

12.20 hrs.

[English]

FINANCE BILL, 1988-Contd

[Translation]

MR. DEPUTY-SPEAKER : Now we take up further consideration of the Finance Bill.

SHRI VIRDHI CHANDER JAIN (Barmer) : Mr. Deputy Speaker, Sir, yesterday, I was pleading the case for inclusion of Rajasthan in Special Category States. I said that 55 per cent of the area in Rajasthan is desert, 25 per cent is hilly and tribal and the rest 20 per cent constitutes plains. This situation has arisen due to the non-inclusion of Rajasthan in Special category and lack of Central assistance.

Thirty years have passed since the foundation stone of Rajasthan Canal known as Indira Gandhi Canal now was laid in 1958 by the then Home Minister Shri Govind Vallabh Pant. But it has not yet been completed. You are aware of amount of funds allocated to this scheme during the past two years. Rs. 100 crores were allocated last year and Rs. 109 crores have been allocated this year. Besides, the Central Government has sanctioned Rs. 15 crores which has helped in speeding up the Scheme through Border Area Development Programme. The inclusion of Rajasthan in Special Category List would have been quite beneficial for the State. I have gone through the list and I observed that financial assistance to special category States is four times higher as compared to Non-Special category States. I do not want to go into the details although I do have the figures with me. Had financial assistance on the same scale been provided to Rajasthan, Indira Gandhi Canal would have been completed and this desert area would have been turned into greenery, thereby enabling the country to become self-sufficient. So I would urge the Government to include Rajasthan in special category States. Moreover, Ninth Finance Commission is still functioning and the matter can be placed before the Commission and also before the National Development Council. Efforts will have to be made to remove the backwardness, regional imbalance to facilitate development of the desert areas.

Now, I would like to draw your attention towards the drought problem in Rajasthan. This State has been facing drought for four successive years. Rajasthan and Gujarat are the worst affected States in the country. But Rajasthan and Gujarat cannot be put on the same footing. The boundary of Gujarat starts from the border of my constituency. Kutch also touches my constituency. I observe a vast difference between the two situations. 10,000 labourers from Barmer district are engaged in drought relief works. Rajasthan Government is incapable to meet the challenge. They have submitted the report very recently. Study team reached there on 19th April, 20th April and 21st April and reviewed the situation. What I mean to say is that as per the present situation even 38 lakh people belonging to scheduled castes, scheduled tribes and weaker sections in the States comprising landless, small and marginal farmers have not so far been provided employment. There are a number of districts where not even a single member in a family of 10 has been given employment. Of course, in Barmer district one member in a family of 10 did get employment. We shall have to employ a number of people during the crucial months of April, May and June. An amount of Rs. 400 crores will be needed to pay wages of Rs 10 per day to each worker in case 38 lakh people are employed. Rajasthan Government is totally incapable to provide this much amount for employment generation. Provision of Rs. 100 crores would be needed to protect the cattle. If the Central Government does not provide assistance and follows the previous norms the situation will worsen. The situation in Barmer district is so critical that a number of people have died due to malnutrition. Same is the case with the districts like Pali, Jaisalmer and many others. Financial support is essential in this regard. Some useful projects are already in progress which include construction of tanks, digging of irrigation wells, construction of houses etc. But apart from it, some material component is required for other purposes and the Central Government has not yet taken any final decision despite our repeated requests. The study-team presented the report from November to March and recommended an amount of Rs. 195 crores. But the Agriculture Department sanctioned

an amount of Rs. 137 crores only. Beside our personal efforts, our Chief Minister approached Shri Bhajan Lal and also the Finance Minister to sanction the remaining amount of Rs. 58 crores. We raised the same issue during the discussion on the Demands for Grants of Agriculture Ministry to get an assurance that the State must get Rs. 58 crores immediately. We also requested to take an early decision on the reports which have been submitted for providing assistance so that the people and the cattle could be saved.

I also want to point out that the assistance being provided for famine relief is under the advance plan. When assistance is provided under the advance plan, our areas—Western region and the desert area—do get assistance, but in the process we spend even the plan funds meant for roads in the plain areas which constitute 20 per cent of the total area. As a result the people belonging to plain areas make accusations to the effect that their plan funds are spent by the Western Rajasthan or the Udaipur division and in this process their area always remains drought stricken. So what I mean to say is that it leads to wide-spread resentment among the people. Therefore, the system of advance plan should be done away with and the famine situation should be treated at par with flood situation, because 75 per cent of the non plan expenditure is borne by the Centre to meet the flood situation. Some provision is required to be made in the case of drought situation. We cannot fight drought unless the Centre provides assistance to tackle it.

Next comes the issue of drinking water. There are many areas in the State, particularly in my constituency where drinking water has not yet been made available. In Barmer district, there are nearly two thousand clusters of hamlets, each inhabited by 250 people who are still deprived of drinking water facility. The supply of water has not yet reached the new villages. What I mean to say is that if you want to make proper arrangements for drinking water in the seventh Five Year Plan, then you must make such a provision in the two ensuing years that not even a single cluster of hamlets or a village with a population of about 250 should remain without drinking

water facility. Provision for making drinking water available there is essential and you must give priority to it.

Thirdly, I want to submit that the programmes formulated by you to eradicate poverty will surely benefit the people. The Integrated Rural Development Programme has benefited us. The R.L.E.G.P. has also brought relief and provided employment to the people. You have recently made a provision of Rs. 2,200 crores under the Rural Development Programme. If you give an assistance of Rs. 10,000 crores, *i.e.* Rs. 5000 crores per year, in the two ensuing years, a situation can be created which may completely transform the entire rural scene. You have not paid any special attention towards the rural areas. The funds available for Khadi Gramodyog are very limited. There is a dire need to increase them since we want to expand this industry. But the problem is that they lack the required funds for this purpose. The carpet industry can flourish in my constituency but proper assistance has not been given for that. By means of carpet industry alone, we can provide employment to all the people. It is essential to expand the Khadi Gramodyog fully, if we want to provide employment to the people and eradicate poverty in the true sense of the term. When you are emphasising more on district planning, then you will have to provide employment to the people by giving special encouragement to village industry and its development. The policy regarding education formulated by us for providing employment has also brought changes. There is a need to implement it so that employment may be provided to the people by imparting them job-oriented education. Then only can we fulfil the resolve of our non-Prime Minister to remove unemployment.

I would like to make a few more points. Under the N.R.E.P., 50 per cent contribution is given by the Central Government and 50 per cent has to be borne by the States. My State is not in a position to pay 50 per cent. Therefore, there should be such a provision for the backward states that 75 per cent is borne by the Centre and the rest 25 per cent by the States. Then only can we be benefited by the I.R.R.D.P. funds.

We appreciate the concessions announced by the Government for the industries. But regarding the no-industry districts, at times you extend the period by three months during which they will be given the benefit of subsidy and at another time you decide to extend it by six months. Why do not you fix a certain duration for the no industry districts? No progress has yet been made in Barmer district or in Jaisalmer district under the no industry district scheme. What I want to say is that you have announced that Government will continue to give subsidy to no-industry districts for 6 months, but the Government must say categorically that assistance will be given regularly for two years. If you help in this manner, we shall get a big support. What I mean to say is that whatever we want to do for the industry should be made clear.

The land area of desert districts of Jaisalmer and Barmer being very large, the farmers of these districts are not covered under the definitions of small farmers and marginal farmers and hence they are deprived of the benefits. We have seen in I.R.D.P. too that the land factor is taken into consideration. 27 per cent people in Barmer and 20 per cent people in Jaisalmer are below poverty line, whereas, in fact 80 per cent people are below poverty line. I want to submit that all your schemes benefit only the small and marginal farmers. You have formulated the Jal Dhara Scheme, the electricity supply scheme and also the credit facility scheme in drought affected areas. But my submission is that in our desert areas the farmers are not covered under the definition of small marginal farmers. Therefore, my suggestion is that the prescribed limit of 10 hectares of land holding for small farmer should be increased to 20 hectares; for the marginal farmer it should be increased from 5 hectares to 10 hectares, for irrigated areas it should be increased from .75 hectare to 1.5 hectares and for small farmer it should be increased from 1.5 hectares to 3 hectares. If a change is not brought about in its definition, then all your schemes for small and marginal farmers, as well as those aimed at eradication of poverty will not prove effective. Therefore my submission is that an amendment have to be made in the definition of small and marginal

farmer. For this purpose, you may send a team of experts to collect information if you so like. Earlier also, you had sent a team of Secretaries. You can get to know the reality in our State by sending a team there. Thereafter, you may get the report from the district administration. They have already submitted one in this connection. In substance, if you want to provide relief in the true sense, you will have to change the definition of small and marginal farmer.

In the tribal areas, you are still selling wheat at the rate of Rs. 1.64. I want to tell you that in the desert areas the situation is even worse than that in the tribal areas. Therefore, I request that you should provide wheat in our area the rate of Rs. 1.64 from April to October because even earlier you have provided wheat to the labourers engaged in famine relief work at the rate of Rs. 1.55. Our desert areas are the worst affected and if you provide assistance in these areas, they will get a substantial relief.

With these words, I support the Finance Bill and conclude.

SHRI R. S. KHIRHAR (Sitamarhi) :
Mr. Deputy Speaker, Sir, I rise to support the Finance Bill and thank you for giving me an opportunity to speak.

If we review the performance of Indian economy during the recent past, we find that the economic policy formulated under the imaginative guidance of Shrimati Indira Gandhi and other leaders have proved successful. Its ample proof and result was seen when the country was hit by flood and drought some time back. More than half of country's area was hit by flood and drought. Eight big States were affected, three of them—Bihar, Assam and Bengal—by floods and Five States in the South reeled under drought. Relief funds were distributed in these eight States and relief works were started. Despite all these odds, Government godowns have sufficient food-grains. This is a proof of the soundness of economic policies of the Central Government for which it deserves credit. The Finance Bill presented by you today, as well as the Budget presented earlier have

further promoted the programmes of Shrimati Indira Gandhi. Green Revolution was one of her programmes and the Government has taken various steps to promote it and give encouragement to agriculture. I specially want to mention that long discussions were held in the House on drought, but it is regretful that not much was said about the floods which badly affected Assam, Bihar and Bengal. The roads, schools and other such developmental works undertaken during the last 10-20 years there were all set at naught. Discussion on floods in these three States has been rather casual and I feel that even Government has paid less attention to it. I would request the Government that attention should be paid to this matter. A retrospection will indicate that Assam, Bihar and Bengal are hit by flood every year. A team should be sent to conduct research and establish as to why flood recur every year in these areas. The northern part, in particular, is submerged in flood water. My submission is that a permanent solution should be found out so that we do not have to grapple with flood in future and the huge funds which are spent on relief works can be spent on other development works.

By giving heavy concession to the export sector in this Budget, you have encouraged the foreign trade. Besides, you have provided Rs. 2200 crores to be spent on I.R.D.P. and other programmes aimed at eradication of poverty. The people of my district have to go to other places for work and we have seen that there is a lot of bungling in the self-employment scheme, through which we aim to eradicate poverty, and make the educated youths self-dependent. What happens actually is that only Rs. five thousand are given where Rs. 20 thousand are supposed to be given as subsidy. As a matter of fact, it is very difficult for a youth to get loan from a bank under the schemes for which subsidy is given and even if he manages to get loan somehow, the amount of subsidy given by you changes hands in the form of bribe. The self-employment schemes under which loans are given by the banks at district level have become centres of bribe and corruption. Anyone who goes to get a loan under the self-employment scheme meets harassment. Various suggestions have been given by our colleagues but my suggestion

is that instead of subsidy, you should give them interest free loans. This will surely help them getting rid of taking rounds of the banks and becoming self-reliant. This will benefit the youths as well as other people.

This time the hon. Prime Minister and other Ministers have said that the development programmes of the country will start from the district level. It is a very good thing indeed. In this connection I want to submit that the district development committee at the district level is presided over by the collector and not the representative of the people. We have raised our voice before the state Government that the Chairman of district development committee should be a representative of the people. He should be either an M.P. or an M.L.A. When this matter was brought to light, it was said that it is a Central subject and the State can take no decision on it. Through you, I would like to tell the hon. Finance Minister that when you are going to take such a big step and new strides are going to be made, this development work should be undertaken at the district level instead of State or Central level. Further, the chief role should be that of a public representative and the chairman of district development committee should be either an M.P. or an M.L.A. so that they could think over the problems and provisions by meeting in the district and could find a solution thereto.

Sir, I come from the State of Bihar. I try to visit my state every 10 or 20 days. On alighting at Patna Junction, I am always witness to a crowd of migrant labour waiting to board trains leaving Patna. There is an exodus of 5000-10,000 migrant labourers from Patna Junction every day. It is true that the number of people engaged in agriculture has increased. With so much pressure on the agricultural sector, every body cannot get means of livelihood therefrom. Hence, the need for migration. I urge the hon. Minister of Finance to think of ways to stop this migration. I do not have any information on other States but so far as Bihar is concerned, assessment needs to be made as to the number of people leaving Bihar daily in search of livelihood. If this is true, then this migration should be stopped. This surplus manpower should

be absorbed by setting up new industries in Bihar so that productivity may go up.

Our hon. colleagues Shri Sharma and Shri Harish Rawat said in their speeches yesterday that prices always rose following the presentation of the Budget. Time and again the Government talks of giving concessions through the Budget. But the prices of products of both small-scale and large-scale industries register an increase after the Budget is presented. The price of every industrial product keeps showing an upward trend. If this state of affairs is allowed to continue, the rural and the urban consumer who is the buyer of products will be adversely affected. On the other hand industrialists, big businessmen and other manufacturers will reap all the benefits. If the Government talks of concessions it should also enforce price-control in the market.

In the end I want to say that regional imbalance is a matter which needs to be looked into. These imbalances could be in agriculture, irrigation, railways or in any other field of development. In this matter the needs of each State has to be assessed and appropriate steps taken to meet the same. I understand that a lot has been done in this direction. I am not blaming the Government that it is not doing such and such thing. I shall give an example of how regional imbalances arise.

The irrigation projects in Bihar, like the Bagmati project, some project Parokal project, are nothing but a farce. During the last 15-20 years, crores of rupees have been spent on them, but they have given nothing in return. There should not be any lingering in the execution of these projects. If the entire sum required for their construction is given in the beginning itself, the overall expenditure would be less and it can also be executed speedily. Bihar certainly gets the worst of any increase in regional imbalance. Bihar is a very backward State. The Government and the hon. Finance Minister are requested to kindly attend to the development of Bihar. With these words I conclude my speech.

[English]

PROF. K.V. THOMAS (Ernakulam) :
Mr. Deputy-Speaker, Sir, I am confining

only to the problems faced by my State, Kerala.

Sir, the present Import Policy of the Government has affected badly the cash crops of Kerala. The rubber is the main cash crop of State. Out of an area of 3.8 lakh hectares of rubber plantation in the country, Kerala alone accounts for 3.4 lakh hectares in which more than 80 per cent are small holders. Earlier, when the natural rubber was not available to the manufacturers of tyres, Government of India released natural rubber which was imported through STC. But the present decision of the Government to allow import of tyres for buses and trucks has caused a decrease in the price of natural rubber. When this Policy was announced on 1.4.88, the price of rubber was Rs. 1,740 per tonne which has now decreased as on 22.4.88 to Rs. 1,685 per tonne. So, my request to the Government is even if it is needed that tyre has to be imported, then it has to be done through STC and the price of tyre whether it is manufactured in our country or whether it is imported, has to be put on a stable footing.

The second item that has suffered due to the present Policy is the spices. Earlier cloves and Cinnamon were imported through STC. But that has been changed and all the spices including Nutmeg, Nutmeg Mace, Cinnamon and Cloves are now allowed to be imported through OGL. This has also resulted in the steep fall in the price of all these spices. So, in this case also, our request is that if these spices are to be imported, then if the price has to be regulated, the price of spices in the open market has to be put on a stable footing.

