of Rs. 10 crores allocated for the Desert Development Programme has been reduced to Rs. 8 crores about which I have submitted a private Members' resolution for the consideration of the House. No programme has been prepared for the advancement of the backward areas. No concrete steps have been taken to ensure progress of the poor under the 20-Point Programme either. It was earlier decided that one person from each family will be provided with employment but that commitment too has not been fulfilled. We have never thought of the extra that if we provided employment to at least one person in every family, it will be a great economic boon to them. In this direction also, no concrete step has been taken. I want to say that if in Maharashtra, the Employment Guarantee Scheme can succeed, then why not in other parts of the country. We have not been able to solve the problem of drinking water even at the end of Sixth Five Year Plan. The drinking water problem of the people of our desert areas and hill areas has also not been solved. There is need to take concrete steps in this direction also. Today, in every field production is required to be increased. The Rajasthan Canal work is progressing at snail's pace and this is not going to benefit the country. The work on this canal had started in 1966 and had it been completed within five years, the production in the country would have in-

[*Shri Viridhi Chander Jain*]

creased manifold but the desired attention is not being paid towards this. By completing work on Rajasthan canal, we have to solve the problems of the people of the area relating to drinking water, irrigation etc. and abolish poverty and create employment opportunities.

With these words I support the Budget presented in the House by the Hon'ble Finance Minister.

[*English*]

SHRI GEORGE JOSEPH MUNDACKAL (Muvattupuzha): Mr. Chairman, Sir, the budget allotment for the public undertakings in Kerala is very less. They have not provided enough funds for our State. We are earning the maximum foreign exchange for our country. We are exporting tea, coffee, pepper, cardamom and lemon grass oil and we are earning a lot of foreign exchange for the country. But the allotment for our State is very less. For highways, shipping and water transportation, the fund allotted is very less. The Cochin-Madurai Highway was allotted Rs. 1 crore for last year, but that amount has not been utilised. The main foreign-exchange earning agricultural products are from Idikki District. The Madurai-Cochin Highway is passing through this Idikki district. But the amount of allotment for this year is very little. So, I request the hon. Finance Minister to allot more funds for this road.

Similarly, the Erumaely-Chalakyam road is serving lakhs of pilgrims to the famous temple of Sabari Malai. So, I request the Finance Minister to allot more money for this road also.

Unemployment problem in our State is very high. Young people are going to Middle East for seeking employment. Now, because of the depression of oil prices in the Middle East and Arabic countries, the young people are finding it very difficult to get jobs there. So, many people are coming back to Kerala from Middle East. It is necessary to provide more industries in the public sector. So, I request the Finance Minister to provide more funds to start public enterprises and public investment in the State of Kerala.

Similarly, cultivators of rubber, coconut, cocoa and coconut oil are finding it very difficult because the government is lavishly pending foreign exchange for importing rubber, cocoa and coconut oil. Kerala State, especially the poor cultivators are suffering very much. Now, the rubber is lying surplus in the market. I would request the Commerce Minister and the Finance Minister to provide more funds to purchase the surplus rubber from the market through the Rubber Board or STC or the Marketing Federation. We have to fix the minimum price of Rs. 18 per kilo for rubber cultivators because their manual price is going up; the labour charge is also going up. Nearly, 90 per cent of the rubber cultivators are marginal owners of land. So, they have got only one acre or two acres of land. So, to protect them, government has to provide more funds for the purchase of the surplus rubber.

After the land-reforms, the coconut cultivators are marginal cultivators of below one acre. So, the government has to protect them by stopping import and saving foreign exchange. We can utilize this valuable foreign exchange for some other purpose. Luxury goods like cinnamon, nutmeg and cloves, they are importing from Ceylon. It is actually a wastage. People are using them for *berani* and other luxury foods. The people of America of the Middle East can use them. The poor people of South are saving foreign exchange by producing them. Now, we will not cultivate them, because it is a long time cultivation; we have to wait for nutmeg and cloves for eight years to get income. No planter will try to cultivate them. So, I would request the Commerce Minister and the Finance Minister not to waste foreign exchange by importing these agricultural commodities. I support the budget and hope that the hon. Minister will protect the interest of the poor cultivators of Kerala and allot more funds for public enterprise and save the poor people of Kerala. Thank you.

SHRI I. RAMA RAI (Kasargod): This budget is an industrial and agricultural growth oriented budget. Welfare of all sections especially of weaker sections is considered. Tax dose is minimal on the common man except soap and vegetable products.

Being a farmer I confine my self to agriculture and rural development. The Indian farmer has proved his mettle by converting a starving country into a self-sufficient and surplus country. A comparative study with Soviet Russia whose size is 6 times than that of ours and having only one-sixth of our population shows still they are importing foodgrains. If a little more attention is paid towards agricultural development, we can create wonders. Our country as we know raise all crops of the world. Naturally, different farmers have different problems. Moreover, the fortune of most of the farmers depends on monsoon and other weather conditions. We, Keralites, had the worst drought in 1983 summer. Now the proposal for crop insurance which is one of the highlights of our budget, if worked out properly, will be a boon to the farming community.

Price fluctuation is another factor which affects the farmers. Sometimes he becomes poorer even if he gets a bumper crop, but not a good market.

If the government comes to the open market and purchases it and preserves it for buffer stock, it will be another boon to our farming community.

Kerala is one of the foreign exchange earning States in the country. According to 1982-83 figures, we have earned foreign exchange of Rs. 26 crores by coconut export, Rs. 34 crores by cashew nut export, Rs. 29 crores by export of pepper, Rs. 16 crores by the export of cardamom, Rs. 5.9 crores by the export of ginger, Rs. 4.2 crores by the export of turmeric and Rs. 1.6 crores by the export of arecanut. It will be better if we can find out whether there is any reasonable proportion between the foreign exchange earned and the Government expenditure on research and development efforts about these crops. Tissue culture of coconut has been made successfully in the C.P.C.R.I., Kasargod. This is a great achievement and first of the kind in the world. Production of plants and connected research work has to be commercialised for the benefit of the farmer, and thereby the country. Those scientists have to be encouraged and honoured so that there will not be any 'brain drain' in this

field. The plants produced through tissue culture retain all the qualities of the parent plant, especially of production, and if these plants are made disease-free many farmers will get rid of their headaches.

Progressive farmers who are regular in repayment should be encouraged by giving liberal loans, just like small industrialists. To say in the words of the Finance Minister, bad farmers, like bad currency, can be kept out of circulation.

Coming to rural development programmes, the three major anti-poverty programmes, namely, IRDP, N.R.E.P., and R.L.E.G.P., and the programme for providing self-employment opportunities to the educated unemployed are some schemes which can solve many of our problems. Only thing is the implementation is not being done properly. Unfortunately some of our Opposition Members—some of them are absent now—and some Opposition Parties are behaving like a mother-in-law who wishes to see her daughter-in-law as a widow, through it means that she has to lose her son.

To wind up, I would like to say that all our efforts will be a drop in the ocean if sufficient care is not taken to avert the population explosion. The birth rate in the country is higher than the overall growth rate of the country. In China, it is understood that in the rural areas a couple can have only two children and in the urban areas only one child. A national population policy is the need of the hour. That alone can make the country prosperous.

**SHRI YOGESHWAR PRASAD**  
(Chitra): Mr. Chairman, Sir I rise to support the Budget presented by the hon. Finance Minister and in this connection I congratulate him that there has been sizable increase in the production of crude which has crossed the target. The target was fixed at 114 million tonnes whereas the production has been to the extent of 294 million tonne which is more than double the target. This will definitely wherein prosperity in the country but for any country to be prosperous, this is not the only means. Another important factor is the *per capita* production

[*Shri Yogeshwar Prasad*]

of steel in the country and the rate of its production. In spite of abundant resources in the country, we are not exploiting them fully. In a small country like Korea, 35 million tonnes of steel is produced whereas in our country not even half of that is being produced. For quite a long time it has been demanded that Bokaro should produce at least 10 million tonnes of steel because it has capacity to produce that much. This will help a lot in removing the poverty, but not much success is being achieved on that front.