Coming to Coconut, it is the traditional crop of Kerala and it is extensively cultivated in our State. Now the present Policy of the Government to allow the Coconut oil and Copra to be imported will definitely fall on the farmers of Kerala.

Another problem is the coir and coir products. In the recent Agreement between India and Sri Lanka, there is a clause that if it is needed, coir and coir products can be imported to our country. In Kerala, coir and coir products worth crores of rupees are lying

in godowns. If this clause is being implemented, this naturally will have a heavy set back on the economic situation of Kerala.

Another item is Pepper. Kerala is exporting Pepper to the tune of Rs. 191 crores. Now the present increase in the export duty and cess has badly affected the Pepper farmers. All the Members of Parliament from Kerala have repeatedly given memorandum to the Government of India so that the present increase in the export duty and cess is brought down to the earlier level.

A large number of Keralites are now returning from gulf countries.

The economic base of Kerala for the last fifteen years is really the Gulf boon. Whilst Keralites are coming back, we find it difficult to rehabilitate them. So our request to the Government of India is that a Rehabilitation Fund has to be started so that whoever are coming back from Gulf countries can be given some job opportunities in Kerala.

For getting this Fund, what we suggest is, those Keralites who are working now in the Gulf countries can be asked to mobilise the amount—because even though a large number of Keralites are coming back, some more are going there also. So, from those people who are now working in the Gulf countries a certain amount can be realised, so that later it can be made use of for rehabilitation them when they come back to Kerala.

There are a large number of industries in Kerala which need modernisation and expansion. The HMT Unit in Kalamassery is making a huge profit to tune of Rs. 13 crores every year. It needs expansion, The Fertilizers and Chemicals Ltd., FACT, which has made a profit of Rs. 50 crores has given a proposal for starting Urea-Ammonia Complex in the 8th Plan. All the MPs from Kerala and the Government of Kerala have requested the Government of India to approve this Plan, so that in the 8 Plan this Urea-Ammonia Complex will be allowed.

When Cochin Refineries was started years back, one of the dreams was that around Cochin Refineries a Petro-chemical complex would be started. But it still remains a dream. The Cochin Refineries is making a huge profit every year. From that profit itself if Cochin Refineries is allowed to expand, they can start a number of Petro-chemical complexes.

One of the industries which is heavily suffering in Kerala is the Fisheries industry. Kerala is the pioneer in the export of sea food. About fifteen years back we were earning foreign exchange to the tune of about Rs. 3000 crores. Now this sea food industry has become a sick industry. Our export is coming down every year. In this House itself on many occasions I have suggested that Government of India should make a serious study on this matter because this is one of the industries which can be expanded.

Now the problems faced by the sea food industry are many. One is the tough competition from abroad, from countries like Taiwan. We have to face this tough competition. If we have to face tough competition our quality should be good and the price should be lower. So, the Government of India has to take initiative for this purpose pose. The sea food industry should be given ample finance and the finance has to be given at a subsidised rate.

The Government of India has taken action plan to increase food production. I am very sorry to say that Kerala is the only State which is lagging behind. When the Government of India has selected districts from Tamil Nadu, Karnataka, Andhra Pradesh; Kerala is left out. We are very sorry about it. We feel hurt. Kerala is producing paddy. So, at least in Palghat and Kuttanadu districts, the Government has to identify places so that they can be taken for action plan to increase the food production.

Coming back to my constituency Cochin which is the industrial capital of Kerala, there are major projects which have to be sanctioned by the Government of India. The first is the modernisation of Cochin

Airport. When Mr. Moti Lal Vora visited Cochin a few days back, all the major organisations of Cochin and the Government of Kerala have represented that Cochin Airport has to be expanded and modernised so that airbus can land there.

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This has to be immediately sanctioned and Government of Kerala has submitted a proposal which has been done under the Chief Secretary of Kerala. Another important bridge before Government of India is Ernakulam Vypeen bridge. It is a long pending issue before the Ministry of Surface Transport. Mr. Pilot has seen the place and he agreed that Government of India will give ample support.

Second is the Thoppumpady bridge which connects the western part of the Cochin city to the Cochin port. Cochin port which was once the queen of Arabian Sea has become a widow today. Every year the number of ships and the cargo being handled there is coming down. If Cochin port has to be developed definitely this Thoppumpady bridge—which is an old bridge constructed at the time of the Britishers—has to be replaced. This requires considerable help to be given by the Government of India. For the development of Cochin and adjoining islands our Prime Minister was kind enough to appoint a committee. The committee has gone into the details and the report is now before the Government. I request the Government to study the report and implement the recommendations of the committee.

13.02 hrs.

The Lok Sabha adjourned for Lunch till Fourteen of the clock.

14.05 hrs.

The Lok Sabha re-assembled after Lunch at five minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER *in the Chair*]

FINANCE BILL, 1988—Contd.

[English]

MR. DEPUTY SPEAKER : Yes Mr. Madhav Reddi.

SHRI C. MADHAV REDDI (Adilabad): Mr. Deputy Speaker Sir, we are discussing the Finance Bill today for the second day. But we have a number of amendments already circulated by the Government before us. Yesterday, the Finance Minister gave a statement proposing certain amendments to be brought to this Bill and the other Acts, when the Bills are going to be presented in the House, i.e., amendments to the Direct Tax Laws (Amendment) Act. Before I go into the various amendments to certain important provisions of this Bill, which I am sure this House is going to pay full attention during the debate, I would like to make certain general remarks about the state of affairs of the economy in the country today since he presented the Budget on 29th February.

Now Sir, within these two months, what has been the impact of the Budget proposals is very relevant. I do not want to repeat what had been already mentioned on the Floor of the House, either when we are discussing the various demands or at the time of the debate on the General Budget. I do not want to cover the wide ground, though relevant, because of paucity of time. I am also not going to touch certain points raised by the hon. Members yesterday. It was stated by the Finance Minister who is not here today unfortunately because he is busy in globe trotting machine, that...

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) :

He is working in this connection for you and for me.

SHRI C. MADHAV REDDI : I congratulate him for the successful negotiations he has conducted in Washington for getting 3 billion dollars of aid for India. You have not heard me fully. I am not finding fault with him; but I am only pointing out that

unfortunately he is not here today when we are discussing a very important bill. From Washington to Jakarta, from Jakarta to Manila, he has been going from place to place, certainly in connection with the important issues and problems, particularly our financial problems of the country but my point is that wherever he is going, what is the statement he is making? One statement which he is often making—I do not want to find fault with him for what he has said in Kamaraj Nagar. Certainly, the Prime Minister and the Finance Minister are at liberty to make any statement on the economic policy of their own party in their party conferences.

But when the Finance Minister goes to Jakarta and says, "I am going to liberalise my economy in the country; I am going to open the flood-gates for you to come". That is where I think that he is transgressing the limits because any policy statement has to be made only in the House, not outside. "It is a continuing policy", that is what the Hon. Minister is going to say, that there is nothing new. I know, it is a continuing policy of liberalisation. A policy of liberalisation which was started some 2 years ago, is coming to disastrous conclusions. Without going into the various other aspects, because whenever we talk of liberalisation or privatisation, immediately Government says: "No, we are not doing anything. Show us a single instance of privatisation". I am going to point out exactly what you have done in the way of privatisation without calling it so.

Sir, if we study the import-export policy which was announced on the 30th of March, you will find very clearly to what extent the policy of liberalisation has gone. One instance is with regard to the decanalisation of various products, maybe 26 or 27 items which were the exclusive monopoly of the trading corporations of the Government; the STC, MMTC, Tea Trading Corporation, the Mica Corporation and a number of corporations, the public sector institutions which you have built for trading purposes. What is that you are doing? Is it not killing them? Why do you have these corporations then? If you want to decanalise all the items, and in respect of 26 items you have done and many more are on the anvil, then why do you have

these corporations? I have gone through some of the Balance sheets of these corporations and they are not doing very bad. I should say, except the MMTC which has suffered a loss of Rs. 11 crores, I do not think any trading corporation is going on a loss. Why did you decanalise these items? I do not know. Tomorrow, you may decanalise even the oils. You may decanalise even items like sugar and many other such items. My point is, there is no justification for decanalisation of the items and handing them over to the private sector a silver platter.

Now, Sir, what is the result of this? The result of this would be that you will be permitting the private sector to go in for counter-tradendeals which were denied to them so far. They had been demanding this. Is it not privatisation? Then what else is it?

Now, the liberalisation policy for the sake of modernisation, for the sake of getting new technology from the foreign countries, wherever we can get that technology so that we may modernise our industry, steel mills and textile mills and so on and so forth, is welcome. We have been supporting this modernisation but at what cost and what is it that we are achieving by way of modernisation?

Sir, the Hon. Prime Minister when he was in Japan, had long discussions with the Prime Minister of Japan. And an announcement was made that we have reached an agreement for a breakthrough in the trade relations with Japan. I have nothing against Japan because I think we have been getting lot of technologies from Japan during the last 10 years and we are very happy. But then the point is, we should understand what Japan is. It will take many years for you to understand their economy, their strategies of global trade. What they are doing? United States has taken 15 years to understand them, and to their dismay today they find that they are not able to send anything. Everything Japan wants to send to other countries but it does not want anything to come to their country except the raw material such as iron ore, etc.

And that too on their own terms? What is the price we are getting for our iron

ore? Today, the Japanese yen is the costliest. If you have any trade links with Japan, it is certainly going to result in disastrous consequences for us. We should realise this because they are very hard bargainers. It is not very easy for them to have any understanding or agreement on equal terms. Also, once we enter into an agreement with them, it would be very difficult for us to break it again. Take the typical example of Maruti, the so called PPM, generally understood by everybody as the phased programme of manufacture. What stage have we reached? Today, the PPM is finished. They are going on offering new models and every time a new model is offered, SKD kits are sent. This is a continuing process and they would never allow us to manufacture our own components. Indigenisation will never be permitted by them. The moment we indigenise the products, their exports to our country will be stopped. They do not want it and we must understand this aspect. This is the study undertaken by the private sector companies already and they have come out with their recommendations and they have said that it would be very difficult for the Government to undertake any such trade agreements with them.

That apart, I was on the Subject of modernisation. I know that modernisation is very necessary at this stage of our development. But then, what is it that we are doing? The Export Import Policy says that today the Government will be permitting anybody to import machinery and equipment, even though they are available in India. This was never there in the past. For the last 20 years, we have been pursuing a policy of 'indigenous availability'. Unless the DGTD or any other agency says that a particular machine or equipment is not available in India or that its efficiency is comparatively lower and cost higher, that particular equipment is never allowed to be imported. But today, we are permitting the private sector to import liberally any equipment or any technology, even if it is available in India. Why this repetitive import of technology? Where is the need for this? Are you not going to kill the indigenous capital goods industry?

Now, my point is that we are importing equipment not needed by us, in the name of

indigenisation. We are importing components not needed by us. We are importing SKD kits and CKD kits. We are importing many things about which we may not be knowing anything. We are flooding the Indian market with foreign goods in the same way as our neighbour is doing. Is it advisable? Is it worthwhile? Should we be doing this at the cost of our own indigenous machinery and equipment manufacturing industry?

Sir, coming to the question of Export Import Policy, I feel sorry that this subject has not been discussed in detail in this House. For the last three years, we have this Export Import Policy, a 3-year Policy with which we have been experimenting. This is the second phase. It should have been studied as to how this policy has worked during the last three years to see whether there were any aberrations in the policy. A cursory study will tell you that though the policy is supposed to be continuing without any disturbances and without any changes for three years, I find that about 600 times various notifications have been issued and the policy has been violated. This has happened in spite of the fact that the policy should have been working without any changes for three years. Then why do you have this three years' policy. You have six months' policy, as you were having earlier. Again we have another three years' policy before us. My point is that this House should have been given an opportunity to discuss this. When are we going to discuss this? We thought that the Demands of the Commerce Ministry going to come for discussion but these have been guillotined. Now, we will have no opportunity to know actually what they have done. What is the new policy whether it is effective or not, and whether there are defects in it?

You see this new policy and you will clearly know that in this, there are several items which had been included in the OGL. It is an OGL regime. It is because, they have opened the flood gates. You can import anything under that OGL—from components to raw materials, from timber to any other sophisticated electronic components. What would be your Balance of Payments position? It has been told on the floor of the House many times that the

Balance of Payments position is very bad. It is causing us serious concern. You only express the concern. But what are the steps that you are taking to see that this does not go from bad to worse? Today our Balance of Payments position is that, every year, there will be a deficit of about Rs. 6,000 crores to Rs. 7,000 crores. How are you going to meet this deficit? There are about sixty or seventy countries in the world with which our position is very bad. We have a deficit balance with many of these countries, particularly in the hard currency area. With Japan we have about Rs. 700 crores deficit. With Germany we have a deficit. With many of these countries from where we are importing equipment, technology, etc. We have a deficit. When we are already in deficit, how are you going to find the finances? Luckily, without your efforts there are certain invisibles which are saving this country. Because of this, about forty per cent of our requirements are being met. In the invisibles, your tourism has not contributed much. Most of the invisibles are because of the remittances. You have nothing to do with that.

Then, you talk about brain-drain. What is the brain-drain? There was a talk of brain-drain and that we should stop it. We should arrest it. All our IITs are sending their students abroad. Our students are going abroad. Why should they not go out and what else can they do here except being unemployed. Why should they not go to foreign countries and earn foreign exchange for you? Why should they not go to foreign countries and equip themselves with modern technologies and come back for doing something for the country? Why are you worried about brain-drain? Why are you not planning to send more and more people outside and earn foreign exchange for us? I say this because, that is the biggest source of foreign exchange for you.

SHRI SOMNATH CHATTERJEE (Bolpur): It is much better than your export performance,

SHRI C. MADHAV REDDI: It is much better than your export performance, as Mr. Somnath Chatterjee say. And coming to exports, we have been told during the Budget and subsequently that

our exports have been increased to 25 per cent. Our imports have increased by only 13 per cent to 14 per cent. It is a fallacious argument. I pointed out earlier and I would again reiterate that in Rupee terms, 'yes' you may be correct. What is the meaning of calculating your export earnings in Rupee terms? It is just to tell us, to mislead this House that our exports have gone up. Because of the depreciation of the Rupee, our actual increase in the exports is only 4 per cent. You calculate and tell me. That is the world average also. You cannot have any 25 per cent increase. You can never have it. Today, our increase in foreign exchange earnings is only to the extent of four per cent, if you take into account the actual physical achievement the value in terms of physical exports—not in terms of Rupee, because Rupee is already depreciated. You do not do anything with your rupee. It is no longer a very effective instrument of exchange for the purpose of foreign trade. If that is so, your exports are not very impressive. What is it that you are exporting? You are still exporting iron ore, tea, coffee, masalas, so on and so forth. Of course, the value of exports of our gems and jewellery has gone up. I am very happy about that.

In the case of engineering goods and leather goods, because of modernization, there is some improvement in leather goods; and we are able to export leather goods. Then we have textiles. There is a good improvement in textiles; particularly in textile yarn, there is a scope for export: textile made-up, textile yarn and items like these. But my point is that there is still scope for exporting many more items, value-added items which will give you more, which will give you employment within the country and at the same time give you more in terms of exchange.

In this connection, I welcome the proposal to exempt the export earnings, from income tax. It is a very good proposal. It has been exempted after a very long time. It should have been accepted long ago, because many other countries are doing it. You are the last to do it. Regarding your exempting all export earnings from income tax, yesterday an amendment was suggested, and today I see the amendment circulated

by the hon. Minister saying that this exemption will be available to those units, inspite of the fact that 115 (j) is in operation, viz. 30% tax on book profits. In spite of that, this will be available.

Now coming to tax proposals, there are some very controversial proposals included in the Finance Bill. In spite of the amendments suggested, many controversial proposals still remain untouched. I am happy some amendments have come. They are welcome, but before that, I would like to say something about the other Bill which is likely to come up before us, viz. regarding the Direct Tax Laws (Amendment) Bill which we passed last year. The hon. Finance Minister said something about that also; and an assurance has been given to this House that that Bill is going to come before this House during this Session, for discussion. That Bill has created a lot of complications. The whole idea of the Government was to simplify tax laws. That was the effort being made for the last two years, viz. how to make the tax laws more simple, so that they may be administered properly by Government, and they may be complied with by the tax-payers. But in the name of simplification, we have complicated the tax laws more and more. Today, if you read ...

PROF. N. G. RANGA (Guntur). That is a continuous process. Nobody can help that.

SHRI C MADHAV REDDI: Yes; it is a continuous process. But there are complications and confusions—and confusion worse confounded.

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): What will the chartered accountants do then?

SHRI C. MADHAV REDDI: I am not a chartered accountant, nor a tax consultant, nor a lawyer, but I can tell you as a legislator, with whatever experience I have, that it is so difficult to understand them, so difficult to comply with various provisions.

SHRI SURESH KURUP (Kottayam): There is a chartered accountants' lobby.

SHRI C MADHAV REDDI: In spite of the fact that we wanted to achieve this objective by introducing the Direct Tax Laws (Amendment) Bill, we have complicated it. That Bill was passed in the 40 minutes. Out of those 40 minutes, I had taken 30 minutes, and within the rest of the ten minutes, the whole Bill was passed.

In spite of the protest by the Members of this House, the hon. Minister has not acceded to our request. But when he went out, he said: Well, in a democracy you have to listen to the people.'

But who are the people to whom you went and consulted? He went to Calcutta and consulted the Chamber of Commerce; he consulted the Chamber of Commerce, Bombay; he consulted the Chamber of Commerce, Madras and then came to a conclusion that this Act has to be amended and then and there he announced. Very good. While I do not agree with many amendments which he may be contemplating, there are many other amendments which can make it more simplified, which have not been brought before us. The amendment which he has indicated, I am sure, it is not going to be the end.

Whatever he had announced yesterday, whatever he had been telling outside the House, whatever he mentioned in the Budget speech, if that is the only ambit in which the amendments are going to be accepted by the government, I am sorry for that. A solemn assurance had been given to this House while speaking on the Budget, in his Budget speech, that a Bill be brought before us and the hon. Members will have full liberty to suggest amendments even on the Floor of this House and they will be considered. I want the Finance Minister to honour this commitment and see that a comprehensive Bill is brought before us so that we may have full opportunities to discuss that Bill and then make suggestions with regard to certain important amendments.

Coming to the present Bill to which several amendments have been suggested, I

welcome some suggestions, but they are not going to meet the demand which is the demand of the several States, State Governments, not only the people,

Coming to a new Section 44 (A) (C), which deals with imposing a tax on the assumed income of the sale of liquor, sale of timber and the sale of scrap, etc. Of course, on scrap, he said he is going to remove it. I am not going to touch that, because, yesterday he said, there would not be any tax on the scrap. But the sale of timber and timber product and the sale of liquor, these are the products which belong to the State Government. There is no individual who is going to sell these products to any other individual either for trading or for his own consumption, captive consumption. These are the products which are going to be sold annually by the State Government because these are monopoly items. What are you going to do? Are you not taking away the powers of the State Government, the rights of the State Government to impose tax on the sale of their own product? Is it not some sort of a sales tax? Is it not something like a purchase tax which you are imposing? Suppose only liquor is sold in public auction or by a tender. The seller, that is, the government has to collect certain taxes at source. I have not heard of any tax collected at source when the money is not paid but money is received. Here is a case where the State Governments receive a certain amount for the product which has been sold by the State Government. It is not like a salary being given to an employee and at the time of giving salary the State Government or whichever appropriate government deducts tax at source. That I can understand. But here it is not that it is not paying anything; it is receiving. While receiving goods sold how can you tax, now can there be a tax just because you want the State Government to sell something? The immediate effect of this would be that the states will lose revenue; you are going to make inroads into the revenue of the State Government; because at the time of bidding, they will join together and see that to the extent the tax is to be paid to the Central Government, to that extent they will reduce and then bid; and ultimately the revenue which the States are going to get will suffer.

Ultimately it will be a loss to the State Government. Now, the argument is that after all, this tax which we are collecting by way of income-tax, we are giving back to the States. It is not our tax. Because, according to the Eighth Finance Commission's recommendations—I do not know what Mr. Salve is going to do he may say that it may be reduced to 50 or 60 per cent—today we are getting 85 per cent. It is not that we are getting 85 per cent. 85 per cent of the income—tax proceeds are going to the divisible pool. From out of the divisible pool the States will be allotted according to a formula which is not uniform. May be that Andhra Pradesh gets 70 per cent and Assam may get 90 per cent and Meghalaya may get more. Something like that. My point is that you are making an inroad into the States' taxes and trying to collect tax on the produce which is sold by the State Government, whether it is liquor or any forest produce or anything. What you are doing is you are making an inroad into the State's revenue the State's taxes collections are going to be affected, definitely with this. That is the reason why all State Governments opposed it in the National Development Council, and the State Governments wanted this to be removed. But now what have you done? What you have done is, you have reduced the tax from 60 per cent to 40, 35 per cent and 15 per cent and so on. You have divided them into three or four categories and category-wise it has been reduced. But my point is that there is no case for imposing such a tax and there is no case for collecting at source and then for not recovering and for not repaying to the Government of India you are going to punish them. And what is the punishment? Seven years; Seven years, you are going to punish them. Who is going to receive the punishment, is it the Chief Minister or the Chief Secretary or the Secretary concerned or the Minister concerned—whom are you going to punish? But you want to punish the State Government. When the State Government says it is their own revenue, you are only a collecting agency, you will only get 15 per cent of the income-tax and 85 per cent goes to the States. What is this provision for prosecution and what is this provision for imposing penalty and then imposing imprisonment which goes up to seven years? This is ridiculous?

Another point is, that how do you know that a man who is going to purchase the various forest produce, timber of the beedi leaves, or whatever it is, how do you know that that man is not going to suffer losses because of several factors? We have these days naxalite activities in the jungles. And while the forest produce is being brought from the jungles to the town where it is going to be sold it may be destroyed by fire. They may set the forest produce on fire and then the whole thing will be destroyed. And what are you going to do? Unless the revenue is earned on the produce which is being sold by the Government, there cannot be any tax on that, and there is no justification for collecting on that sale. Whether it is 35 per cent or 45 per cent. That is a point which has to be borne in mind and I feel that the hon. Finance Minister will see reason and see that this is totally deleted instead of being satisfied by reducing the tax.

Now coming to the question of National Saving Deposits, we all know that last year when the Prime Minister Presented the Budget the introduced a new scheme called the National Savings Scheme. And while doing so we have given certain concessions to the people who are going to deposit money into the National Savings Scheme. One such concession is that these deposits, whatever amount is deposited in the National Savings Scheme, they will be allowed a deduction in that particular year when the amount is deposited.*

If the deposit is withdrawn next year or the subsequent years, it is subject to tax. It means that this is not free from taxation. What we are doing is we are only just postponing the tax for the future years whenever the deposit is withdrawn by the depositor. That is not a very big concession at all. The main concession in this scheme is that fifty per cent of the interest accrued on this particular deposit would be exempted from tax. Now, that is being removed. Why are you removing that? Where is the justification for it? Is it not a breach of trust? What will happen to those people who have deposited last year in the National Savings Scheme?

Why do you not exempt those depositors who have deposited earlier? I do not think

there is any other attraction for that scheme to continue unless you continue this free of tax, at least to the extent of fifty per cent of the interest.

Similarly, there is other provision relating to the public sector bonds. Public sector bonds had become very popular these days. We all know, many of our public sector units—the IDBI, the Railways, NTPC and many of our public sector units—are going in for the capital market for raising the resources for their plan requirements; State Governments are today asking more and more such facilities and the State Electricity Boards are asking 'why not we be permitted to float public sector bonds free of interest?' Now, the concession that you have given is, these bonds would be free from the payment of the wealth-tax. There is an exemption of wealth-tax. This has been there for the last one year. I am happy that an amendment has been accepted that those who had earlier purchased these bonds, they will be continued and there will not be any restriction of Rs. 5 lakhs limit. But then why not you continue this scheme? Why should there be any restriction of Rs. 5 lakhs or anything? Since these bonds are becoming popular, naturally the private sector does not want this to continue. They had been grudging that these bonds are becoming popular. The public issues of these public sector companies are becoming very popular and they are taking away all the money from the market and nothing is being left to them. That is their complaint. It is their lobby that is working against the Government. It is their lobby to which you have succumbed and you have removed this. This shows the class character of the Government and I oppose this Bill.

[*Translation*]

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad): Mr. Deputy Speaker Sir, it is well known that India is a land of villages. Even today 75 per cent of the population is dependent on agriculture for its livelihood. It is commendable that the Government has taken many steps to raise the standard of living of farmers through concessions and incentives in the Budget. The Government's objective has been the upliftment of backward areas of India,

removal of regional imbalances, export-oriented policy and an increase in productivity. To remove the extra pressure of population on agriculture, the architect of modern India, Pandit Jawaharlal Nehru had laid a lot of emphasis on industrialisation during the Second Five Year Plan. There was no other alternative with the Government. That has, of course benefited the country but I have to specially draw the attention of the hon. Minister to the fact that the objective of rapid industrialisation is not being achieved because the Government does not have a standing policy on industry, rebates, concessions or subsidies. Every year, there is a change in the rate of interest or excise duty on a particular item. Either it is increased or decreased. This impedes the development of investment security in the country. People are no longer interested in running a business. The trial-and-error method should be abandoned and a long-term perspective policy should be formulated. A standing policy should be made for 10-15 years so that industrialists are encouraged to set up new industries and expand the existing ones. Consequently, the area will develop, productivity will increase and the people will get employment. This is imperative. So I humbly request the hon. Finance Minister to consider making a long-term policy. So, far as incentives are concerned, practically speaking, small-scale industrialists in the rural areas and the cottage industry sector have to wait for 2-3 years to get a licence. This increases the cost of production and the industrialist hesitates to invest his money. Through Shri Faleiro, I convey my appreciation of the Government's policies, regulations and facilities. All the same, a person has to wait endlessly to obtain a loan of Rs. 5000. Bribe has to be given at every counter. As a result the benefits expected from such good programmes do not materialise. In this context also, the Government needs to determine a policy, especially in small-scale industry sector. If a person submits an application for a licence a time limit of one or two months should be fixed during which time, the licence should be issued. If he fulfils all conditions within that period, the licence should be granted, otherwise not. It is not proper that the fate of every person should hang in balance for two years. The

Government should make a concrete policy in this regard. Otherwise the chances of success are very slim. Similarly banks also receive applications for loans. A definite policy should be followed by banks where in the processing and execution of an application should not take more than a month. If all conditions are fulfilled, the loan should be given, otherwise the application should be rejected. An year or two spent in this useless running around can take a heavy toll on the person's economic condition. I believe that the laws currently in force can give a lot of benefits to the citizens of this country. I appreciate the law relating to duty exemption. People who are covered under it can make full use of its benefits. This is a laudable effort on the part of the Government. The hon. Finance Minister deserves congratulations for this, but there are some issues which have been overlooked. The hon. Finance Minister announced a scheme in his Budget speech. This scheme is called 'Kutir Jyoti' under this scheme poor people were to be provided with a single-point electricity connection in their homes. Provision of such connections involves fittings like sealing rods, switches, plugs which are manufactured through hand-operated machines. A duty has been levied on these items even though they cost just Rs. 1 or Rs. 2. Duty should be levied on items costing Rs. 50 or Rs. 100 and are manufactured through power driven machines. What I cannot understand is the meaning of concessions given to the poor when a Rs. 2 plug is going to cost them Rs. 15 after levying of duty. Will this not cause a wave of resentment in the country? The Government should take a second look at this matter. Duty should not be levied on electric fittings made by hand-operated machines in the cottage sector. The Government should withdraw this duty.

A praiseworthy step has been taken to promote exports by exempting export-earnings from income-tax. But Sir, does the hon. Finance Minister know that export houses in this country have to wait for years for allotment of quotas after submitting an application for the required quantities? For instance, the garment export industry has the capacity to export crores of rupees worth of garments to

foreign countries, but they cannot get enough raw material. For two years, their applications remain blocked at the Secretary or Joint Secretary level. The Government talks of export promotion, maintaining the balance of trade and liberalising balance of payments, through incentives but what about the exporters who after submitting applications for raw material quotas, are made to wait for two years before the fate of their applications is decided. Such are the contradictory policies of the bureaucracy in this country that they are an impediment to national progress. The Parliament, the Ministers and the Administration of this country must give this matter a serious thought. Otherwise there will not be any respite from imbalance in the country's balance of payments. Sir, beside this, I would like to submit one more point towards which many hon. Members have drawn the attention of this House. That point is regarding the Income Tax limit of Rs. 18,000. Rupee has undergone devaluation and its purchasing power...

SHRI AJAY MUSHRAN (Jabalpur) : The hon. Minister is busy in conversation, to whom are you speaking?

DR. CHANDRA SHEKHAR TRIPATHI : You must ask him.

[English]

MR. DEPUTY SPEAKER : Even you are not listening to his speech. You are only trying to irritate him.....

(Interruptions)

DR. CHANDRA SHEKHAR TRIPATHI : Sir, the remark he has made is quite relevant. He should listen to my suggestions. What I am submitting to the hon. House is not even being heard by the Minister sitting on the Treasury Benches. It is quite relevant and pertinent. Nevertheless, I am coming on my original point, Sir.

[Translation]

The limit of Rs. 18 thousand should be raised to Rs. 25 thousand because the purchasing power of rupee has decreased

substantially and as such the limit of Rs. 18 thousand is not at all justified.

Secondly, a scheme named "Jal Dhara" has been introduced for the poor to make the sources of irrigation available to them. I would like to tell you that under this scheme of Jal Dhara the wells are being dug in Uttar Pradesh at a cost of Rs. 12 thousand each. Thus, it seems that...

[English]

SHRI AJAY MUSHRAN : The Minister is not listening, Sir... .

(Interruptions)

THE MINISTER OF STATE IN THE DEPARTMENTS OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : We are preparing detailed notes, Sir, and we are very grateful to the hon. Member for making suggestions.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI : Mr. Deputy Speaker, Sir, the Government is constructing lakhs of houses under the schemes such as R.L.E.G.P., "Indira Awas" and "Nirbal Varg Awas" for the homeless, the poor, the people belonging to backward classes and Adivasis who are economically weak and thus unable to build houses of their own. For this, the Government deserve congratulations. But I would like to know whether anybody has ever tried to see the quality of the houses being built for the poor under the schemes named "Indira Awas Yojana" and "Nirbal Varg Awas" by spending crores of rupees. I do not know whether they will be durable enough to last for 6 months or for 3 months or whether they will collapse just after their construction. Crores of rupees being spent on the construction of these houses will go waste if proper attention is not paid by the Government towards it. I would request the Government to make a strict provision of monitoring so that houses so constructed are durable and of good quality. If it does not happen, the parliament should directly fix accountability on those under whose supervision these houses are being

constructed. If the houses collapse in 6 months, the Government should make a provision for rigorous imprisonment of 10 years beside dismissing from the service the official held responsible. Such provisions will have to be made by the Government, otherwise the entire money will go waste as is the case at present.

Sir, in this context, I would like to submit that the banking activities are not at all beneficial for the poor. I would request the hon. Minister to fill up all the vacancies of Directors in the Banks. Besides, the hon. Members of Parliament should be nominated in the Export Promotion Councils and all other Committees, so that they could watch whether Government policies are being implemented properly or not.

I want to draw your attention once again towards a very important called subsidy. I hope that Shri Faleiro will pay attention to it. When subsidy is given to the small and cottage industries, more often than not, it so happens that an entrepreneur applies for the grant of subsidy and once it is given, he does not set up an industry and runs away. Therefore, I would request the Government to grant interest-free loan instead of giving subsidy and recover the loan so given in instalments. The Government can run small industries only if such an arrangement is made. This can help check gross misuse of subsidy.