Coal is the medium of energy for steel production. It is because of coal that we have not been able to achieve our target in steel. The condition of the coal washeries in our country is very bad.

Importance should be shown to the work relating to improvement of these washeries and washed coal in sufficient quantity should be supplied to the steel plants. Steel plants are not working satisfactorily because of this factor. The steps which should have been taken regarding coking coal production have not been taken yet.

The main reason for this is that the living conditions of the coal-miners are not good. We will have to infuse enthusiasm in them by improving their conditions. As per the National Coal Wage Agreement No. 2, twelve thousand houses were to be built for improving the living conditions of the coal-miners but so far only 4500 houses have been built. As per the National Coal Wage Agreement No. 3, which was concluded on 1 January 1983, seventeen thousand houses should have been built but work thereon has not even started so far. This Agreement will expire in 1986. The workers are obliged to live in insanitary conditions. There is no arrangement for sanitation and cleanliness of their places of residence. This is also responsible for not achieving the target fixed for coal production.

Mr. Chairman, Sir, I want to congratulate the Finance Minister on introducing the Crop Insurance Scheme in the country. This will give a fillip to green revolution in the country. It is a revolutionary step on

the part of Government. It will make available insurance credit for the crops of wheat, paddy, oilseeds and pulses. This is a policy which would not only give a fillip to the green revolution, but would also lift the rural farmers above the poverty line. This will give them social security.

But, Mr Chairman, Sir, there is need to take effective steps to bring new light into the lives of agricultural labourers. I want to give certain suggestions in this regard. Schemes like NREP have improved the economic condition of the farmers. Under these schemes, many steps have been taken to make them self-reliant but there are certain shortcomings which need to be removed by modifications in the schemes. The facilities being made available to the labourers are not adequate and fully effective.

Mr. Chairman, Sir as the time is short, I shall submit only the salient points before you. Our new Prime Minister. Shri Rajiv Gandhi is in search of new ways and means for the all round development of the country and is leading the country in that direction with fearlessness and full confidence. Therefore, I want to give certain important suggestions.

The amount being given for rearing milch cows, piggery, resettlement of bonded labour, purchase of tongas and rickshaws is not adequate. This amount should be increased. The persons responsible for distributing loans etc. will have to ensure that the poor people make progress. The poor, in spite of these loans are unable to make progress because of their poverty and living conditions. I suggest that the number of milch cows should be increased.

I also suggest that under the tree plantation programme, provision should be made to give subsidy to the farmers for planting at least 100 plants. If you provide Rs. 5/- per plant and he plants 100 plants in a year, you will be spending Rs. 500 during the whole of the year. Those hundred trees will yield fruits worth Rs. 30,000 in the next five years. Thus after five years, one will be able to earn Rs. 30,000 from them. This is my suggestion.

Now Mr. Chairman, I would like to draw your attention to my constituency Chatra which is situated at the tailend of Gaya, Palamu and Hazaribagh. The means of transport are not available there. There you will find only trees, saplings etc. You will not see anything else. The irrigation facilities are negligible there. You will be surprised to know that minor irrigation schemes have been pending for as many as 20 years or so.

For example, Nagdanullah, Amjhar river, Rachkel dam schemes have been pending with the State Planning Department for the last 20 years. If these schemes are not completed, how can the poor farmers be benefited? Attention should be paid to these schemes.

I would like to make one more submission. I come from the Chatra area where there are vast forests and mountains. I want to give some suggestions for the upliftment of farmers there. Lakhs of farmers can be raised above the poverty line and they can be made prosperous. Coal India Ltd. has got a centre there and articles like cane baskets, and bamboo mattings worth crores of rupees are required by them. These articles can be manufactured and supplied by the local people. The local carpenters can manufacture handles of pick-axes and shovels and supply them to CIL. Blacksmiths can also be entrusted with the job of making tools. Crores of rupees are spent on purchasing these items. These people can manufacture all these items in their houses. If these items are purchased from them, their poverty can be removed. You must pay attention in this regard.

Mr. Chairman, Sir, I have to say many things but you are ringing the bell continuously. I would like to draw your attention to the fact that you need not spend additional amount in areas having forests because the Government even otherwise incur expenditure on measures for the welfare of these people. In this way of course people will get employment there itself. Lakhs of people can get employment and their unemployment problem can be solved. Government should pay attention to this aspect. With these words, I resume my seat.

[English]

SHRI B.B. RAMAIAH (Eluru): Mr. Chairman, Sir, both sides of the House have presented very clearly the effect of the increase in tax on kerosene oil, cooking gas and diesel. All these will affect the common man. Though there are reliefs for some sectors of people, the Finance Minister should have taken care of other sectors also. Tax increase has affected the soap prices, oil prices and transport. If you look at the increase in diesel oil price, it will affect the farmer. The operating cost of the tractor he uses for ploughing or the pump set he is using will increase and it will hit him very hard. Increase in steel prices will affect the cost of the vehicle. Auto-rickshaw drivers have increased their charges automatically during the last couple of days. Most probably there may be a hike in fares by the road transport also. All this will affect the common man and, I am sure, the hon. Minister will look into this aspect and see that some relief is given to the common man also along with the other sections who have been given relief.

Another important matter I want to touch is deficit financing. Last year, the estimated deficit was about Rs. 1,700 crores which ultimately reached the level of about Rs. 4,000 crores. This year if you start with Rs. 3,400 crores, we do not know where it is going to end. It may be Rs. 5,000 crores or even more. I am sure the Finance Minister will be observing it well because this deficit depends on a good monsoon. If the monsoon is not very good, there will be inflation and it will definitely affect the common man. The price increase will be reflected on all categories of items. The prices of every item—food items, consumer goods items and everything—will increase because of the deficit financing. The Finance Minister is also thinking of increasing the borrowings by Rs. 1,000 crores. But if these borrowings are not coming from the banks and if the Reserve Bank has to provide these Rs. 1,000 crores, this will add to the deficit financing.

This is how you should build your economy very carefully.

[*Shri B.B. Ramalah*]

14.00 hrs.

Take, for example, the increase in crude oil prices. Years back it was increased from Rs. 11 to Rs. 100. Now it has been further increased to Rs. 300, which means a substantial increase of more than 30 times within a couple of years. At a time when the international price of crude and oil is coming down, here we are raising the price of crude and petroleum products, which is a very strange phenomenon indeed. I am sure, our Finance Minister will look into these aspects and try to see that something is done to rectify this anomaly.

Coming to investment in public sector projects, which is more than Rs. 30,000 crores, the return on this investment is only 0.6 per cent. If only we can bring it anywhere near 10 per cent, there is no need for deficit financing, there will be no burden on the common man. So, Government should have concentrated on the efficiency of the public sector and its productivity so that it gives some return. If there is increased productivity, there will be more clearance of goods, with more excise duty and sales-tax return, which is the multiplier effect of the efficiency and productivity. These are a few things that we should take into consideration. When small countries like Korea and Taiwan are exporting goods worth millions of dollars, what is the difficulty for us to increase our exports by increasing our capacity and productivity. We have a tremendous amount of resources. We are one of the richest countries with coastal resources, forest resources, mineral and coal and oil resources and water resources. The only question is how we utilize these resources quickly, effectively and efficiently. We have the manpower and technology. Unfortunately, we are not utilising these things properly, so that our people have to go outside and serve some other countries, rather than serving our country, and benefiting those countries.

The projects which we have already taken up and started, we should try to complete them as quickly as possible. For the last two or three days we were talking about the projects in the railways, which were delayed inordinately. On Projects :

which were started ten years back with a proposed investment of Rs. 30 crores, they have provided and spent only Rs. 2 crores so far. They have kept it pending for so long. We do not know when they will be able to complete such projects. Already the railways are running in an inefficient way with steam locomotives. Unless you improve the base of the economy and increase efficiency, the burden of the common man will go on increasing because of your additional taxation. Unfortunately, we are not improving our economy or efficiency, either in industry, agriculture or the fields of science and technology.