The talk will be incomplete if nothing is said about Black-money. All hon. Members are well aware of the parallel economy of Black-money being run in the country. The raids are conducted at all places to flush out black-money. But these efforts are needed to be speeded up. The Government will have to find out ways for flushing out black-money from those who are misusing it. If the Government exercises vigilance in this regard, I do not think there will be any need to impose taxes.

Price-rise has become an integral part of the discussions in this House. The Government has also been pondering over this issue. Our hon. Members also give their suggestions in this regard from time to

time. But I would like to submit in very humble words that 25 per cent of responsibility for the price-rise lies with our public enterprises which go on showing losses to the tune of crores of rupees. The Government have to impose taxes on 70-80 crore people of this country in order to make-up these losses, which in turn add to price-rise and inflation. Therefore, it requires the implementation of the principle of 'wage linked services.' At the same time, the Government should keep control on deficit financing because the rise in prices affects every citizen of the country. Therefore, the Government should come forward to check the price-rise.

Government has enacted laws and set up councils and committees to protect the interests of consumers. The Government has given a concession of 15-20 per cent to the cement manufactures in this Budget but has the Government ever thought that the poor consumer has to suffer losses worth crores of rupees on account of underweighing of cement bags which are supplied to the consumers. A 50 kg. bag carries only 35 kgs. of cement. I would like to submit that it is good that exemption from taxes and duties has been granted by the Government to augment the production of cement but at the same time there should also be a provision regarding the packing of cement. First, it should be filled in polythene bags and thereafter it should be put in gunny bags so that the consumer could get 50 kgs. of cement. That is all I want to say.

SHRI VIJAY KUMAR YADAV (Nalanda) : Mr. Deputy Speaker, Sir, while speaking on the Finance Bill, I want to say that the slogan "Bekari Hatao" given by the Government or the ruling party recently is very ambitious. If it is implemented sincerely, the whole country would extend its support to it, but if the slogan is given with an ulterior motive or in furtherance of party's interests or with an eye on elections, it will naturally meet opposition. Many slogans namely "Samajvad Ki Sathapana" "Garibi Hatao" etc. were given in the past also and the people of this country supported those slogans whole-heartedly. But going by the failure these slogans met with and the after-effects they produced, the people got nothing but despondency.

15-00 hrs.

The number of unemployed persons is increasing continuously in the country and every year many more are added to already swelling numbers. The number of educated unemployed is more than 3 crores, leave apart the number of illiterate unemployed. Had the Government been really sincere in removing unemployment, certainly. Some concrete steps would have been taken, but what we see today is exactly the other way round. For example, about 1.5 lakh small medium and big industries are lying closed. Their number is approximately 1 lakh 45 thousand. I have used the word approximately. I want to say that on the one hand, a guarantee is given for providing new jobs and on the other hand the people working in factories are removed from their jobs due to the closure of the factories. There is no consistency between the two, these being contradictory to each other. Unemployment is the biggest problem which our country is facing today. Many of the factories which are running are on the verge of closure and some of them are working at 25 per cent of their capacity. No steps have been taken in this regard. A ban has been imposed on new recruitment and vacancies are not being filled up by the Government for years together thereby blocking the biggest source of employment in the Central Government.

On the pretext of technology, the Government has adopted a liberal import policy and has allowed the import of such items which could be produced indigenously and for which factories could be developed in the country itself. In this way, instead of importing technology, the Government is importing unemployment into the country.

The question of computerisation has all along been taken up in this House. The opposition parties also opposed this move. It is not that the opposition does not want the country and its people march forward. What is required is that it should be a gradual process and should be introduced gradually with the development of science and technology. In a poor and backward country like India, which has an army of unemployed people, it should not be introduced all of a sudden. There are certain

spheres where it could be put to use. But going by the speed with which computers are being introduced, I am of the view that it is resulting in increase in unemployment and is swelling the ranks of the army of unemployed persons. Our country is mainly an agricultural land. If the Government is sincere about removing unemployment from the country, it should undertake progressive land reforms, which include enforcement of land ceiling and distribution of surplus land, and fulfill the commitment it made in its programme and election manifesto. The Government has given up its commitment. The problem of unemployment could be solved to a large extent by acquiring surplus land and wasteland and distributing the same to the poor and unemployed people. The land so distributed can be a source of earning livelihood for the people in a country like India. The Government has totally abandoned this idea. I have been a Member of the Lok Sabha for two terms since 1980. This issue was raised through a Private Member's Bill with the demand that "right to work" should be guaranteed under the constitution of India. But this proposal has never been accepted. Until and unless the Government gives guarantee to provide work, this problem cannot be solved. Guarantee to provide job can be given in several ways. Providing job is not the only way for this. There could be several other avenues also. There could be several ways and mean which need to be considered on a collective basis. But it has to be incorporated in the constitution if the Government is serious about removing unemployment. Otherwise it will be seen as an election propaganda and nothing else.

The role of black money in the country was also discussed. In fact the black-money is working as a parallel economy in the country. The Government policy is helping in generating black money in the country. The Government has levied income tax and wealth tax. It also conducts raids. It is a good thing and the people appreciate this move of the Government. But recently the Government formulated a law according to which voluntary declaration about ones income will be acceptable as true by the Government. This law is very liberal. There are people who have taxable property

but they do not declare it. When the Government conducts raids on such people and detects black money, it gives them a chance to explain their conduct. This is how the Government has shown them various ways, of evading tax. It gives them a chance to file appeals after appeals. It is wrong. The Government should seize the property detected through raids and the people at fault should not be given any chance. It was hoped that by the process of summary assessment, the people who are in a position to pay tax will make voluntary disclosures about their income and it will check the tendency of hiding property and will also reduce the number of pending cases. It was hoped that the assessment will be a true one but its result has been quite the opposite. None of the objectives set for this has been fulfilled. According to a report just published by the Comptroller and Auditor General of India for the period ending 31 March, 1987, the arrears which stood at Rs. 208.92 crores in 1981-82 have gone upto Rs. 237.42 crores in 1985-86. The number of pending cases have reached the figure of 4.16 lakhs in 1985-86. Similarly, income-tax arrears have gone upto Rs. 3475.32 crores for the period ending March 1987. It indicates that the situation has further worsened. As such the results, as expected, have not come. In a way, you are treating all income tax payers at par. I am of the view that the matter needs to be reconsidered, because, there are certain incomes which are earned by smugglers and black-marketeers. At the same time, there are certain honest people who earn their income by productive labour. The Government treats both the categories at par by realising income tax from them on a uniform basis. There is a need to differentiate between them and the Government should look into this matter.

Secondly, I would like to say that there are certain people who receive wages or a fixed salary from the Government or any other body. They cannot hide their income nor they can evade income tax. On the other side, there are businessmen and a host of other people, about whose income the Government has no sources to detect. But both the categories are being governed by similar law. The law is similar for those whose income is open and for others also.

The Government should think over both these points seriously.

Mr. Deputy Speaker, Sir, exemption in excise duty has been given to nylon and polyester yarn at the rate of Rs. 30 per kilogram with the hope that it will provide benefits to consumers. But the yarn producers have reduced its supply and raised the price and also created artificial shortage. Now the position with regard to these commodities continues to be what it was before the Budget, and consumers are not getting any concession. There is a need to consider this. The Government has gone on record that it will withdraw the concessions if these are not passed on to the consumers. The Government has given concessions on some other commodities also. I urge the Government to review its policies if the concessions given by it do not reach the consumers.

A large number of cases pertaining to the freedom fighters are pending with the Government. These include increase in the amount of pension and extension of the period of railway pass. The Government has repeatedly been saying that these concessions will be extended to the freedom fighters. In this connection, I would like to say that the work done and facilities given by the Government earlier in favour of the freedom fighters are highly commendable. Like wise, the Government should sympathetically look into the cases of freedom fighters presently pending with it.

Now, I shall say a few words about my State. This time, our State has been badly affected by flood. The current Budget prepared by the Government is described to be pro-kisan. But the Government is taking no steps to help the farmers in Bihar who have been totally ruined by the devastating flood this year. The Government is extending adequate help to drought-affected areas, but no such step is being taken in the areas where river embankments have been breached. I would like to caution the Government to repair these embankments prior to the advent of rains, otherwise the farmers cannot grow crops this year also. Especially in my district, the embankments of rivers like Sakari, Lokayan, Paimar, Dhanayan, Goithawa, Soiba,

Panchane and Mahane have been breached. There is also an urgent need to repair Aharpain canal. The whole of Bihar has been experiencing shortage of power. As a result of this, the farmers do not get power their farms and there can be no irrigation for want of power. The Government has stipulated a condition that it will not supply power to those areas where transformers have been burnt and wires have been cut. This is causing heavy damage to cultivation. The farmers in Bihar are passing through a natural calamity and their economic condition is deplorable. They should be given more and more help in this period of crisis and should be given agricultural connections without laying down any condition of paying the dues.

I would like to make a few more submissions. The Government has not made any provision for giving remunerative prices to the farmers. The Government claims that it gives support price to the farmers. It may be pointed out here that the farmer has no representation among the representatives who fix the prices. There is a demand from all over the country to give due representation to the farmers. The method of fixing the prices should go in favour of the farmers and they should be given remunerative prices for their produce.

I have been to my constituency to collect information with regard to Crop Insurance Scheme. On being asked by me, the Collector said that compensation under the Crop Insurance Scheme was payable till such time the crops were standing in the field and were not cut. In case it caught fire due to electric short-circuit in the barn, no compensation would be paid. I am of the opinion that the Crop Insurance Scheme must be amended. The farmers must get compensation even when crops catch fire in the barn. Besides, the Government gives compensation to other people who meet with accidents. But no such compensation is payable to farmers who die while working in their fields. I am of the view that the farmers must get Rs. 50,000 towards compensation if he dies of any accident while working in the field.

Finally, I would like to say one more point. There are regional imbalances in my State. When this question is raised, the

matter is hushed up by making a reference of Gadgil Commission and other such things. Bihar is a very backward State. Under these circumstances, the Government should change its very norms of allocation. The Committee has also suggested that the backward areas should be allocated more funds. While making allocations, backwardness and population should be made the basis and allocation should also be made on per capital basis. This will help backward areas march forward.

With these words, I conclude.

[English]

SHRI CHIRANJI LAL SHARMA (Karnal) : Mr. Deputy-Speaker, Sir, while speaking on the Finance Bill, I have got a few points. I was just listening with rapt attention to one my friends sitting opposite who was touching this 'Bekari Hatao' slogan that has been given. I do not know, rather I fail to understand, as to why this is pinching the opposition. Facts are facts and they must be squarely faced. Indiraji had given a call for Anti-Poverty Programme. (Interruption)

SHRI C. MADHAV REDDI : when you are referring to a Member, you say that you referred to that Member. Why do you say : "it is pinching the opposition." Why do you club all of us ? We welcome that 'Bekari Hatao' Scheme.

SHRI CHIRANJI LAL SHARMA : Will, Madhav Reddiji has taken to heart the observations made by me. With due apology, there is nothing personal in it. The other day when we came back from Madras, we heard these observations from so many Members ironically as if this is something for which nothing... (Interruptions) I do not know why they have reasons to smell a rat in our *bona fides*.

This Anti-Poverty Programme, the removal of poverty do you think this was a slogan ? Do you think Government does not take concrete steps to implement it in letter and spirit ? What was this 20-Point Programme ? Will you deny it when I put it to you that there has certainly been lot of improvement ? (Interruptions)

SHRI NARAYAN CHOUBEY (Midnapore) : Lot of improvement means more money gone.

SHRI CHIRANJI LAL SHARMA : In the Session of the AICC, this *Bekari Hatao* proposal was put. I do not know why they feel perturbed about it? (*Interruptions*) Well if *Bekari* goes, you will not be here. My friend from the Opposition had said that this was because the elections were coming. I say the elections are to be held after 20 month (*Interruptions*)

MR. DEPUTY SPEAKER : Please order. Why are you worried?

SHRI NARAYAN CHOUBEY : You kindly explain how the *Bekari* will go and where will it go?

SHRI CHIRANJI LAL SHARMA : Well, I will just explain. My friend has put a very pertinent question as to *Bekari* will be removed. If at least one member of a family finds a job or is in a position to earn a pittance to keep his body and soul together, -not necessarily in Government service, maybe in industry or anywhere, -this *Bekari Hatao*, the removal of unemployment problem is solved. And the Government of India headed by Shri Rajiv Gandhi will move. Heaven and Earth to implement it. How? By providing employment opportunities; by taking the cottage industry to the villages, to the doors of the common man who is facing this problem. Just as anti-poverty programme is being implemented, similarly anti-unemployment or removal of unemployment of *Bekari Hatao* programme will be implemented.

SHRI ANIL BASU : How?

SHRI CHIRANJI LAL SHARMA : I have just told you; by providing employment to at least one member of a family, particularly the family which has no source, of income to the poorest and the down-trodden and to the landless.

SHRI NARAYAN CHAUBEY : Who can?

[*Translation*]

SHRI CHIRANJI LAL SHARMA : It is our job. What and see how we implement it.

(*Interruptions*)

(*English*)

SHRI NARAYAN CHOUBEY : The are only supposed to see, not to understand. What do you see yourself Sir?

SHRI CHIRANJI LAL SHARMA : There is nothing concret before the opposition except to interrupt. This how they try to disturb our chain of thought; but that is not going to affect us at all, we are on sound footing.

The country has made tremendous progress in all walks of life-whether it is trade, industry, science and technology, education, air transport and what not. In the matter of industrial developmens, India where even a needle was not being produced which was imported; even a pen nib was being imported from London and Birmingham. How much progress we have made in the field of science and technology? The whole country knows it; as also the House knows it.

While touching the subject of development of industries I have to say a few words. Yesterday I was hearing the Industry Minister. I found a lot of redtapism, hurdles being created by the burucracy, by the officers.

I will give you a concrete instance. In the year 1980 I happened to lead a delegation to some European countries. I want to Kuwait also. There were some friend from my State of Haryana who were living there for years. I asked them rather persuaded them to come home, set up industries here and invest money. One of my friends, who actually hailed from my constituency, who is a qualified engineer, who was in Kuwait for 19 years, whose son is a qualified engiieer and also an MBA from USA, who got his son withdrawn from USA after he he had qualified, returned home with his family. That gentleman applied for a licence for manufacturing some articles; the letter of intent was given; he purchased the plot; he has spent Rs. 82 lakhs on that project, and out of that Rs. 82 lakhs, Rs. 60 lakhs of his foreign exchange were included Rs. 22 lakhs have been spent on the building he has constructed; the machinery was imported; permission for importing machinery was given; the factory has been established; the machinery has

been set up; electric connection has been given; the site plan was approved by the Delhi Administration; and now when the factory is ready to go in for production the Delhi Administration say that they are not going to issue the licence. What is this? It is preposterous. The man has invested lot of money and purchased the land. The site plan was sanctioned. He borrowed the money from here and there. Out of Rs. 82 lakhs spent on the project Rs. 60 lakhs were spent out of his foreign exchange earnings and now he is on the road. I met the Minister. The Minister gave me a patient hearing. I told him that letter of intent had been given by the Government of India and now Delhi Administration says that they are not going to allow medium industry to be set-up at Okhla. This man is a qualified engineer. I am particularly interested because it was on my persuasion and pressure that this gentleman left Kuwait where he was minting money and come to set-up industry here. The Minister sent a reply asking him to give two documents on receipt of which the licence will be issued. Those two documents have been given but still nothing is being done. What would he feel; He is rebuking me that it was at my instance that he committed this folly of coming back to this country and exhausted all his earnings of nineteen years. May I through you, request the Government of India and the hon. Finance Minister and Industry Minister to kindly see that this sort of practice must be depreciated. Those non-resident Indians who come to India at the invitation of the Government of India should not be expected to wander from door to door to get a licence. He is suffering immeasurably.