This morning we were talking about the import of sugar, when we were exporting sugar three years ago, when our production was 8.5 million tonnes. The sugar is produced by the farmer, not the industry, because the industry only extracts sugar out of sugarcane. If today we have got only a production of 6.5 million tonnes, it is entirely due to the faulty policy followed by the Government, especially in the Agriculture Ministry. Now the Finance Minister is prepared to provide huge amounts of foreign exchange for the import of sugar, pulses and oilseeds; but, at the same time, our Government are not prepared or willing to pay a remunerative price to our agriculturists. It is only because of this that our farmers are not enthused to increase their productivity or production. If we continue our present policy in the field of agriculture, our agricultural production is bound to come down and we will be facing a disaster. Therefore, take timely action to encourage the farmers to produce more.

Take our telephone system. It is the most inefficient system that one can see in the whole world. If you increase the efficiency and performance of the telephones, your revenue from telephones will increase tremendously. So, these are the things which you should take into consideration.

14.04 hrs.

[*SHRI N.V. RATNAM in the Chair*]

Take the type of encouragements that are being given to the various sectors. Look at the 'No Industry District'. In South India no district qualifies for the incentives under



'No Industry District'. But, if you make it as 'No Industry Taluka', probably that will give more incentive for people to establish new industries and increase productivity, which will help the industrialisation of the country.

After dealing with the different aspects of the various taxes levied by the Government, let me touch upon some of the concessions which are withdrawn, which require reconsideration.

Take section 80JJ, which deals with the business of livestock rearing, Poultry and dairy farming etc. They have just started picking up. If you withdraw the benefits, they will not be able to thrive. Similarly, unless you give concessions to the rural farming sector, it cannot develop.

Then I come to clause 2(4), which says that if there is an appeal to the Income-tax Appellate Tribunal, they will not allow any payment to the lawyers or specialists. It looks very strange. Appeals to Tribunals can be prepared only by those who are specialists, because very few income-tax payers know the implications of the various provisions.

If they do not have the opportunity to use the services of experts and lawyers, how will they justify it? I can also suggest that if you really want that the Income-Tax Officer does not give a wrong judgment which he is likely to do, and he can always put it this way—then if the Tribunal gives a judgment in favour of the client, you should provide that Income-Tax Officer pays the cost of the Government pays it. And if it is in the negative, the client will pay it. If you are able to introduce this system, it will really be an improvement because then both sides will be equated. Otherwise wrong people may give wrong judgment and the client has to suffer because you are not giving him opportunity to utilise the services of the lawyer. I request the Hon. Minister to look into this matter and do something in this respect.

Secondly in regard to the payment, you are restricting the cash payment upto Rs. 2,500. Toady large number of lorry service

people are coming from long distances even during odd time, but payment through cheques is not being accepted to ease their problem. This limit of Rs. 2,500 was fixed long time back and it deserved to be changed to Rs. 7,500 or Rs. 10,000 whichever is reasonable. I hope the Government will look into this and do something about it.

Similarly in the case of Gift tax, the limit of Rs. 5,000 was fixed long ago. This should be enhanced to Rs. 30,000.

You have removed the investment allowances. This will affect modernisation in the industries. I would therefore suggest the introduction of replacement cost for depreciation. If this is done, this will help as an incentive to modernisation in industries.

In the case of Sec. 80(j), the recent Supreme Court Judgment is a big hit to the industry. It should not have been done, because this is going to hit the industry adversely. The amount of burden that will come all of a sudden is going to create difficulties. I hope the Hon. Finance Minister will give reasonable consideration to this point of view.

As I told you, the capacity utilisation of the industry on the project is another important thing. The Finance Minister wants to support the on-going projects in the public sector. But if you look at the Vizag Steel plant, it was earlier allotted Rs. 650 crores, but this allotment has been drastically been reduced to Rs. 215 crores. It is a big setback to it. At this rate whether it will be completed within ten years or not, we do not know. As a result the cost of the project goes up. Therefore, instead of taking so many projects in hand we will be very happy if the Government restricts to a few projects. As a result the overhead cost will be reduced and the projects also will come up very quickly and the productivity will also increase.

The Government should also see that in areas where 50 per cent of the capital is eroded, it should come to their help and see that they become viable units.

[*Shri B.B. Ramalah*]

The places where the Government is responsible for sickness of the industry, the management should not be held responsible for it. Rather the effort should be to remedy such situations. For example the alcohol industry is suffering because of the export of molasses. This industry is suffering for the last six months and who is responsible for it? Moreover there should be uniformity in the treatment of the industries whether they belong to the public or private sector. The government should also see that their inefficiency is corrected. The deficiency should be removed without any discrimination and all should be penalised equally irrespective of the fact whether such units belong to the private or public sector. There are so many units where raw material supply is not provided in time or the licensing system is so defective that it leads to delay or the government's import is not timely. In such cases it is not only the management that is responsible for it, but the Government is also responsible for it. As I mentioned earlier in the case of sugar policy it is not only the sugar management that is responsible, but also the Government because of not taking judicious decisions in time in regard to their price structure. The Finance Minister should not say that it is the responsibility of the other Ministry. It is your joint responsibility and you should coordinate with other Ministries to see efficiency in the various units is not affected adversely.

**SHRI DIGVIJAYA SINGH (Rajgarh):** Our Hon. Finance Minister started his Budget speech with the late Prime Minister's words :"

"No section of our vast and diverse population should be forgotten. Their neglect is our collective loss."

He has ensured in his Budget speech that every section of our population whether he is an agricultural labour, industrial labour, farmer, woman, middle-class employees, pensioners, small scale industrialists—almost every section has been looked after. This shows the concern of our Indian Government about the electorate of this country. May I remind you of the state of economy of this country in 1980 when we inherited it from the Janata

Government, in which our economy was in total shambles? The production was at standstill, our foreign exchange reserves had gone down to minimum, our buffer stock of foodgrains had been depleted and the general state of economy was in a poor state. In the last five years through effective measures and controlled economy we have again brought the Indian economy to a sound health and it has been amply proved by the electorate of the country when they have reposed their confidence in the honourable Prime Minister, Rajiv Gandhi's leadership. In the last five years we have given to this country a government that works, which we have promised. Agricultural production has gone up, industrial production has gone up, power generation has gone up, coal production has gone up, freight movement of Railways has gone up and practically in every field we have made progress. The inflation has been contained to bearable limits, and the foreign exchange reserves have gone up substantially and our bufferstock of foodgrains has also been fairly comfortable. So, by and large as it stands today, our economy is in a sound state of health and we congratulate the performance of the last Government and we hope that it will be continued in the next five years also.

Sir, the Opposition leaders were very much concerned about the large deficit that has been kept purposely, I think, to balance the Budget to the tune of Rs. 3,400 crores. But criticism coming from the Opposition benches regarding the huge deficit is, I think, rather uncalled for. If we go back to the year 1979-80 when they had presented the Budget, the deficit was to the tune of about Rs. 2,400 crores which, at today's prices, comes to about Rs. 3,600 crores. So it is like the old proverb of kettle calling the pot black which, I think, is quite unjustified. Although we have left a huge deficit, yet with our fairly comfortable foreign exchange reserves and fairly large amount of foodgrains as bufferstock we should be able to contain inflation for the consumers. But, still I would like to convey our feelings to the hon. Finance Minister to keep a very close check on the Indian economy so that the consumers are not put to difficulties. So, I would like to congratulate the Finance

Minister for the concessions he has given to the industries, an honest attempt has been made to rationalise the tax structure and the licensing policy which, I am sure, will generate economic growth and employment in this country which we badly need.

MR. CHAIRMAN: Please conclude.

SHRI DIGVIJAY SINGH : Sir, I have just started.

MR. CHAIRMAN : You carry on, You have already taken five minutes.

SHRI DIGVIJAY SINGH : Sir, an honest attempt has been made to reduce the incidence of taxation and the honest taxpayer has been given a chance to pay the tax on the table. The Government has done its best and the ball is in the court of the tax-payer to come out openly and honestly so that the incidence of black money could be reduced. The withdrawal of immunity from penal provision for voluntary disclosure in their income is a welcome step and I see no reason why it had been incorporated earlier. A thief is always a thief, whether he declares it openly or not. So, I think, a summary trial of such tax evaders in special courts is the need of the hour and our Union Government shall come down heavily on such tax evaders.