There is another instance. There is a factory called Nuchem plastics in Faridabad. The proprietors have decided to set-up medium density fibre plant. They have purchased land at Tohana. They have spent a huge amount and they are to produce substitute for wood. I happened to see their product in the exhibition recently held at Pragati Maidan and I was very much impressed and asked them about the raw material. They told me that it was all from agriculture waste. Cotton plant will be used for the production of this wonder product. We do not allow cutting

of trees. This is a substitute of wood which will be very cheap and the industrialist who wants to establish it asked for a meeting with the Minister. They met the Minister and he said that he would look into the matter. The matter was looked into and the reply was in the negative. I addressed a letter of four pages. I happen to be an advocate by profession. It was a self-contained and self-explanatory letter. The matter was also discussed with a well-known jurist, Shri Singhvi, advocate of the Supreme Court about the interpretation of a particular word. I would say that the Government is not taking a wise decision not to allow this concession they are praying for. This sort of practice gives a set-back to industrial development. Haryana is a small State. We want such sort of industries to be set-up in our State. I would expect the Government of India and particularly the Minister of Industry to go into these matters and see that the files are cleared without delay. These gentlemen go to the offices and keep on sitting from morning till evening and the poor fellows just return disappointed from these offices. This sort of practice must not be appreciated.

Now I have to say a word about agriculture development. In this context a lot has been said. About 80 per cent of the population in the country lives in the villages. Most of them earn their livelihood from agriculture. For agricultural development, we actually need inputs, cheap inputs, water and power. When we talk of water, I have to make a special mention about my own State, Haryana.

Haryana came into being hardly 22 years back. It is a small State. I really feel proud to say that although it is small in area, and an infant State, it makes the 'maximum' contribution to the Central pool of course next to Punjab, in the matter of foodgrains in spite of the fact that we are not getting our due share of water. Ravi-Beas water was allotted to us. For this, Haryana had constructed half the portion of the Sutlej Yamuna Link Canal years back and the other half, which was to be constructed in the area covered by Punjab, is not being constructed. Why?

15.32 hrs.

SHRI VAKKOM PURUSHOTHAMAN
in the Chair

Its foundation-stone was laid by Indiraji on 18th February 1982. Then, there was an agitation; again an agitation. Haryana has spent a huge amount. A categorical assurance was given to Haryana that the canal will be completed under all circumstances by the end of December 1987. December has gone. Now 1988 is passing. I very much doubt if we will be able to get our share of water. We cannot get it unless the canal under construction, which passes through Punjab, is completed. The construction of this portion of the canal is, as a matter of fact, in the hands of the Punjab Government. They are interested in delaying the completion of the project so that Haryana does not get its share. Haryana is interested in its speedy completion. What to do? We have approached the Government of India. We have met the Prime Minister. We have raised a hue and cry that the implementation of this project should be taken over by the Government of India and it should be implemented through a Central agency. Failing this, I am afraid, we will continue to suffer as we have been suffering for years together.

About disbursement of loans, a lot has been said earlier by the previous speakers, who spoke on the subject. This is a very good scheme. Credit facilities have been provided to the poor and the downtrodden. I remember those bad old days when during the British regime, while a poor man with shattered clothes on his person, would pass by the bank and go to the window he would be taken to be a pick-pocket and handed over to the police. Now what is happening? Loans are being disbursed by the Ministers, not to one, not to hundreds but to thousands of people so that the poor and downtrodden, the Harijans and Girijans—who have no land, no means of income—can, with the help of those loans, earn their livelihood.

But they find practical difficulties. What is actually happening? In the first instance, the loans are sanctioned after a great strife and struggle and if they succeed in having

the loans sanctioned, they have to part with money for that. Corruption is rampant. I say on the floor of this House. I don't say it for the first time. I have said it earlier also. When the persons applying for loans are unnecessarily harassed, concrete instances come to our notice. Complaints are made to us. We forward such complaints to the Minister with our DO letters. The reply is: I am in receipt of your letter. I am having the matter looked into. The matter is looked into but it is all an exercise in futility. What comes out of it? Nothing. The inquiry entrusted against a particular person of the Banking Department, is being done by the official/officer of the Banking Department itself. He would not like a man of his Department to suffer and would never make a report based on facts, which may be detrimental to the cause of that employee. I must have written so many letters, and not in one case was the action taken against the defaulting employee. Suppose a loan of Rs. 5000 is sanctioned, there are standing instructions from the Banking Department or from the Government of India that to that extent, no surety would be asked for but to harass them just to force them to part with a portion of the loan, with a view to greasing their palms. So, they are asked to bring surety, failing which no money will be paid to them. The Government of India, through the Ministry of Finance, is doing so much to provide facilities for the poor and the down trodden who earn their livelihood with the help of such loans. The whole responsibility devolves on the Minister's shoulders to take such cases of corruption to their logical end.

SHRI EDUARDO FALEIRO: I accept this responsibility. We have this responsibility. I would, in fact, request all the hon. Members to bring any such case to my notice and I assure that we shall fulfil our responsibility.

SHRI CHIRANJI LAL, SHARMA: I am glad that Mr. Eduardo Faleiro has given a categorical assurance that as and when such cases are brought to his notice, action will be taken. I am happy that some concrete results will follow.

A word about the provision of housing facilities. Since the British days, the poorer

sections of the society, especially the Harijans, members of the backward classes, the landless and the down trodden are living in small hutments and kotherries. You go to the villages and see the condition of their houses now. Under the 20-point programme, a plot of 100 sq. yards each are made available to all Harijans, members of the backward classes and the landless people in the villages. Now, for building houses, they need money. How can a poor person afford to build even one room with Rs. 4000 to Rs. 5000 of loan when prices have shot up so high? What is actually needed is some solid financial aid for the construction of houses which should be given to them. The quality of the houses which are being built in the villages for the Harijans is hopeless. The material used is of sub-standard quality. The poor persons do not have the courage to complain. Not to speak of villages, what is happening in Delhi? What is the condition of the houses being built by the DDA in the capital of the country itself? There are thousands of complaints of inferior quality material being used. Will the hon. Minister look into all this? With these words, I conclude.

[*Translation*]

SHRI RAM NARAIN SINGH (Bhiwani) : India is a vast country. 80 per cent of its population is living in the villages. Government's policy of alleviation of poverty has been going on for considerable time. Pandit Chiranjilal said in his submission that if villages are to progress, water and power has to be supplied to them. I fully agree with it and I have submitted earlier also that it is essential to alleviate the poverty of 80 per cent of our population living in the villages. Provisions have to be made to supply water and power before implementing other schemes. I will even say that the way priority has been given is not proper. The most important Department is that of Defence on which the unity and integrity of the country depends. Whatever amount is spent on that Department is not enough. Rs. 13,000 crores have been earmarked for Defence expenditure. If the allocation is enhanced, it will be better because Defence Forces are most essential for our country. Irrigation and Power should be accorded next priority.

You are incurring more expenditure on other areas.

All the hon. Members from Bihar have been making hue and cry about the destruction caused by floods. Apart from floods, there are several states like Rajasthan, Gujarat, Haryana etc. which are hit by drought. If dams are constructed on all rivers, it will be possible to generate power and floods can also be prevented. Consequently, the people will not have to face floods and at the same time they will be able to lead a better life. I want to submit that it will not only improve the condition of the farmers but of the labourers as well.

Today we see that Punjab is the most prosperous state of the country. It has become possible because of the Bhakra Dam and for that credit goes to Pandit Jawaharlal Nehru. But there was unequal distribution of its water and Punjab received a larger share as compared to Haryana. That is why Punjab is so prosperous today. You will not be able to find a labourer there even by paying Rs. 30 as wages. All the agricultural labourers come from Bihar but they take considerable risk in the process. However, in Haryana, labourers are available even at Rs. 25. As regards the situation in the adjoining Rajasthan, you are well aware of it. Government has undertaken several relief works there. A labourer is getting Rs. 11 in these relief works. How can he keep the pot boiling with only Rs. 11?

The Rajasthan Canal is the largest canal in India. 20 years have passed since its inception. Had more assistance been granted to it, the canal would have been completed by now and so much of food-grains would have been produced in Jaisalmer, Barmer, Bikaner and Jodhpur that it would not have been necessary to import 10 million tonnes of wheat from U.S. Thus, crores of rupees could have been saved.

Water and power are the two most essential requirements of the farmers. The thein dam project had been sanctioned by Punjab Government long ago but it has not been constructed so far. It has been delayed considerably. Just now hon.

Member, Shri Chiranjil Lal was speaking about S.Y.L. Canal. It was sanctioned in 1976. Haryana completed its part by 1980. At that time the estimated expenditure was only Rs. 45 crores. It would cover 212 kms. in Punjab. Twelve years have since passed. It has been stated 4 to 5 times that it will be completed soon but it has not been completed so far. It was stated earlier that the project would be completed by 31st March of last year but it did not happen, subsequently the deadline was extended upto October which too was not kept and later. It was further extended upto December. But it was not completed even by December. Shri Chiranjil Lal said just now that only some Central Government agency would be able to complete it. Now this dam is being constructed by the Punjab Government. It is being delayed to prevent Haryana from getting its share of water from Punjab. With the completion of this dam, Haryana can supply half of the fodder and foodgrains requirements of Rajasthan. In the absence of this canal, Haryana is facing an annual loss of Rs. 100 crores. Some or the other dispute is raised in this regard. Last time, a dispute arose with a contractor and he took a stay-order from the court. Besides, an aqueduct is to be constructed over the Sirsa river but the work is held up at present on account of the stay-order. Now it will take another year. This state is under Central rule currently, and Government can give directions and entrust the work with some Central agency. If you do not want to entrust the work with some Central agency, then let it be entrusted to the Governor. A high powered committee is already there but it has been of no avail. I have seen there myself that the work is not progressing and that is why I do not expect that canal would be completed by 31 December, 1988. When I wrote to the Minister, he replied that the canal would be completed by such and such date. The floods which are constantly affecting States like U.P., Bihar and Assam, can be controlled fully by constructing dams. Just now some hon. Member from U.P. was saying that floods had devastated the areas of U.P. and Bihar and if dams are constructed, floods can be prevented and India would become very prosperous. The same holds true for the Rajasthan canal. I will say that if maximum funds out of the

Budget outlay are allocated for Defence, Irrigation and Power, poverty will be alleviated without much effort. Purchasing capacity will be enhanced in the rural areas. The poor man will get proper wages and the farmer a good yield. Here in Delhi, land sells at Rs. 5000 to Rs. 10,000 per acre. There were 360 villages here earlier. The market value of land in these villages would not be less than Rs. 200 or Rs. 400 per square yard but D.D.A. acquires this land at Rs. 15 per square yard. The people whose land is acquired are poor farmers having 2 kils or 4 kils of land and it is acquired from them at a low price. Supreme Court has given a ruling in a case concerning the State of Orissa recently that market value has to be paid and the order of Orissa High Court was set aside. But here, market value is not paid. The amount given as compensation is very much on the lower side.

Secondly the interest has been reduced by 2 per cent. Reducing the interest by 2 per cent does not help. You give subsidies. As per your own Statement, subsidy worth Rs. 3000 crores has been given on fertilisers but those subsidies are pocketed by middlemen and the factory owners and they do not pass on the subsidies to the farmers. As my other hon. friends have also stated, if you want to grant subsidies, you should reduce the rate of interest. It should be reduced by 4 per cent or 6 per cent. The subsidies are pocketed by bank officials. There is a lot of corruption in banks. They charge 10 per cent to 25 per cent of the loan amount as commission otherwise they refuse to give loans and that is why an anti-corruption Department should be set up to keep vigilance in this regard.

I want to submit one or two points about the Defence services also. I hail from Haryana where a large number of people are serving in the Defence forces... ..

PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh): Hasn't Shri Devi Lal written off the loans?

SHRI RAM NARAIN SINGH: You belong to Rajasthan. I have raised the issue of Rajasthan, but the Rajasthan canal has not been completed so far. Had

it been completed, it would have benefited the entire country, but 20 years have passed since the work on this canal started. The Central Government has provided substantial assistance but in spite of it fodder costs Rs. 60 per quintal whereas in Haryana it costs Rs. 20 and large quantities of fodder are sent to Rajasthan as well. As regards, Jaisalmer and Barmer, the situation is very grim in these areas and there is an acute scarcity of drinking water. Had this Canal been completed, these difficulties would not have arisen.

There are many militarymen in Rajasthan and Haryana. Their main problem is that they are not being resettled properly. Arrangements for their resettlement should be made and they should be provided jobs in the C.R.P. or B.S.F. A militaryman retires from service at the age of 35. There is a big difference in the amount of pension today. A Subedar who was retired from service 10 years ago is getting Rs. 350 as his pension whereas a soldier retiring today gets Rs. 400. Thus, the pension of a soldier is more than the pension of a Subedar. I think this difference should be removed and "Same rank same pension" theory should be adopted. The hon. Member of this august House retired General R.S. Sparrow, who was retired a few years ago is getting less pension than a Col. retiring today will get. I am of the view that arrangements should be made to remove the differences in the amount of pensions of the army personnel.

SHRI RAMSWAROOP RAM (Gaya) :
Mr. Chairman, Sir, I rise to support the Finance Bill presented in this House. When we think about India we find that real India lives in the villages and the development of the villages is the real development of India. That is our principle and that is our thinking also. When we go to see the villages having 80% of the country's population, we find that no industry has been setup there. There is no other country in the world where the means of livelihood of 80 per cent of its population is agriculture and the rest 20 per cent people are either employed in offices or in other industries. After 40 years of independence, we have just become able to provide means of livelihood to only 20 per cent of the

population by the employing them in the industries or in Government offices. But 80 per cent people living in the villages are still feeling themselves a neglected lot, you take any village as a unit, you will find that the demands of the rural people are not unlimited. The rural people demand only two things, the water and electricity for their fields. If water and electricity are supplied to them properly they claim that they will make the country self-reliant in the matter of foodgrains. We are self-reliant even today but due to natural calamity the Indian Government has to import 10 lakh tonnes of wheat from other countries. But, even after facing such a severe natural calamity not even a single citizen died due to starvation in the flood or drought affected areas. All this could become possible due to the efficient leadership of our Prime Minister and the guidelines issued by him. I think, this is one of the greatest achievements of the Government.

Pandit Jawahar Lal Nehru had envisaged during the second five year plan that it would not be possible to adjust the whole population of the country into agriculture. It is, therefore he adopted the process of industrialisation. No doubt industrialisation has been encouraged, but unfortunately, lakhs of small scale industries are in a sick position in every state. We could have generated large employment potential but we have not been able to do that because of two reasons. The first and the major one is the shortage of power. I come from Bihar. Bihar state is very rich in mineral reserves. Almost all the requirement of minerals is met from Bihar, but when we see the per capita income of the state, we find it to be the lowest as compared to other states. In the matter of industries also we have not been given our due share.

Today, we are a victim of regional imbalances, we are facing this problem. In Punjab you have supplied water to every field and power to every pumping set whereas in Bihar there is no water for every field and electricity to every pumping set. However, the land in Bihar is very fertile. If the Government provides more irrigation facilities to Bihar, there will be no need of importing foodgrains from anywhere and our country will definitely be self-reliant so far as foodgrains are

concerned. Therefore, the Government should consider to establish agro-based industries in the villages. For example sugarcane is there. If we include it as an item of agro based industry, we may create more employment potential in the villages, we can increase employment potential by establishing small industries of industrial alcohol in the villages. But nothing like this is being done.

So far as the position of electricity is concerned, Koil Karo Project was sanctioned twenty years ago. That time this project estimate was 284 crore but now it has gone to Rs. 692 crore. As a result of this delay other projects are also not being completed and the backlog as well as the liabilities are increasing day by day. The Government should pay attention towards this aspect also. As for as industrialisation is concerned we can increase employment opportunities by resorting to industrialisation. Therefore incentives should be given for setting up industries there. The banks should cooperate in this matter but they are not cooperating at all. The concept of 'Gramin Banks' (Rural Banks) was originated under the stewardship of late Shrimati Indira Gandhi. She had a plan to take the big banks to the villages and it was carried out. She thought to take the marginal farmers about the poverty line by giving them more and more help through these banks, but the Banks have taken no step in this direction. The rural Banks of Hindustan have become the centres of corruption. For example, if anybody is to take the loan of Rs. 200 from the Bank, the officials in the bank deduct Rs. 500/- as their commission in advance and pay only Rs. 1500/- to the farmers. How the development of farmers is possible in such a situation. Hon. Prime Minister has at times referred to the scheme of District Level Planning. The Government want to implement District Level Planning, But the plans are prepared in air conditioned rooms in Delhi and when these plans reach the villages they are totally disfigured.

SHRI VIJAY KUMAR YADAV : Who does it ?

SHRI RAMSWAROOP RAM : The bureaucrats and the bank employees do it. It is, therefore, the hon. Prime Minister has

referred to people's participation. We people do not know as to how much loan the bank is going to sanction. We have the elected representatives, legislatures but do not have people's participation... (*Interruptions*)

This is not the question of the Congress or the Communist party, this is the question of the development of India. We do not talk of politics in the matter of development of the country. We are interested as to how the poor people of this country can be raised above the poverty line and how more facilities can be provided to the marginal farmers. This is my intention, intention of our party and of our leader. We do not see every thing from political angle. The opposition parties criticise even the good policies of the Government, Mr. Chairman, Sir, I think that directions should be given to banks to adopt the principle of "First Come First Serve". It is unfortunate that at the time of such an important discussion, no one from Department of Finance is present in the House. I hope that the Minister of Welfare sitting in the House will convey our feelings to the Ministry of Finance. There was a session of A.I.C.C. held in Madras on 23-24th April and that has been session where guidelines were given to the Congress Party. A resolution of Socialistic Pattern of Society was adopted in the Avadi Session.... (*Interruptions*) Secondly, we gave a slogan of 'eradication of unemployment' on 23-24th April under the leadership of Shri Rajiv Gandhi. This is not merely a slogan, we are making efforts to translate it into reality. The hon. Members in opposition ask about its achievements of the slogan 'eradication of poverty' May I know whether the standards of living of the poor people have not improved? Had there been no success, it would not have been possible to bring down percentage of the people living below the poverty line from 54 to 33 per cent. But this is a vast issue and it requires action in a planned manner. This can not be done by shouting slogans only. The slogans are raised every day but these are not implemented in reality and the result is that the poor people cannot derive any benefit from them. You, therefore, go on raising slogans. We give to every slogan a practical shape. You might have seen that in the Bombay session the Congress Party adopted the policy of 'One man one job' under the

leadership of late Shrimati Indira Gandhi. We could not give this slogan a practical shape. But, I hope that the slogan 'eradication of unemployment' will be translated into action this time. Under the unemployment eradication scheme a review should be made that if one family has a job and the neighbouring family does not have any job, then the first one should not have any more job until the neighbouring family does not have it. The opposition parties should also support this policy. This is not desirable that the members of the same family are making fortunes in various occupations like industry, legal practice, farming etc. whereas the neighbouring family does not have any job at all. I think if the principle of one man one job is translated into action then, we will be able to make the unemployment elimination programme a success.

Sir, through you I would like to draw the attention of the Government towards some regions of my State. Whenever my state is at the cross roads of development then all the development works are washed away in the fury of floods and the rivers are not a cause of these floods. We have not been able to properly harness the river waters and also to properly utilise it. The cause of this year's floods is improper utilisation of water in the state. The reason behind this year's floods, besides natural calamities, in the irresponsible behaviour of the bureaucrats, the engineers and other officers. The hon. Minister is requested to go through the last 10 years data regarding release of water into the rivers and also to enquire into the causes of water released into the river this year in comparison with the figures of previous years. On enquiry the hon. Minister will find that this year less water has been released into the rivers than the last five—seven years. Therefore I request the hon. Minister to go in for proper utilisation of the water of the rivers of Bihar so as to save it from fury of the floods.

[English]

MR. CHIRMAN : Please resume your seat. I have given you enough time.

SHRI JAGANNATH PATNAIK (Kalahandi) : I rise to support the Finance

Bill. But first let us express my anguish because when such an important bill is being discussed nobody from the Finance Ministry is in the House.

MR. CHAIRMAN : The Ministers are here.

SHRI JAGANNATH PATNAIK : It is a joint responsibility. I know.

MR. CHAIRMAN : He will be coming soon.

SHRI JAGANNATH PATNAIK : The Budget and the Finance Bill which has been introduced to give effect to the Budget proposals precisely want to achieve growth with social justice which is the aim that is sought to be achieved by the Budget and through the instrument of Finance Bill.

Our Constitution declares that "our economic schemes should be so operated that it shall not result in the concentration of control and ownership of means of production in a few hands". Otherwise, we cannot achieve our goal of socialism.

I need not go in detail about our magnificent development in the field of production, in the field of science and technology, industry and agriculture and so on. Even the World Bank report has admitted that from the point of view of economic progress, high production, long term fiscal policy, India stands first among the developing nations.

But despite all these glorious achievements, much more has to be done, on our long road to provide social justice and to achieve socialism, eradication of regional imbalances and eradication of unemployment. I want to mention one or two points on this, in this discussion. Eradication of regional imbalances is the imperative need today. There are imbalances in inter-State development, and inter-districts also there is imbalance. Therefore, a district should be taken as a unit, as a basic unit, for planning and there should be a constitutional status for the district also. For the eradication of poverty, unemployment,

removal of imbalances, a multi-dimensional strategy is required which would provide a sudden and definite big push for development.

The Gadgil formula has not been able to help the States, especially States like Bihar, Uttar Pradesh, West Bengal and Madhya Pradesh. By this formula, rather on the contrary, the richer States are getting more benefit, and so we strongly feel that this formula should not be applied to all the States. These States have lot of mineral wealth and even the payment of royalty on minerals to these States is unfavourable when compared to the other goods like agricultural products, and even textiles.

Irrigation is one of the most important factors to eradicate regional imbalances. So far my State, that is Orissa, is a poverty stricken State and is much more underdeveloped than others, and the irrigation potential there is only 27 per cent as against 60 to 70 per cent in other developed States. That is why the Centre should come to the aid of the States like Orissa, because in Orissa water resources are there but the water flows down to Bihar and there is scarcity in some areas, and flood, in other areas. If the Government of India comes in a big way for better water management, utilisation of water resources by completing the projects like Indravati, Utei, Lower Indravati, and Udavli, and harness the rivers which are perennially flowing into the sea, the chronically drought hit areas like Kalabandi, Koraput, and Bolangir can be helped. These irrigational facilities will not only solve the problem of chronically drought affected areas, but it will add to the national granary. From that point of view, Orissa should be treated as a special State and all Central assistance should be given for irrigation.

Sir, fifty per cent of the total population of Orissa are Adivasis and Harijans are nine districts out of thirteen districts belong to the Eastern ghats. As per the present definition of the hilly area, these areas are not included and these areas are being deprived of all the benefits of the Hilly Area Development Project, which the hilly areas in all other States are getting. So, all the districts, of

Eastern ghats should be included in the Hilly Area Development Project.

Sir, Orissa is under drought and floods for consecutively four or five years. As per the recommendation of the Finance Commission, the total plan assistance that has been given to the State, should be converted into one hundred per cent grant.

So far as the public distribution system is concerned, because of the severe drought condition in the State, more allocation of rice should be given.

Sir, we have already expressed our anguish and anger that sufficient attention has not been paid to our State in the Railway Budget. With the mineral and natural resources, there could have been a better infrastructure for industrial and economic growth, if Railway Budget has given sufficient and due attention for Orissa State. Sir, you know, the basic infrastructure for the development of any place, especially poor and hilly areas, is communication. Electricity is one of the basic infrastructures. There are many schemes under National Highways, such as the proposal before the Road Congress that there will be a national highway from Gopalpur connecting Madhya Pradesh and this road will go via Udavli, Kalabandi and Bolangir, which are the most tribal based and backward areas. This National Highway should be given due attention. Bolangir and Gopalpur Ports should be given all attention by the Centre for the economic development of the State.

Now, we in shortage of power, but there are huge coal deposits. The Thermal Project and the Super Thermal Project of Talcher should be taken up immediately. You know, 'Indiravathi', which is a multi-purpose project, will irrigate three lakhs of acres of land in the district of Kalabandi, which is affected by drought, and it will generate 600 MW power. It is a hydel project. But, unfortunately because of lack of progress, cost escalation is going up. The NPCC which has taken up the work, is not doing the work properly and their work is not at all satisfactory. So, it should be monitored properly. Because of non-completion of the projects in the country

in time, cost escalation is unnecessarily going up.

So far as industry is concerned, our is very backward and there was a commitment from the Government of India for setting up a second Steel Plant in our State and it should come up immediately.

With regard to the concept of 'No Industry District' there is a proposal now that a new thinking is coming up. I want to know, when the new thinking will come up. Most of the areas like Kalahandi and others have not been included despite the recommendation of the State Government that it should be included in 'No Industry District'.

I would like to suggest that public sector should come in a big way for setting up some industries in the most backward areas of the country.

Sir, unemployment is another name of the poverty. By the end of the Sixth Plan, 303.3 million people were unemployed and the annual growth rate of labour works out to be 2.41 percentage—almost the rate of increase in population. All thrust should be given for eradication of unemployment. We hope that the new programme that was given in Madras AICC by our Prime Minister Shri Rajiv Gandhi '*Bekari Hatao*' will come up and it will raise a ray hope, and curb the most dangerous unemployment situation. All thrust should be given in this centre.

Sir, land reform is another essential sector to bring out socio-economic equality in rural areas, to create basic incentive, and to create more production. So speedy and proper land reform measures are the only way to eradicate poverty in rural India. Our country has become over-population. Almost all the demographers, who have studied the dynamics of India's population have concluded that India is deep in the population crisis. This was predicted by Malthus. Hence they predict that unless India sets her demographic house in order by checking the growth of population, all the effect towards economic development would be as futile as trying to construct a bridge in a swift flowing river. All atten-

tion should be given so that population explosion is checked; otherwise, despite all our industrial and agricultural growth we will not be able to reach target.

The economic development is not merely a matter of economic resources, it also depends on urges, attitude, aspirations of the people.

To eradicate poverty, we should fight against concentration of economic and social power in the hands of upper strata of society. Our resources are limited. They are taking the maximum benefit of the entire growth. So there is a need for social growth, equal distribution and curbing those people who are exploiting the people. Unless we cannot take these steps, we cannot bring socialism.

Simultaneously there should be a cut in the administrative expenditure. According to the norms fixed by the Administrative Reforms Commission and the value fixed for administrative expenditure, it should be limited to 20 to 25 per cent. The administrative expenditure by and the luxurious expensive various corporations is unproductive expenditure. It is a national waste. So some control should be exercised upon it.

The drive to unearth black money should be continued vigorously and it should be ensured that no offender is spared. Otherwise, this black economy will create a very alarming situation in the country.

In the end I want to quote Pandit Jawaharlal Nehru. He said :

"The strength of the country depends not only in its military strength but in its economic strength, its political stability and indomitable spirit of the people.

The Finance Bill is, in fact, a direction in which our leaders want to take the country i.e. to remove poverty and achieve socialism. By a single Budget we may not be able to achieve the target. But this, in fact, is the attitude and determination of the Government.

[Translation]

***SHRI V. S. VIJAYARAGHAVAN** (Palaght): Sir, I support the Finance Bill. This year's taxation proposals are basically non-inflationary. The Govt. has reduced the excise duty on many items of daily consumption. The allocation for the agricultural sector as well as the infrastructural sector has been raised substantially. If there is no agricultural development economy will suffer. In spite of the fact that the country faced the severest drought of the century not a single person has died due to starvation. This is a reflection of the efficiency of the Govt as well as the achievements we made in the agriculture sector. The allocation for agriculture has been raised by 40% this year. Similarly the allocations of power, surface transport and communications were raised by 32%, 40% and 44% respectively. The aim is to speed up the pace of development I welcome it.

I now come to the direct taxes. There has been a strong demand for introduction of expenditure tax. The opinion of some experts is that the expenditure tax should replace the present income tax. Although the Govt has conducted a study about it has rejected this proposal. The expenditure tax is being levied on hotels only. I feel that it is not enough. A more detailed study should be conducted about this tax and if found practicable it should be extended to other areas also.

I want to say a word about income tax. Many hon. Members who spoke prior to me demanded that the exemption limit of income tax should be raised. I had made the same demand while speaking on the general budget. I would reiterate my demand that in order to provide relief to the fixed income groups who are hard hit by price rise the present limit of income tax should be raised to at least to Rs. 25,000.

With regard to indirect taxes I have a suggestion to make. The Govt should prepare a list of the most essential commodities used by the common man and should not impose any further excise duty on them at least for a period of 10 years. Similarly

the existing excise duty on these items should be reduced progressively. The revenue loss due to this measure could be made up through other means. If you can keep the prices of essential commodities under check I think half the problems will be solved. If you take into account the relief such a measure would afford to the common man a little revenue loss is not of much consequence. Therefore, I would earnestly request the Govt not to impose any further excise duty on essential commodities at least for a period of 10 years.

* Sir, export and import play a very important role in the economic development of the country. The Govt recently announced the new import export policy for coming 3 years. Unfortunately, this policy is going to harm the interest of Kerala. Copra coconut oil, cloves, nut-med etc. have been put under OGL for import. If this policy is implemented the prices of these produced will decline. A decline in the prices of these will certainly ruin the farmers of Kerala and its economy. Many representations have been made to the Govt in this regard. On this occasion I would request the hon. Minister to review this policy and put a ban on the import of coconut and copra.

I want to say a few words about the industrial development of Kerala. There is very little investment in the central sector in Kerala. There are many proposals concerning the industrial development of the State before the Central Govt. Yesterday while answering a question the Minister for industry said that about 20 licences for setting up industries in Kerala have been cleared. I am happy about that. But at the same time I must say that Kerala is facing very serious unemployment problem and therefore large scale industrialisation is very essential. More Central investment is the only way by which this can be achieved. I would request the Govt to increase the Central investment in Kerala.

The Govt has a scheme to expand the TV coverage. In this context I must point out that some parts of Kerala have not yet got TV transmission facility. I request the Govt to cover these also as quickly as possible. Similarly, the facilities for transmission of Malayalam programmes in all the

*Translation of the speech originally delivered in Malayalam.

TV centres in Kerala do not exist at present. I would request the Govt to provide this facility in Palghat and other TV Centres. There is a proposal to use micro wave for providing the facility for transmission of Malayam programme in Ernakulam and Calicut. I demand that this be extended to Palghat also.

There is a centrally sponsored scheme to dig wells on a massive scale. 10 States have been selected for this purpose. My request is that Kerala should also be included in this project.

All countries in the world which are producing coconut have declared coconut as oil seed. But in India we have not done far. This has deprived the coconut growers of Kerala of some very crucial benefits. I would request the Govt to declare coconut as oil seed.

Sir there was a proposal to set up a thermal power plant in Kerala which has not yet been finally cleared. This plant is very essential for meeting the growing power requirement of that State which is facing serious power shortage. On this occasion I would request the Govt to set up this plant in the 7th plan itself under the Central sector. There are many other power and irrigation projects pending clearance. For example Kuniarkutty-Karapara, Pooyamkuttu projects have not yet been cleared due to some reason or the other. There are very important projects and I request the Govt that these projects should be cleared at the earliest.

I welcome the reliefs given to the farmers in respect of their loans. But I want to say that the farmers have not yet got the benefits of this reliefs. I want to point out one important thing in this connection. In many cases the interest on loans get accumulated and accede the capital. This should not be allowed at all. Similarly, the short term loans should be converted into long terms and the period of repayment should be rescheduled.