The withdrawal of interest tax on banks is also a very welcome step and I am sure the relief given to these commercial banks will go down to the borrowers and the lending rate should be reduced substantially. It should not be a sort of thing confined to the higher wages and benefits to the bank employees. It should go down to the borrowers so that the savings are generated and it would help the economic growth of the country.

The increase of 39 % in the Central assistance to the States is also a very encouraging step. Now, the States which have been demanding greater autonomy should have no reason to complain. I am sure, the increase could give a greater weightage to the State Governments to take welfare measures in their own States.

The proposed step to punish the manager of the sick industry is also a very welcome step because it has become a racket where the management of the sick industry used to take heavy amount of loans from the financial institutions, live lavishly and then bring the company to the door-step of our Union Government for take-over. So, the steps that have been taken to stop this are definitely progressive. The role of banks has to be looked into although there has been a tremendous change in the approach of the bank managers. I feel that still some action has to be taken and I would recommend that the elected representatives at the district level should be nominated to the District-level Advisory Committee to make them more responsible to the elected representatives.

Sir, I welcome the higher allocation for drinking water in rural areas. But at the same time, the ground-water table specially in the mountainous terrain and plateau is going down and it is a matter of serious concern. So, some steps have to be taken by the concerned Ministry so that the re-charging of the ground water table could be taken up.

In the other-wise extremely good Budget, there are some sore points which have to be looked into. The increase in price of Kerosene and the increase in price of bidis have hit the rural poor. We have promised to the electorates of this country to look after their interests and I feel that by increasing the prices of kerosene and bidi, we have gone back on our word. So, our hon. Finance Minister will take note of this so that the prices of kerosene and bidis are not increased. There may be a reason to increase the prices of kerosene so that the mixture of diesel and kerosene could be avoided. But it could easily be done by separating the dealership of kerosene and diesel so that the incidence of mixture, adulteration of diesel with kerosene could be avoided. Alternatively, either diesel or kerosene could be coloured so that the mixture could be avoided. In the same manner, increase in prices of cooking gas and soap will hit the middle class. It is usually that section of the people which is hit most by inflation. I would request that

[*Shri Digvijay Singh*]

the increases in the prices of these goods may be withdrawn.

The withdrawal of provision for deduction in taxable income of expenditure incurred by companies and cooperative societies on approved programmes of rural development is definitely a retrograde step. It should be withdrawn because, after all, if some big companies and big concerns use their surplus in rural development it should be welcomed. So, I would request the Finance Minister to restore this withdrawal.

The exemption limit of personal income-tax has been raised from Rs 15,000 to Rs 18,000. I feel, it should have been raised at least upto Rs 24,000 because even the Clerks in banks and other public sector undertakings are drawing a salary of Rs 2,000 per month. There is no point in taxing the people in the middle class. The Government should entirely concentrate on the bigger fish so that tax-evaders are brought to book.

Our Prime Minister has repeatedly said that we have to start preparing for the 21st century. The concessions to electronic industry and computers, concessions on research equipment, higher allocation for research, higher allocation for forest and environment sector, higher allocation for power, agriculture and irrigation, science and technology, atomic research and ocean development, all these concessions are a step in that direction. We have fulfilled the promises which we had made. Our Prime Minister has initiated what he had promised.

The election results of Lok Sabha in 1984 have proved that the masses of our country are with Rajivji and that they have no hesitation in putting their shoulders to the wheels of progress. Only some disgruntled, frustrated and rejected politicians may not agree with this Budget. But I am sure that with this kind of Budget, the economy of our nation as a whole would generate more economic growth, more employment and prosperity for each section of our society.

With these words, I wholeheartedly support the Budget.

**SHRI RAM PYARE PANIKA**

(*Robertsganj*) : Mr. Chairman, Sir, I am very grateful to you for giving me a chance to speak on the Budget. I have read carefully the reaction of the Opposition which appeared in the press after presentation of the Budget. Here also, I have heard the views expressed by Members from both sides. I analysed the reaction expressed by Members of the Telugu Desham, CPI and Janata Party and found that everybody was of the view that this Budget would increase inflation. They could not find any other weak point in the Budget. The Members of the Opposition were looking very disappointed when the Budget was being presented. I would refer P, tex to what has been said by them.

I would like to say that keeping in view the circumstances in which this Budget has been presented, it is certain that it will accelerate the growth rate and generate more employment opportunities. Not only this, efforts have been made to put an end to the conflict between private sector and public sector, inherent in a mixed economy. This will strengthen our economy. There is a deficit of Rs. 3,349 crores only in this Budget whereas last year's deficit was more. So, the apprehension of increase in inflation is baseless. The assurance given by the Finance Minister in this regard are very vital. He has said that administrative expenditure would be curbed; timely imports would be made when necessary; development works would be expedited and if weather was favourable we would be able to meet the deficit. I have to say only this much so far as their criticism is concerned.

If we go through the Budget documents, we shall find that there is no way out to avoid non-plan expenditure. We have earmarked certain funds for Defence. We have allocated Rs. 1,100 crores as food subsidy and Rs. 1,200 crores as fertilizer subsidy. If we do not provide this subsidy, it will ultimately affect our economy and food production will come down. Now, we have to identify the sector where Government can tap taxes. After due consideration, we came to the conclusion that we cannot resort to further taxation. By taxation we could earn about Rs. 200 or 250 crores. Keeping in view all these factors, the Finance Minister

has increased the imports on petroleum products and certain other items. I agree that prices of essential commodities have gone up. I submit that there is no question of going beyond the basic policies of the Congress Government. This Budget has been prepared according to these very guidelines and in my opinion it is a balanced Budget.

For years there has been a demand for raising the exemption limit of income-tax. I am glad to say that on the one hand 10 lakh persons have benefited by the raising of the exemption limit and on the other hand the Compulsory Deposit Scheme has been abolished. This Budget has been prepared keeping in view the mandate received by the Congress on the basis of its manifesto. All the things said in it have been included in the Budget. Therefore, it cannot be said that we have made a departure from our policies and programmes.

So far as development works are concerned, we have increased the provision by Rs. 1000 crores in the Plan. The funds earmarked for the implementation of the 20-point programme have been raised by 18.3 per cent. (*Interruptions*) I have just started my speech. At least 10 minutes should be given to me.

I was saying that Rs. 400 crores had been allocated for RLEGP and projects worth Rs. 800 crores had already been sanctioned. In this way efforts have been made to solve the unemployment problem in rural areas also. Besides, Radio, T.V. and V.C.R. licence fee has been abolished. In addition, Crop Insurance Scheme has been announced. You know that 31 crore persons throughout the country were affected due to unprecedented floods and cyclone in 1982. In these circumstances, our Government have taken the right step by introducing Crop Insurance Scheme.

Besides, our Prime Minister has shown farsightedness and has introduced a new scheme for poor persons killed in accidents. At present 100 districts are proposed to be covered. In my opinion, the backward districts of Eastern U.P. such as Mirzapur and Bundelkhand and hill districts, where the

number of poor workers is the largest, may be included among the 20 districts of U.P. proposed to be covered under this scheme. Pension benefits have also been increased. Announcement has been made to give special concessions to young persons in the Year of the Youth.

Besides, a large number of concessions have been given to the corporate sector also. The idea behind it is that companies should set up new industries with this money so that new opportunities of employment are generated in the country. In this way, this Budget can be termed a balanced Budget in all respects and it will have a good impact.

So far as the Public Sector is concerned, our Government have apprised the country and this House of the situation prevailing there. Just now, Shri Reddy of Telugu Desam Party was saying that the Government had disturbed the Public Sector psychologically. In my view, it is not so because had the Government kept the nation in the dark about their activities, it would have been a fraud on the nation. Government have highlighted the shortcomings of the Public Sector and have assured that they want a result-oriented Public Sector in the coming years because a very huge amount has been invested in it.