There has been increase in the allocations for the anti-poverty programmes like IRDP, NREP etc. But these programmes are not being implemented properly Kerala. Perhaps the State Govt is not very

much interested in the proper implementation of these programmes.

The Centre has to take more interest in the implementation when the State Govt does not show it. I want the Central monitoring to be strengthened, I would also demand that the Central Govt should pull up the State Govts which do not implement the anti-programmes properly. With these words I once again support the Finance Bill and conclude.

[English]

SHRI SOMNATH CHATTERJEE (Bolpur) : Mr. Chairman, Sir, one of the publications that we had along with the budget papers says :

"The Budget of the Central Government is not merely a statement of receipts and expenditure. Since Independence with the launching of Five Year Plans it has also become a significant statement of governmental policy. The Budget reflects and shapes and is in turn shaped by the country's economic life."

And it further says :

"The Budget to the Government has an impact on the economy as whole."

Sir, I am reading it only to emphasise that what is being said in these papers is that the Budget proposals will give the direction to the economy of this country and will reflect the economic situation in the country. It is totally belied by what the Budget really provides and the Finance Bill which is to give statutory garb to the Budget proposals seeks to achieve.

Sir, what is the economic policy of this country as reflected by this Budget? And what is the shape of the economic life of this country, as one gets through this Budget? Today the reality of the situation in this country is mounting unemployment, steep price increases, greater and greater industrial sickness and even the totally giving up of the principles of self-reliance so far as industry is concerned, with the imports coming in at a brisker and brisker pace with modernisation becoming an obsession with the rulers of this country.

What we have today is that our own industries are becoming sick, there are 1,50,000 sick industrial units in this country, and this is increasing almost at a GP rate. And about unemployment, today the problem in this country is not how to get jobs, which is very much there. But for those people who have jobs the problem is how to keep their jobs because the way the industrial units are becoming sick, even the Government undertakings are being closed down, retrenchment is taking place and modernisation, computerisation, seem to be the goal, not the human elements in this country, not a person who will have two square meals a day. This is not the object. The question is, in the name of productivity today you have denuded this country of any protection so far as the working class is concerned, so far as the youth of this country is concerned. Sir, some of the hon. Members on the other side are reminding us today: 'Well a new Messiah has come and anew slogan has been given—end of all misery—no longer *garibi hatao*, *garibi* has been hatao-ed.' Mrs. Indra Gandhi was intelligent, she was a statesman she could feel the pulse of the people. When she realised that the slogan of '*Garibi Hatao*' was no longer having any impact on the people, she did not repeat it. Now, with the present Prime Minister having thought that *garibi* is no longer in this country, now says, '*Bekari Hatao*'. And I challenge this Government to show how they are trying to solve the problem of unemployment in this country. And what is in this Budget, what is in this Finance Bill which help in creating a single job in this country? These are mere, mere gimmicks and shibboleths that will not solve the problems of this country. The people have given to you, the Government, the responsibility of governing this country. You are here in power, this Party is in power for almost 40 years now.

You have prepared the plans. Seven Five Year Plans have been prepared by this Government. The State Governments, and Opposition Parties are not responsible for that. You have prepared the Budgets.

You have your own economic policies. Today at the end of 4 decades of independence, who are at the receiving end and who are ruling the roost? Who has got really

the benefit of freedom? Who is enjoying it? One does not have to give any lecture on that. You may have your doctored statistics. You can go on trumpeting yourself that the number of people below the poverty line has gone down to 37 from 54%. You may have your statistics. But go to the people and find out. You may go no saying, well the wholesale price index has gone up only by 0.9%, 0.3%. But go to the people, go to the ordinary shops. I am sure, Mr. Panja will accept this before his gracious lady. He cannot deny this fact. He cannot meet her there. Therefore, I am trying to find out this. I hope this Government and the hon. Minister will tell us once more, if we are not ingelligent enough to understand what is the direction this Budget has laid down for the economy of this country. The spape of the economy we are told the direction of the economy we are told—through which—through this Budget. The Budget deals with what in this country. This Budget has no longer remained a relevant document. It has become a mere ritual because most of the resources are mobilised outside the Budgetary process. That is why, it has been said that the whole Budgetary exercise has become an annual confidence trick so far as the common people are concerned.

The Budget as well as the Finance Bill have lost their credibility because the Budget has become a non-event, thanks to the intention of producing soft budgets, as if it is a sort of policy of th's Government to produce soft budgets. Well, they will be eulogised by cacophony of sycophantic hurrahs and what else: This is a grand budget. No taxation is being imposed on this. But, Sir, what is the position? It is necessary to recount this once more. We have emphasised on this earlier. The bulk of the resources to be mobilised by the Government do not reach its coffers through she budgetary process. It is entirely outside the budgetary process. You are aware of it and I give the figures. It is important to noted it once more. The total additional resource mobilisation for the year 1988-89 through pre-Budget increase in the administered prices is Rs. 2,000 crores (in round figures). Increase in railway fares and freight is Rs. 622 crores. Increase in postal and telephone rates is Rs. 549 crores; aggregating

Rs. 3171 crores. Then, it is to be added—internal extra budgetary resources Rs. 12,715 crores. Internal borrowings—Rs. 14,484 crores. RBI credit they have to obtain to meet their deficit of Rs. 7484 crores. Sir, if we compare to this, the net taxation proposal in the Budget is Rs. 615 crores only. The total internal resources mobilisation including that of Rs. 615 crores is 30685 crores. Against the figure of Rs. 30985 crores, Rs. 615 crores are being realised through the Budget. If you take the Public Sector Undertakings borrowings and external assistance, the grand total of the Government resources to be mobilised during 1988-89 comes to Rs. 36719 crores.

What is the percentage of the fiscal proposals in the Budget which today the Finance Bill seeks to give a statutory shape? The minimal role that is now being played by the fiscal proposal in the Budget and the Finance Bill which follows that, shows that Budget cannot be the document which will give shape to the economic policy of this country. It is for public consumption. You have not the courage to tell the people You cannot go and meet the people. You say "Yes. Through the Budget, I shall recover this." In the same way, not only you are hoodwinking the people but also you are depriving the States of their legitimate share in the resources which should have been mobilised through the Finance Bill.

Every hon. Member, it is not only Left Front Members from West Bengal or from Kerala, but each and every hon. Member yesterday, even today and the other day also, has been speaking of regional imbalance in this country. Even just now, the hon. Member from Orissa, the hon. Member from Bihar, these States which as ruled by Congress-I, are also crying in agony. How India as a whole can progress and prosper? Why this regional imbalance? Why this feeling of abnegation of sections of people of this country who are not fighting against this Government and who are supporters of this Government and who are here representing ruling party in this House? Why have they to shout? Why have they to cry in agony? The position has become this, that the policy that has been adumbrated and pursued in spite of good

intentioned in criticism, that policy has brought this situation, mounting unemployment, greater industrial sickness, greater regional imbalances and larger number of people below the poverty line. You may deny that. The hon. Minister can give us statistics. You may not look beyond your nose. But I want to tell this Government that so far as this country is concerned, a country with immense natural resources, with immense potential, both natural and human, we are proud of our scientists and technologists but what is the position? Today they have become important to us as remitters of foreign exchange from foreign countries. This is how we look towards our scholars of whom we should be proud and they should have contributed to the progress of this country in various ways.

Mr. Madhav Reddi said "Why do you object? They go there. They are sending us money and ultimately they will come back to our country." Why are they going away? Should we look up to our bright young men and women who can contribute to our progress, both materially and otherwise, as earners of foreign exchange? This is the result of our economic policy and educational policy in this country.

The Finance Bill, as I said, only deals with a minimal quantum of the resources that are being raised in this country. I would draw the attention of the hon. Minister, at least I am lucky to have one Minister of Finance here when I am speaking, to Clause 15 of the Bill. Mr. Madhav Reddi rightly pointed out, "This is not a sort of an innovation which seems nothing but a perversion."

This is directed towards depriving the States by fiction, of the legitimate resources which ought to the State Governments. As is being pointed out, it is not only the Opposition-ruled State Governments that are saying this but, subject to correction, almost all the State Governments have made representations to the Central Government that this will very substantially impinge on the resources of the States. What is being thought of in this new Clause 44-AC? Clause 44-AC provides that in respect of certain contracts, certain goods like liquor forest produce etc. what will happen is when

they are sold mostly by all the State Governments in different areas, then the purchaser will be deemed to have made a profit of 60 per cent—a deemed profit of 60 per cent. Now, it has been somewhat reduced in the amendments that have been proposed yesterday by Mr. Tiwari. It has become 40 per cent, 35 per cent etc. But there is a deemed profit at the time of transaction. The result is—as has been rightly pointed out and I strongly support Shri Madhav Reddi's contention and I must reiterate also—that the purchaser is bound to keep his offer low because notionally and fictionally, there is a profit of 60 per cent or 40 per cent now for that matter. The result is the total amount that would have been realised by the State Government is reduced. There is no scope for ascertaining the actually profit made. So far as the State Government is concerned, it will be very lucky if it can realise even 70 or 60 per cent of the real price of the goods because the purchaser will cover up his income-tax, so far as the price is concerned. Then, there will be no scope for imposition of Sales Tax, recovery of dues of State Governments. What will happen? In a matter, which should be ordinarily within the domain of the State Government, is now being diverted to the Central Government. I would very sincerely ask the hon. Finance Minister as to what is his calculation. How much money will you get by this? Why do you impinge on the State Governments meagre financial resources. This is something which is without any precedent. What has further been provided is that the State Government or the Seller will recover 20 per cent by way of advance tax.

SHRI C. MADHAV REDDI (Adilabad) : No. It is not advance tax. It is by way of tax.

SHRI SOMNATH CHATTERJEE : I stand corrected, it is by way of tax. We know a person who pays can be asked to retain some money by way of collection of tax, recovery of tax, calculated at source, as it is said and done. But here, the concept is, it is introduced for the first time. On the person receiving, he has to receive 20 per cent more. What is this? There is not much expertise in this innovation. In this innovation the States' rights are every

seriously affected. There is Section 206-C. What is being provided, would be sufficient for the purpose of recovery of the dues of the Income-tax authorities, if it is otherwise.

SHRI C. MADHAV REDDI : At source.

SHRI SOMNATH CHATTERJEE : If it is ultimately 'at source', then this is a valid law, a good law and Section 206-C will achieve its object. But why this Clause 44-AC is there even with reduction? The hon. Finance Minister—I find from the other reports—has said that there have been several representation... (Interruptions) You also said : "We have received several representations". Our State Government and the different State Governments also tell us of all their difficulties. Therefore, I most earnestly request the Government and the Finance Minister—I hope Mr. Panja will not only pass on the notes but he will also speak to the Finance Minister, his senior colleague—that this is a matter which is required to be looked into in-depth and unless there are compelling reasons, please do away with this tax. It will not help either the Central Government in a big way or it will only put difficulties for the State Governments.

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : If I am permitted.

If you give me five minutes .

Mr. CHAIRMAN : Five minutes? You can ask a question.

SHRI A.K. PANJA : Five minutes, as I said. But not five minutes actually Section 44AC has been introduced for the specific purpose to get rid as far as possible of the tax evaders.....

SHRI C. MADHAV REDDI : That is all given in the report.

SHRI A.K. PANJA : Mr. Chatterjee took my name, that is why, I am telling. It is not as personal explanation. But when he insisted on this point I must explain that we found that at the time when actual

bidding of the contract is entered into, he is doing so for the purpose of making some profit of some business. It is for the benefit of the States who will get ultimately a portion of the benefit of the tax collection. We found at the time when the actual taxation takes place suppose, in six months, we found that there is no such person or firm, and there is no genuine address. Therefore, we have to deduct it at the very beginning i.e. at source. This amount is also taken as portion of the amount to be paid as tax later.

SHRI SOMNATH CHATTERJEE : I am thankful to him.

SHRI A.K. PANJA : I have not taken much time.

SHRI SOMNATH CHATTERJEE : Except that it will not be debited to my time.

The Hon. Minister of Finance, my stronger objection was to the Section 44AC. What the Hon. Minister said is not with reference to 44AC but to 206C. I said: a new innovation has been made which may be difficult. But whatever you want to achieve through Section 206C, namely, collection at source. But Section 44AC is something completely different. Here you are quantifying an amount as profit of that person. Therefore, whatever happens, it is bound to have an effect of reducing the offer of purchase. This is not my apprehension alone. There are number of person—well—meaning persons, knowledgeable persons, State Governments—who have expressed their reservations. Of course, the wisdom at the Centre is unlimited. What can be done? Even then, knowing Mr. Panja's proneness to keep open his mind till the last moment, I hope, he will reconsider the matter.

So far as another aspect is concerned, that is, with regard to the savings scheme, I also reiterate, repeat and support Mr. Madhav Reddi's submission on this, namely, that a commitment was given by this Government that investments made in the National Saving Scheme, I also reiterate, in the year of deposit, there will be no taxation in the next year whenever the amount is

with-drawn. I am not saying anything on that. Now it has become cent-per-cent.

Although, I have given amendment because many people who have acted on the basis of the assurance given by the Government, they feel that it was not right. But what about the interest? Initially, it was fifty per cent of the interest which would be chargeable to tax. Now, the entire amount has become chargeable to tax. Somebody who makes an investment on your assurance, an your commitment is told tomorrow: "no, no, whatever may have been our representation, on the basis of which you have invested in the savings scheme, now we decide to change it. It does not matter whether we have taken you for a ride." This is the position. How does it help? How much money they will make, I do not know. But there is a very strong feeling that those who want to participate in the nation-building projects by participating in the National Savings Scheme, they may have gone for more attractive schemes. But they have not gone so. Therefore, once you have made that commitment, you please, see that commitment is kept.

SHRI A.K. PANJA : I am very sorry. Probably, Mr. Chatterjee was not here. That is why, he said that. This amendment to Section 5 (IA) of the Wealth Tax Act is operative only in respect of sales made by Public Sector Undertakings from the 1st of June, 1988. So, whoever has invested according to the promise already made, they are not affected. Probably you were not here. I don't blame you. I announced this here in this House...*(Interruptions)*.

SHRI C. MADHAV REDDI : I have studied your amendment. This is not so. The amendment is with regard to the other clause. That is with regard to the Wealth Tax and not this amendment is not there.

SHRI A.K. PANJA : Not amendment. As it has been stated by the Finance Minister, already, I have declared about the partnership being operative for the.....*(Interruption)*

SHRI SOMNATH CHATTERJEE : This is 80 CCA,

SHRI A.K. PANJA : We have made an announcement here that this will be operative in respect of Bonds sold by Public Sector Undertakings from 1.6.1988. If there is anything wrong, I will find it out.

SHRI SOMNATH CHATTERJEE : Therefore, the Hon. Minister agrees with our submission. He agrees with our point; but he says that it has been taken care of. I will request him to see that if it is not taken care of, then let him take care of it ; that is the end of the matter.

The one aspect to which I would like to draw the attention of the Minister in this Finance Bill is that even under the Finance Bill and the Budget that is there, what is the position in so far as the quantum of taxes is concerned ? This is very important.

MR. CHAIRMAN : Mr. Chatterjee, you have taken 25 minutes.

SHRI SOMNATH CHATTERJEE : I need another half-an-hour.

PROF. MADHU DANDAVATE (Rajapur) : You may concede, Sir.

SHRI SOMNATH CHATTERJEE : Mr. Madhu Dandavate is giving his time.

MR. CHAIRMAN : Please try to be very brief, Mr. Somnath Chatterjee. I don't want to stop you.

SHRI SOMNATH CHATTERJEE : Sir, upto now I am not irrelevant.

PROF. MADHU DANDAVATE : How can he be irrelevant ? **

MR. CHAIRMAN : That comment by Mr. Madhu Dandavate is expunged.

SHRI SOMNATH CHATTERJEE : Sir, these are all coming within my time, including the intervention of Mr. Panja. You better put some tax on him ; put some direct tax on him, not indirect tax.