I would like to draw the attention of the House towards one thing particularly. The Planning Commission had provided special funds in the Sixth Five Year Plan to deal with six types of special problems such as Desert Area Development Programme, Hill Area Development Programme, Tribal Area Development Programme, Development of Cyclonic Coastal Area Programme and Development of Drought-Prone Area Programme. Discrimination was observed in this respect also. Hundred percent funds have been provided for hill areas as against only 50 percent for desert areas. I request the Minister of State for Finance to take special steps to remove regional imbalance and thus give the Budget a better look.

I am happy to note that education for girls has been made free upto XII standard. I feel it will definitely improve the situation regarding spread of education among women. After having been disappointed

[*Shri Ram Pyare Panika*]

with the Budget, the B.J.P. people are thinking of launching an agitation. We have presented a Budget which is employment-oriented and which will prove beneficial to the people.

Relief should be given in the duty increase on bidis and kerosene. Government were of course, compelled to increase taxes in order to reduce the deficit.

We feel proud that we have increased the production of petroleum from 11.4 million tonnes to 29.4 million tonnes. Similarly, during the Sixth Five Year Plan, power generation was increased by 50 per cent. Government have taken revolutionary steps keeping in view the requirement of the resources of the key-sector which is engaged in building the infrastructure. It is a bold Budget. The object of the Government is not to gain cheap popularity. Had our Government wanted to gain cheap popularity, they would not have imposed taxes. I congratulate our new Prime Minister and the Finance Minister on discharging their duty and presenting a bold Budget.

[*English*]

SHRIMATI PREMALABAI CHAVAN (Karad): I wholeheartedly congratulate the Finance Minister and the Prime Minister for having shown a great imagination in Presenting this year's budget—the first of the new administration.

The people of our country who have given such a massive mandate to our Party expected a 'New Deal'. A beginning has been made with this budget. We have seen what an enthusiastic welcome it has received throughout the country.

It has many bold proposals which make a drastic departure from some of the past policies that had outlived their usefulness.

Some of the decisions such as political donation, crop insurance, free education for girls, social security and various steps for modernisation, signal the beginning of a new social and economic order.

The Government has managed the economy well. The budget deficit and inflation

has been contained to reasonable limits. The foreign exchange reserves and the foreign trade situation are comfortable. Still we have a long way to go and the problems are many.

But with the sense of purpose and dedication displayed by the Prime Minister, we are sure of faster progress. Now I would make a few suggestions to our hon. Finance Minister.

In his scheme for crop insurance he has left out cotton. Though a cash crop, it is important to the national economy and is totally subject to the vagaries of nature. Therefore, I request him to include cotton in the list of crops to be insured and to protect the cotton farmers also.

The social security scheme for the landless labour and village craftsmen should be extended to all the workers living below the poverty line. I also request the hon Minister to include our Satara and Sangli districts of Maharashtra in the list of 100 districts to be chosen this year.

The allocation of Rs. 500 crores for family planning—though higher than that of last year—seems less considering the enormity of the problems. There is a need for financial rewards in family planning. The State with the best performance could be rewarded by sanctioning a major public sector project in that State.

The proposal for legislation on industrial sickness is a novel one in its basic concept. But I think an industry should be considered sick even if it is so reported by the workers and not only by the management. Because any unit which fails to meet its obligation to its workers should automatically be considered sick.

In my constituency a famous and a pioneering industrial unit—the Ogale Glass Ltd., Karad—is sick and has been closed for many years. Families of over 2000 workers have been deprived of their livelihood. Many attempts by the State Government to revive the units have failed. So I request the Central Government and our esteemed Finance Minister to take into consideration

the importance of the unit to Maharashtra State and the whole nation. The company should be taken over and restarted soon. Moreover, the huge assets and the locked up finances could then be again used in the national interest. There is no other hope for the poor workers.

I am afraid the Finance Minister has not made any specific proposal for decongesting the urban areas, particularly to move the old industries away from the heart of the city like Calcutta, Bombay and Ahmedabad. There has to be a very strong incentive for industries to move out to rural areas and the zero-industry districts. The system of corporate taxation could be used as a carrot and stick policy. There could be a surcharge on corporate taxes on companies in large cities and for those who ready to move, there could be a large 'infrastructural development rebate' and also a series of excise concessions for long periods. I also suggest a special tax rebate for industries having more than 50% women employees. This was a proposal cherished by our beloved late Indiraji for upliftment of Indian women.

Then about the policy to de-licence certain industries is a good one. I think the government has been too liberal in case of MRTP limits. The limits could have been 60 crores instead of 100 crores as presently proposed. It would exclude many giants and monopoly companies. I also think government should appoint a second Industrial Licensing Policy Enquiry Committee to study the working of the industrial licensing policy and the effect of the MRTP legislation over the last 20 years, since last such committee was in existence. Now regarding small industries sector with the increase in the limits of investments there is a need to create a new 'micro-sector' for very small industries and self-employed technocrats and artisans perhaps with an investment limit of Rs. 5 lakhs. The excise concessions granted to small scale industrial sector need further simplification so as to avoid complicated procedures which are unnecessary harassment

In conclusion I would again stress that we have made a great beginning and

the Finance Minister deserves all the congratulations; I thank the Chair for giving me an opportunity to the budget.

[Translation]

\*SHRI PALAKONDARAYUDU (Rajampet): Mr Chairman, Sir, I rise to oppose the budget. This budget is not meant for the poor. This budget further widens the gap between the poor and the rich by making the poor much poorer and the rich much richer now. It has made the gap between the rich and the poor unbridgable. That is why I vehemently oppose this budget.

Chairman Sir, it is most unfortunate that States like Andhra Pradesh, which suffer from natural calamities like drought stand to lose. In my State of Andhra Pradesh, Rayalaseema areas which consists of four districts namely, Cuddapah, Kurnool, Chittoor and Anantapur is a drought prone area. Year after year this area is being hit by severe drought due to constant failure of rains. The rainfall is very low in this area. Sir, my constituency, Rajampet which is in this area is the worst hit place. This area has not experienced rains for several years now. The people are suffering very much. They do not have even water to drink, leave alone something to eat. The severity of drought is beyond words. Experts say that if the situation continues to be like this for a few more years, the entire area will be converted into desert. The condition of the poor is worst. The agricultural labourers have no work. Farmers have no water to cultivate their land. Educated youth have no means for any employment. The result is that almost everyone is suffering. They have nothing to fall back upon. All the activities have come to a standstill. The situation is so grave that these people are migrating to other places for their livelihood. For them life has become quite miserable. There is no water to carry on agriculture. Some people who in anticipation of rains took the initiative to cultivate their land with the help of little water that was available in their wells, finally had to give up and lose everything they had invested in

\*The speech was originally delivered in Telugu.

[*Shri Palakondarayudu*]

the land as the rains had once again let them down. Such is their plight. In the process they had sold whatever they had and migrated to other places. The plight of cattle is no less miserable. Neither they have fodder to eat nor water to drink. The farmers are selling their cattle to butchers at a throwaway prices. And the persons who have a deep attachment with their homes and villages were forced to sell the Mangalsutras of their wives in order to somehow pull on. Sir, this is the situation in Rayalaseema now. No Government had come to their rescue to stand by them in their hour of grief. I expected that the Union Finance Minister would realise the gravity of the situation in drought hit areas like Rayalaseema and announce a generous allocation to save those people. But this budget has belied all my hopes. Now I have come to the conclusion that it is not too late, even now, for the Government to come out with a timely and substantial help to these unfortunate brethren of ours. I hope Government would announce sufficient funds to provide drinking water, water for irrigation and jobs for the unemployed. I am earnestly appealing to the Union Finance Minister not to let them down.

Sir, many persons in our Cuddapah district are at present working in the mines in order somehow to survive in the days of adversity. But the merciless mine-owners are exploiting them too much. The labour in these mines are getting very low wages. Hence I request the hon. Minister to nationalise these mines, so that the exploitation of these workers can come to end.

Sir, there is a railway crossing in Rajampet on the way to Rayachoti. Many educational institutions like elementary school, high school and a junior college are situated there. Many accidents take place near this crossing every year and many precious lives are lost. Hence I request that the Government of India should take immediate steps to construct an overbridge on this railway crossing.

Also, I take this opportunity to request the Central Government to take up the work to divert Thungabhadra river waters to Anantapur, Penugonda, Kadiri so that this

entire area can turn green.

Sir, it must be the policy of the Central Government to encourage small scale industries in rural areas. Then only rural areas in the country can prosper. In Rayachoti, there is one Rural Electrical Cooperative Society. It is run by the Central Government. Unfortunately, this institution is not receiving grants for the past 6 or 7 years. Even the farmers are being affected by this negligence by the Government of India. I request the Centre to release all the grants which are in arrears and in future to see that its grants are not withheld unnecessarily.

Chairman Sir, this is my maiden speech. I thank you very much for giving me this opportunity.

[*English*]

SHRI MANORANJAN BHAKTA  
(Andaman and Nicobar Islands): Mr. Chairman, Sir, I rise to participate in the budget proposals being discussed in this House.

First of all, this budgeting process is a continuous exercise which is undertaken by the Government in the land. The Budget for 1985-86 shows the earlier achievement as also a new dynamism which reflects the new Government's thinking. Sir, first of all, I would like to congratulate the hon. Finance Minister and also our young Prime Minister Shri Rajiv Gandhi for giving a new direction, for introducing a new trend in the budgeting system of our country.

Sir, in the present Budget, a number of concessions have been proposed to the common man, to the poorer sections of the society, to the corporate sector, and even the industries sector has also got the benefit. For the poorest of the poor who could not get much from the Government, now for the first time, the Government has thought it fit to provide Rs. 3000/- as social security scheme to cover the risk of death in accident in respect of earning members. This is a new thrust made in the system. The Government has come forward to introduce a comprehensive scheme for crop insurance and the insurance cover will be provided by crop



loans. We all know that the financial conditions of the banks are very tight and the loans advanced to the people engaged in agriculture are not repaid by them due to natural calamities like flood, drought, etc. and the interest is multiplying. The cultivators are ultimately burdened with more debts. That is why the present system of crop insurance is covered through bank loans and this will give a new direction to our economy.

Another important thing which has been introduced in this Budget is that there is a link between the Industrial policy of the Government and the fiscal policy of the Government. This would help accelerate industrial growth. We therefore call it a growth-oriented budget.

Sir, there is one more concession which has been proposed in this Budget, that is, abolition of the import duty on the fertiliser plants equipment. It is proposed to give subsidy worth Rs. 1800 crores for fertiliser plant. After getting this concession of import duty abolition on fertiliser plant equipment, the cost of production of fertiliser would get reduced and ultimately the benefit will be reaped by the common men, and the country's economic development will go a long way and will reduce subsidy. Another very important concession is given to the TV and other electronic goods manufacturing industries. Nowadays TV sets and other electronic goods like calculators, etc. are used by the common man and the concession given to these industries will definitely be of great help in the socio-economic developmental activities. But the Government should ensure that these concessions given to those industries ultimately reach the common people. Otherwise all these benefits and concessions will be of no avail.

Now, coming to deficit financing, I would like to point out that in the previous years our experience is that whatever the limit we fixed in regard to the deficit financing, we found in the ultimate analysis that the size of the deficit financing had almost doubled.

Even Choudhury Charan Singh of the earlier Janata Government left a huge deficit, an uncovered gap and when our Govern-

ment came to power in 1980, we had to shoulder that legacy too. What I want to suggest is that a government budget is not a temporary one. It is not a temporary phase. We have to shoulder the burden of what we had to inherit from the other Government in the past. And that has affected the country's economy. So, when our Government came to power and took over in 1980, we had to face a huge uncovered deficit. The gradual and different measures taken by our Government created a new impact in the Indian economy and that is why, we can have a comfortable position in the country today. Even then, a gap of Rs. 3300 crores is not a healthy sign and with some of the provisions, like providing DA arrears to the government servants, the forthcoming recommendations of the Fourth Pay Commission, etc. the gap is definitely going to raise to near about Rs. 5,000 crores. At the same time, the tax on crude has definitely brought an increase in the prices of all commodities, particularly kerosene and other things and everywhere people are not happy about it.

Under these circumstances, when we want that there should be high allocation in the Plan, when we want that all these problems be tackled, in such a condition, wherefrom will these resources be mopped up? So, somewhere the Government will have to try to do something. What I want to suggest is now that we have raised our food production to 150 million tonnes, when even the FCI is not in a position to procure the entire foodgrains harvested by the cultivators due to non-availability of sufficient godowns, etc., why not Government consider to export some of the foodgrains, so that we can get Rs. 2000 or Rs. 3000 crores, so as to bridge the budgetary deficit gap to some extent? When we give so much of subsidies and other concessions for agriculture, why not our government benefit from its agricultural products? In some of our parts, potatoes are grown so well and so abundantly with the result that the farmers are not getting a proper price for their produce. And at many place, farmers are raising a hue and cry that the Government should give them support price and purchase these potatoes. So, that is why I suggest when our economy is based

[*Shri Manoranjan Bhakta*]

on agriculture, why not our Government consider to get some money out of it ?

Sir, another very important suggestion that I would like to make is this. In Andaman and Nicobar Islands, from which I come, there is a proposal for having free port centre in Great Nicobar. This proposal was examined by the TDA long back. But the Ministry of Commerce in the Government of India have not considered this point. In Hongkong and other areas, a lot of Indian businessmen want some Indian soil where there can be some free port. The necessary infrastructure can be developed and a lot of money can be earned by this. This point also can be considered.

Then, there is another point regarding the public sector. An amount of more than Rs. 2000 crores has been kept for power generation and this will definitely plough into the public sector undertakings. So we cannot say that Government is not going for public sector or that there is any change of policy towards it. But what I want to say is that the public sector undertakings should not be rehabilitation centres for those who are retired or idle. and public

15.00 hrs.

sector undertakings should be properly managed; and there should be an All India Service for the Public Sector Undertakings' executives; and they should be responsible for good health of this organisation. Then only these organisations can really give some good results.

The Union Territory's budget also comes in the Central Government's budget. I come from the Union Territory of Andaman & Nicobar Islands, which is far away in the midst of the sea, Bay of Bengal. Today what is the position there? Our life line is the shipping service; shipping is the main lifeline of the islands. Today, there is no passenger ship. Whatever passenger ships we have got, these ships have been diverted for the naval exercises. If the passenger ships have been taken for naval exercises, then how the passengers will come to the mainland and go back from there? Today, one ship—Madras to Singapore—there was fire accident in that ship and some passangers were killed.

There is Andaman Mainland service. There is one MV Andaman Ship 1956 built. There is some other ship which is old. No proper care has been taken to repair it; and these ships are plying there. Any time, there may be some accident in these ships. This should be borne in mind.

There should be some special provision for the development of this Union Territory and development should be in two phases. (1) communication system should be improved that is by shipping service. At the same time, we have got rich forests. We have the Forest Development Plantation Corporation; this Corporation is trying to raise the plantation. Rs. 800 crores worth of edible oil every year we get imported in this country. If 50,000 hectares of land is provided under plantation in that part of the country, this can fetch a good amount of money and save our foreign exchange. We do not want that any private company should be given the job of raising there plantation. We want that this Forest Development Plantation Corporation should take up this job so that there can be employment potential, there can be economic growth in that part of the country.

I am sorry to say that there is some increase in prices and fares in this budget. Even before the budget, the Shipping Ministry had increased the freight rate from 100 per cent to 300 per cent from Mainland to Andaman & Nicobar Islands. As a result of that, even today, onions are sold at Rs. 5 per kg., potato at Rs. 7 or Rs. 8 or Rs. 9 per kg. One match box is sold at Rs. 5. These conditions have to be taken into account and the government must see that such an arbitrary increase in the freight rate should not be allowed in such a remote and isolated area where we are depending on the Central Government. It is the duty of the Central Government to provide us a good government and give us all kinds of facilities, because we do not have railway facilities; we have only the shipping services. This arbitrary increase in the freight rate should not be allowed and the people of that island will not accept it.

15.04 hrs.

[*MR. DEPUTY SPEAKER in the Chair*]  
For aircraft services, for plane services, when you give facilities to the north eastern

region, to Agartala and other areas, I do not know why the freight and fare rates are high in Andaman & Nicobar Islands. There is no concession at all and Civil Aviation Ministry must see that some kind of relief is given to the people of those islands. And, again, I want to say that in the Islands, as I told earlier, we have forest wealth covering 85 per cent of the area, which is mostly dense green forest and we cannot afford to lose this forest wealth. What is necessary is the implementation of the 20-Point Programme, for allotment of house-sites, for allotment of agricultural lands. Wherever the Government has got the commitment to do it, and to take up some public causes, there the Government will have to de-reserve some land for allotment of house-sites, for construction of roads and construction of irrigation projects. Otherwise, the existing population will be facing the problems every day.

MR. DEPUTY SPEAKER : You can speak when the demands for grants of the respective Ministries come up. You conclude now.

SHRI MANORANJAN BHAKTA : I am thankful to you, and I request the hon. Minister to consider the special conditions of the Union Territories like Andaman and Nicobar Islands and also Lakshadweep islands. Some of assistance may be given, and it may be announced by the hon. Minister in his reply.

DR. A. KALANIDHI (Madras Central) : Mr. Deputy-Speaker, at the outset I want to thank you for giving me an opportunity to express my views, on behalf of the DMK. I rise to congratulate the new Finance Minister for presenting his maiden Budget. In the short period during which he held the reins of Finance, I can well understand the odds that he has faced and the handicaps which he has experienced. I wish he would do this annual exercise better next year, than what he has done this year.

The country was eagerly looking forward to this Budget, as the expectations were heightened by periodical press reports, that the Budget would be a dynamic one and that it would poise the country for meeting

the 21st century. We have a young and dynamic Prime Minister and a moderately Young Finance Minister, who can conceive of dynamic changes in the society without having any phobia of the past. But this expectation to a large extent has been upset by the Budget. This Budget is like the proverbial story of building a new church replacing the old decrepit church. In the story, all the dismantled stones of the old church have been completely used up in building the new church.

When we look at Budget of 1985-86, the beaten track of tinkering with the Excise Duty and going in for an imposign deficit, in the same old helpless way is there, believing that at the end of the year the production will even it out. We have seen similar operations year after year, for the last 30 years which has landed the country in the misery of inflation and liquidation of the middle class and the rise of the poverty line. The operation 'Inflation' will only benefit the capitalist class for whom inflation will give windfalls in the near future. It is for this class that the Finance Minister has been using the instrument of budget, because you feel that you are committed to them.

We understand that elections in this country are a costly venture, for which you depend on capitalist contributions to your party coffers.

The Finance Minister and the Party he represents have come to power on the crest of the wave of sympathy—mass sympathy at that. Sympathy is an irrational idea and when we wanted to put reason into it, we had to suffer, reduced strength, from 15 to 2.

But the party in power used the sympathy wave to its benefit. And it conveniently forgot all about the masses in this Budget exercise. The masses are left severely alone. For the party in power are adopts in this art. They know how they can whip up sympathy near the elections eve, by hysterical slogans and manipulations of events in the country.

I ask how far the Budget upholds the interests of the masses and common man.

[*Dr. A. Kalanidhi*]

Every device used in the Budget, whether it is tax exemption, allowance of free imports, or enhancement of excise duty, works counter to the interest of the common man. In other words, it works to the benefit of the capitalist class.

Take the case of raising the exemption limit for personal income tax from Rs. 15,000 to Rs. 18,000. Last year, I made a fervent plea that it should be raised to Rs. 20,000/- taking into consideration rising spiral of prices and the conditions of the salaried class. This year, you have come forward by raising it to Rs. 18,000, a half hearted and halting move. Even this will not meet the need. Unless you raise the limit to Rs. 25,000 the purpose will not be served. My leader, Dr. Kalaingar Karunanidhi has spoken well in the Madras Legislative Council that the persons whose income is Rs. 25,000, the relief that you are giving to them is Rs. 625, to persons whose income is Rs. 1 lakh, the relief you have given is Rs. 10,468 and to those whose income is Rs. 5 lakh the relief given is Rs. 50,906. In percentage it comes to 3 per cent for smaller income group and 11.5 per cent for larger income group. But you are talking about socialism. At this stage, the step you have taken will reduce the number of income tax assesses by one million; to that extent it reduces the workload of the Department, perhaps, some saving in the expenditure for collection of taxes. The Income-tax people, the Excise people and the Customs people are the real revenue earners of this country. But what about their living conditions? You have not given them free accommodation. You have not looked after them well. They do not have quarters, particularly in Tamil Nadu. Many of the officers suffer because of this.

You cannot also claim much kudos by discontinuing the surcharge, C.D., by raising the exemption limit for wealth tax from Rs. 1.5 lakhs to Rs. 2.5 lakhs. These are all inevitable moves in financial administration, made inevitable by the inflationary situation in the country, developed by faulty handling of the finances of the country.

You have raised the excise duty on 68

items from 10 per cent to 12 per cent. These goods will be used in the manufacture of other excisable goods. There will be inevitable shooting up prices of these goods, not by 2 per cent alone, but by many times over, due to other excise levies on manufactures. They may be the basic needs of the common man and there is going to be all round increase of prices. The rise of excise duty on vegetable oil will work to the same effect. You have raised the duty on cement from 205 to 225 per MT, by at least a rupee a bag. Even though it may appear small, it will inflate and make the cost of housing higher for the common man. Already, you have raised the cement price by Rs. 2,000 per tonne prior to the budget. A middle class man cannot now think of constructing a house, but he can only dream of a house. On top of it, you have raised the excise levies on aerated water much to the chargin of the common man. It is not the rich alone who consume aerated water for mixing with champagne, but the poor also while travelling in railway trains or in the overcrowded cinema houses to quench their thirst, when no potable water is available. You have not left even their *biris* or their *pan masala*. The hike of taxes on petroleum will affect the common man's kitchen in urban areas. Auto and taxi fares will rise. With the increase of freights in railways, and the expected rise in lorry freights, the transport and overhead charges on goods movements will shoot up. The result will be an all round increase of prices of goods used by the common man in the country.

You say you want to promote literacy. But you have put an excise duty of Rs. 200 per tonne on printing paper as well as writing paper. This shows that you want illiteracy in this country, so that the illiterate people will fetch you more votes than literate people.

You have reduced the basic rate of income-tax on companies. You have promised a tax holiday for five years to companies that go into production before April 1985. You have given concession for expenditure on advertisement. Export duty on raw cotton and other items numbering 12 have been reduced. What do these concessions amount to? You are trying to woo

the commercial and capitalistic section of the economy to be good enough to add to the national income. You are working under mistaken and worn-out theories of economic growth. You are not able to comprehend the existence of non-economic factors that contribute to economic growth. Perhaps, you are duty bound to oblige them. They would have been very useful to you during the elections.

For example, you have increased the levy on yarn by 25 per cent. You are talking of giving concession to the handloom. Already the textile sector is sick. Yet, you have imposed an excise duty of 25 per cent on yarn. I would request the hon. Minister to reconsider it.

You have made very much of exemption of TV and VCR. As such, they have not come into the possession of the common man. They are restricted to the higher income brackets. VCRs are inevitable concomitants of the business class for the entertainment of their guests, perhaps with imported Blue Films. Anyway, TV is the potent propaganda instrument of the Government. They intrude upon the privacy of the household, through which sympathy wave and semi-truths of the government machinery may be radiated. In far away Tamilnadu, it is an instrument for the imposition of Hindi. At least, it is a concession to the electronic industry run by the internal capitalists, working in collaboration with the international capitalistic groups. You are believing that the electronic industry will usher in an era of prosperity. It is a labour saving device. For this country of teeming millions, labour intensive projects alone will usher in prosperity. The budget suffers from mistakes of misunderstanding and mistaken stress.

Coming back to the television, you have made it an instrument for the imposition of Hindi. You have curtailed the regional programme for the sake of the National Programme. Now the National Programme starts at 8.30 p.m. in spite of the vehement opposition from Tamilnadu. You have not paid any heed to our objection. I would request the Government to reconsider their decision and try to have a different channel

for the National network so that the existing channel can be utilized for the regional languages.

The hon. Finance Minister in Part A of his budget speech has mooted ideas of crop insurance, integrated rural development programmes, accident insurance scheme for rural areas and schemes, for tackling environmental pollution. They are at best brain waves of the Finance Minister, which go very well at the beginning of the budget speech, which camouflage the inevitable sour things that follow. He is worried about the Ganga. I am worried about the Coovam at Madras. No one can enter the Central Station at Madras without plugging his nose. I request the hon. Finance Minister to pay a visit to Madras and understand the environmental situation existing in Madras. I would also request him to make a sizable grant to Madras for the improvement of the environment under the improvement of the Metropolitan Cities.

The total deficit for the year is Rs. 3,349 crores. This is nearly one-sixth of the budget. This will inevitably lead to unprecedented inflation true to unprecedented mandate you had. You should not quote last year's experience. Last year, we had good monsoon and the agricultural sector was able to contribute well. The same thing may not be possible this year. We cannot depend on the assurance of better financial management. Such assurances have been given in the past, and they have failed. It can happen once again.

This budget, by unnecessarily courting deficit, has generated inflationary trends in the country. It will, in the end, adversely affect the growth rate for the year.

During the last forty years, we have been fed with a dose of Socialism by the major party of the country. Phrases like socialistic pattern and socialistic democracy were floating about in the air. But, the same party, after getting a massive mandate from the people, has forgotten its earlier stand and capitulated to the capitalistic interests. It has bid good bye to socialism and all that and opened the flood-gates of capitalistic exploitation of the people at large,

[*Dr. A. Kalanidhi*]

through high prices and by the protection offered to them.

MR. DEPUTY SPEAKER : Please conclude.

DR. A. KALANIDHI : Only one minute. I am concluding. I wish to stress on this occasion that this Budget promises no solace for the people at large. It is an attempt to sacrifice the people's interest on the altar of authoritarian capitalism. Yet the time has not run out and the Finance Minister can even now amend by spelling out the policies for massive employment and for ensuring stability of prices.

MR. DEPUTY SPEAKER : Please conclude.

DR. A. KALANIDHI : I am concluding in one minute. In this country the Prime Ministers come and go, the Finance Ministers can come frequently. Three Finance Ministers have presented three budgets in these five years. It breeds quite an amount of escape for them, because we are not able to change them at the end of the year. I wish the present Finance Minister will also be destined to submit the Budget for, next year, when we will clearly indicate to him the extent of damage done to the economy by this stereotyped and ill-conceived Budget.

You are spending Rs. 8,000 crores for defence, but in spite of that you are not able to save the Tamils perishing in Sri Lanka. With the army you are able to control the local riots, but you do not try to save our people who are perishing in Sri Lanka.

You have allotted Rs. 9 crores for the refugees, who are a tremendous strain on the Tamil Nadu Government. You should allot at least Rs. 20 crores for these refugees and also help the State Government to create more employment opportunities for these people. As a Doctor, I would like to mention that 10% of the total Budget outlay should be allotted for the Health care. This had been recommended by Dr. Mudaliar Committee long time back. Kindly consider this suggestion for the better health care in the country.

I would also request the Hon. Minister to implement the Sethu Canal Project at an early date so that it will be a boon for the State. Not only that it will serve the people but also serves as a Naval base for the country.

I understand from the State Government that there are a lot of industrial proposals pending with the Central Government. I would request the Centre to consider these proposals and sanction them early without any further delay.

[*Translation*]

SHRI MANOJ PANDEY (*Bettiah*) : Mr. Deputy Speaker, Sir, at the outset, I thank you for giving me time to speak on the Budget. I support the Budget for 1985-86 presented by the hon. Finance Minister in the House.

I belong to an agriculturist family and, therefore, I see the Budget from a farmer's angle. I would like to place my views before this House from that angle. There are three to four requirements of a farmer, *i.e.*, manure, improved seeds, water and implements. Today, the technique of farming is totally different from that prevalent fifty years ago. The farmer of today uses scientific techniques in farming. By resorting to the technique of intensive farming, we want that agricultural production should increase so that we could make up the deficit of about Rs. 3,250 crores in the Budget. Keeping this in view, our efforts should be directed towards giving particular attention to the prices of the inputs used in farming and affording the maximum help to the farmers.

Take for example tractors and agricultural implements. Today the price of a tractor is around Rs. 65000 to Rs. 70000.

AN HON. MEMBER : It is around Rs. 1 lakh.

SHRI MANOJ PANDEY : There is no limit to that. I would request the hon. Minister to reduce the price of tractors. Similarly, the prices of the implements used by the farmers like disc-harrows, and various types of ploughs should also be reduced so

that the farmers may be able to buy them at cheap rates and do intensive cultivation.

Next, what the farmer needs most are pesticides, insecticides and plant hormones which are extensively used by the farmers. There is need to reduce their prices and the Government should grant subsidy for it. The plant hormones are in great demand among farmers. For better growth of plants, we need good quality hormones whereby we can increase the yield.

Now I shall come to fertilisers. At present the farmers use two types of fertilisers. Previously, they used dung etc as manure but today it is the age of chemical fertilisers. Two type of fertilisers are used, *i.e.*, nitrogenous and phosphatic fertilisers.

Today the price of urea ranges from Rs. 114 to Rs. 120 in the market. I would request that keeping the present situation in view, the price of the fertilisers should not be more than Rs. 100. Similarly, reduction should be effected in the prices of other types of fertilisers also so that the average farmer is able to use them and earn maximum profit and thereby benefits the country also by way of better production.

I come from Champaran. Champaran had been the field of activity of Mahatma Gandhi. Mahatmaji had led an agitation against the owners of the indigo plantations. Today, sugarcane is the most important crop in Champaran. Eastern U.P. and Champaran are both rich in the production of sugarcane. The Members belonging to Eastern U.P. know that we are lagging behind in the matter of cultivation of sugarcane due to increase in the cost of production. Even where the support price for sugarcane is Rs. 21.50, it is not remunerative to the farmers. There are nine sugar mills in our region but two mills out of them are lying closed for the last two years. Besides, several sugar mills situated at Gopalganj, Siwan, Chapra and other places have become sick. There has been a harmonious relationship between farmers and the sugar mills.

[English]

MR. DEPUTY SPEAKER : You may continue tomorrow.

RESOLUTION RE : DESERT DEVELOPMENT PROGRAMME-CONTD.

[English]

MR. DEPUTY SPEAKER : We now take up the Private Members' Business Resolutions.

Further discussion of the following Resolution moved by Shri Virdhi Chander Jain on the 25th January, 1985 :—

“This House is of opinion that there should be parity between the Desert Development Programme and the Hill Areas Development Programme in the matter of provision of funds, facilities and concessions in the Seventh Five Year Plan.”

Shri Virdhi Chander Jain was on his legs. He may continue his speech.

[Translation]

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy Speaker, Sir, last time I had moved a Resolution regarding the Desert Development Programme. I want to repeat the Resolution :

“This House is of opinion that there should be parity between the Desert Development Programme and the Hill Areas Development Programme in the matter of provision of funds, facilities and concessions in the Seventh Five Year Plan.”

In my previous speech, I had emphasised the point that the condition of the desert areas was worse than that of hilly areas. I had also mentioned that there was not only acute shortage of drinking water in the desert areas but it also remained in the grip of famine for as many as three years and sometimes for four years continuously.

I had also given some information about the crisis of drinking water about which I would like to give some more information. The condition is still such in the desert areas that people have to traverse a distance of 10 to 15 kms to fetch water. Even in areas where regional pipeline scheme has been sanctioned and water points have been