So far as the direct taxation is concern-

ned, as you know the drought surcharge is being continued ; some minor changes have been made. Rs. 270 crores are expected to be realised by way of direct taxes. But at the same time, rebates and reliefs which have been given, come to Rs. 201 crores. Therefore, the balance direct tax that is to be realised through this Finance Bill is Rs. 69 crores. Therefore, the total net imposition by way of direct taxes is Rs. 69 crores. Out of Rs. 270 crores which represent mostly the surcharge, no part of which goes to the States, the entire amount is for the Central Government. But the reduction which has been of Rs. 201 crores, that money portion of which should have gone to the State, is being reduced. Therefore, on the one side the Centre is getting more and on the other side the States are participating and sharing in the decline in the revenue. The result is, there is greater and greater imbalance so far as the financial resources available to the Centre and the States are concerned.

The Centre's attempt of monopolising the resources available only for the Central Government is creating greater and greater regional imbalances.

PROF. MADHU DANDAVATE : Centre's case may be referred to the MRTP commission Sir ;

SHRI SOMNATH CHATTERJEE : So far as indirect taxation is concerned, kindly see all the tall talks that are being made in this printed booklet. The indirect taxation growth is Rs. 1265 crores and the concessions are Rs. 719 crores. I am not going into details of these concessions; some of them are good, some of them are not desirable. But I am on the total impact on the economy. The net balance of indirect taxation is only Rs. 546 crores. Therefore, compared to the other methods of resource realisation, it is a very nominal amount. But so far as the imbalance between direct taxation and indirect taxation in this country is concerned, it is now more pronounced. Everybody knows that, it does not require any study of economics, even the economics that we read in our schools and colleges would be sufficient. The indirect taxes add to the price increase. It is mostly realised from the common people, the entirety of it. It adds to the price.

**Expunged as ordered by the Chair.

So far as the direct tax on the people who can bear it is concerned, what is the position in this country? Now direct taxes come to 17.7 per cent of our total tax receipts and indirect taxes come to 82.3 per cent. When we started in 1950-51 the total percentage of direct taxes 43.7 per cent. It has come down to 17.7 per cent and indirect taxes which were 56.3 per cent has gone up to 82.3 per cent. From whom are you realising this money? It is total lop-sidedness and anti-people policies of the Government which has resulted in this. Kindly see what is the situation? Income-tax which was Rs. 155 crores in 1950-51 has become Rs. 2845 crores and the indirect tax which was Rs. 228 crores has become Rs. 30394 crores. There is no wonder that the prices would increase and the common man will be asked to bear the burden of new taxation proposals.

Now what has been the result of the policies of this Government and this wonderful Finance Bill so far as unemployment is concerned. In 1986-87 the number was 301 lakhs and in one year it has become 305 lakhs. There is an increase of 4 lakhs in one year. How would you do this 'bekari hatao'? Kindly find out even one sentence in this budget speech about it. What is the provision made for 'bekari hatao'? You may be dancing or eulogising by hearing the sermons from your Messiah but not the country. It is not the question of providing employment to our non-Minister friends on the other side. It is a much more important question. I would request the hon. Minister to indicate anything about 'bekari hatao'. 'Bekari' cannot be removed by mere slogans however will your intentions may be. The timing of it and the location of it being Tamil Nadu now everybody has not only to take it with a pinch of salt but with bags of salt as to what is the real object behind this.

SHRI A.K. PANJA : I do not want to take your time but I take the challenge and say that we shall meet the point.

SHRI SOMNATH CHATTERJEE : I am happy I am able to provoke my young and able friend.

As regards industrial sickness upto end of June, 1986 large units closed were 689 and SSI units closed were 128684. It is not merely a statement of receipts and expenditure. It is a significant statement of the Governmental policy. Let us see what is the policy adunberated in this budget speech or budget proposals?

17.00 hrs.

[SHRI SOMNATH RATH *in the Chair*]

Sir, only one sentence in the lengthy budget speech that the Bureau for Financial Reconstruction has come into operation from 1st of May or some date. But how many proposals are pending before them? How much time this bureau is taking for the purpose of disposal of them? How far the decisions or recommendations of this bureau, which is set up for the purpose of revival of closed and sick industries, are being honoured by the financial institutions? I never say that they are not interested. They are vitally interested so far as they are permitted to think of them. Therefore, when they are interested in making them viable, then, they must be concerned about it. They should look into it. This bureau has been set up. What is the function? Is it playing an effective role? How much time they are taking? How far their recommendations have been acted upon?

Before I conclude, there are certain things which I must at least mention without elaborating because we have mentioned them earlier. The regional imbalance has been mentioned by almost all the speakers on the floor of this House. This is the result of a policy which has, so far, been followed. This has resulted in concentration of resources of industrial units in certain areas only. Now, this plea of removal of regional imbalance is not only for the purpose of getting few jobs for the people of that area, but also to make people feel involved in the development process of the country as a whole, to feel oneness in the country, to really have a feeling of a united India and integrated India, it is necessary that such feelings, which give rise to chauvinism, which give rise to separatism, should be removed.

(Interruptions)

Sir, another matter is very important. Mr. Panja knows about it. I do not know whether he has the freedom to admit it and say anything on that here, namely, the serious effect...

SHRI P.M. SAYEED (Lakshadweep) :
In Kerala, 10 lakh jobs were to be created. They promised in the manifesto. Do you know, how many have been created?

SHRI SOMNATH CHATTERJEE :
Why don't you go and ask the man there? Put a question in the Kerala Assembly. You have come a few thousand miles away. Go to the Assembly. (*Interruptions*) Let your Members do some work there. I am not answering for the Kerala Government here.

The freight equalisation scheme is not a question of West Bengal alone. The entire eastern India, the whole of north-east India and your State is also suffering. This is not the case which is for the first time being raised. There has been commitment in the House. At least, Mr. Sayeed, when he pays attention to the deliberations in the House, would remember that even Mrs. Gandhi, during that Government, Mr. Pranab Mukherjee as Finance Minister—I can name him now because he is coming closer and closer again. He is no longer a *Persona non-grate*. Even Mr. Mukherjee and before that, of course, there were Committees which were appointed which recommended for doing away with it. Mr. Mukherjee assured on the Floor of the House that it will be removed in phases. Mr. Vishwanath Pratap Singh, you may not like his name now but when he was the Finance Minister, you had no complaint against him. Complaints started when he became the Defence Minister. As Finance Minister, Mr. V. P. Singh gave a commitment on the Floor of the House that by phases, it will be removed and it will be abolished. Now, plea is being taken that there are some disagreements among the Chief Ministers. Therefore, that disagreement has to be solved. Although as a matter of policy, it was decided in the National Development Council that it will be abolished in phases, now on the plea of some disagreement among some Chief Ministers, removal is not being carried out. It is being continued but no meeting of the

National Development Council is being called to discuss this matter at all. I know that my hon. friend from East Calcutta has his difficulties but this is a matter on which I would expect the Government to make it clear. Before I sit down, I must refer again that what more instances can we give of the complete cussedness of the attitude of the Central Government here, even towards setting up of industrial units? We shall go on repeating and demanding for the clearance of the Haldia petrochemical Complex. I do not know whether you have subscribed your signature to that, 44 hon. Members of this House, including 22 Congress (I) Members of this House—I am grateful to them and the people of north-eastern India are grateful. They are from all States, Orissa, Bihar, West Bengal, Assam and even Arunachal Pradesh has signed this. They have demanded this. This will rejuvenate the economy of the region as a whole. Don't take it that you are making a gift to Jyoti Basu. Therefore, this is a matter for which clearance should be given. I must again reiterate our demand for Bakreshwer Power project. These are the projects which are vitally necessary for development and for the industrial progress of the country but they are being help up. I cannot avoid saying 'held up' purely on political reasons.

Last but one is about the malady in the country and I cannot avoid mentioning it which is all of combating corruptions. Newer and newer types of corruptions are coming up. Our Joint Parliamentary Committee has given a report. Today whichever newspaper has written an editorial on this, does not redound to the credit of this great institution of Parliament, when the people outside feel that this is a report which is not even worth looking at. A wonderful sort of exercise was carried on in rooms and people were forced to sit in rooms and look into the papers and documents and again take away. The procedure that was followed is unthinkable and unheard of in any country where a pretence of fairness is followed.

Now, before the Report was filed, new materials have come out which have not been taken note of. Serious charges have been made. Names have been mentioned. This Government should be concerned not

only with Hinduja, PITCC or Bachcaacs. They should be concerned about the Rams and Rahims in this country also who are the real constituents in this country. You may try to protect your friends, whose disclosures according to you will put you in difficulty. See the way the Chadha episode has been dealt with in this country. A fugitive from justice has been treated as a VIP guest in this country. The person against whom we have been told on the floor of the House that an enquiry is going on-God knows how long that enquiry will continue-about the FERA violations. Their relations are the honoured guests of the Prime Minister during his annual sojourn to lovely island.

PROF. K. K. TEWARY (Buxar) : Do not talk irrelevant things *(Interruptions)*

SHRI SOMNATH CHATTERJEE : These things are eating at the vitals of this country's economy. *(Interruptions)*

PROF. K. K. TEWARY : Is this a speech on the Finance Bill, Sir ?

(Interruptions)

PROF. MADHU DANDAVATE : I agree with Mr. Tewary, that lovely island is un-parliamentary. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : These things are eating at the vitals of the country's economy. If people feel that those who indulge in such activities of financially marauding this country can get away with this, not only they can get away with this they will get the protection from the highest person in this country then what will happen to the economy of this country.

(Interruptions)

What will be the fate of this country ? What is the fate of an honest businessman and an honest citizen of this country ? Therefore, Sir, this is a Bill which would not get the support of any right thinking man and I oppose this Bill. *(Interruptions)*

PROF. K. K. TEWARY : This is the abiding shame of the CPI (M) party that you descent to such level as the Finance Bill. *(Interruptions)*

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : Sir, I was listening to the Hon. Member, Shri Chatterjee to find out whether he can find anything good in the Finance Bill. Not a single word was uttered in its praise, and therefore, it is nothing but a dram inspector's report where everything must be dirty.

SHRI SOMNATH CHATTERJEE : Mr. Panja was looking only for the criticism, therefore, when I said that there are some good proposals, he did not listen.

(Interruptions)

PROF. K. K. TEWARY : A paranoia has gripped their minds. With completely jaundiced mind and vision they look at everything.

PROF. MADHU DANDAVATE : Along with Kaul and Shakhdhar, you keep a dictionary also. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Sir, any compliment from Mr. Tewary would be a disqualification for me.

[Translation]

SHRI MANOJ PANDEY (Bettiah) : Mr. Chairman, Sir, the hon. Member of the opposition during the debate on the Finance Bill has raised certain issues which are required to be replied. It seems the hon. Member of the opposition has the habit of looking at every thing with distorted vision. Sir, you will agree with me that if any good thing we look at with distorted vision then we can see only the demerits of that. It is just the question of the vision. I think my hon. colleague Shri Chatterjee might be having the knowledge of looking at things in their right perspective. I think, this is the age factor, because with the advancement of age changes do take place in a man and the hon Member is perhaps subject to these changes. All this I am saying on the basis of my knowledge of medical science. In this August Hansa what has been said by the hon. Member apart Hon Finance Bill just irrelevant. Many of the things stated by the hon. Member are outside the purview of the Finance Bill.

SHRI BHADRESWAR TANTI : Please be confined to yourself.

SHRI MANOJ PANDEY : I am confined to my views. The important thing which has been said through this is "Bekari Hatao" (elimination of unemployment). If we give this slogan, then why it is resented to by the opposition? The slogan raised by our leader is not a new one. The programmes aimed at "Bekari Hatao" have been incorporated in the 20 Point Economic Programme. Besides this, the programme of "Bekari Hatao" has also been incorporated in NREP; RLEGP and Self Employment Programmes. This is not a new thing. I want to say it clearly that Shri Chatterjee is not the only well wisher of the people, we also go into the problems faced by the people in our constituencies. I would like to emphasise on the progress made by NREP, RLEGP and Self Employment Programmes. It is altogether different that in West Bengal all the money is distributed among the party cadres just to please them. But this thing is neither seen in Bihar nor in any other state. In the state of the hon. Member the money allocated for NREP and RLEGP is distributed among party cadres. Mr. Chairman, Sir, through you I would like to inform the hon. Members of the opposition that the Self Employment Programme has contributed towards the progress in the villages. The Congress Party does not claim to have totally eradicated unemployment, but to a large extent both unemployment and poverty have been removed.

Sir, the state Governments are responsible for the implementation of the programmes framed by the central Government. It is necessary from them to accept the responsibility of implementation of these programmes. Whenever we suggest to include agriculture and irrigation in the concurrent list there is a lot of hue and cry by the opposition.

Sir, through you I would also like to request the opposition Member not to make hue and cry whenever we refer to the water management and other irrigation schemes. We are predominantly an agricultural country. Why do they oppose inclusion of irrigation in the concurrent list?

SHRI SOMNATH CHATTERJEE
Why do you accuse us?

SHRI MANOJ PANDEY : Earlier you were doing the same thing. As for as irrigation is concerned, the ruling party feels that both the agriculture and the irrigation should be included in the concurrent list. The responsibility for all this also lies on the opposition to a great extent. For their own weaknesses the opposition blames the Central Government. The responsibility of implementing the various programmes rests on the state Governments. Besides this, there are several other things which need not to be discussed in details. Today, certain things referred to by the hon. Member supported by the facts are a welcome measure. There are no two opinions about them. The hon. Members are well aware of the constraints of resources at our disposal. The question of unemployment is very important because even today at least 7.5 crore persons are unemployed in the country.

Mr. Chairman, Sir, through you I would like to ask from Shri Chatterjeeji as to why does he look only upto working class? Is the working class the only class to be taken care of? Working force is 350 million out of the population of 780 million in the country. Out of this 35 million are in the organised sector. The hon. Member of the opposition need not resent the statistics and may cross check them with Mr. Datta Samantji who is present in the House. Shri Chatterjeeji and Datta Samant both have made a lot of hue and cry about 35 million workers in the organised sector, but what about 300 million agricultural and rural labourers for whom some provisions have been made in this years Budget. They should have at least welcomed this measure. I want to say that a beginning has been made in this years Budget by making provision to provide an insurance cover of the agricultural labourers at anominal premium. Hon. Members in opposition should also appreciate it. They should have referred to the welfare of agricultural labourers first of all. You struggle for the wages of the working class, you resort to strikes and get the wages increased. The organised sector has got the platform to the raise their demands. You should have raised the matter regarding

unorganised sector also. You should have asked as to how this unorganised sector can be organised. Datta Samantji, the agricultural sector is unorganised, does not have the proper platform to raise their demands. Three Hundred million workers are always there in the category of have nots. It is not good if this sector is left unorganised for ever. Whenever the question of unorganised sector is raised in this August House, standard reply comes from the Government that something will be given to it as "Prasad" (Charity). With full responsibility I would like to submit that today a good beginning has been made in this direction. Through this Budget some kind of security arrangement, have been made to provide an insurance cover for them.

It is alright, but a labourer in the Government service earns rupees two thousand per month on an average. Can't we give rupees on thousand per month to an agricultural labourer ?

SHRI SOMNATH CHATTERJEE : Give it to them. Nobody is objecting to it.

SHRI MANOJ PANDEY : Please listen to me. I am talking in your favour. It is necessary to tell them. They always talk about the working classes, so we have made a provision of insurance. You are the messiah of leftist forces. You should have been the first person to say something about agricultural labourer. I want to say that if 50 per cent labourers are earning rupees two thousand in organised sector, then we should give the agricultural labourer at least rupees. one thousand. I am not talking in terms of salary but interested in knowing as to how we can provide them this much of amount. Shri Chatterjee, please listen to me. The problem is that you don't have that vision which we people have. We want to give you that vision. You take our vision.

SHRI SOMNATH CHATTERJEE : I support all the provisions made by the government.

SHRI MANOJ PANDEY : I am telling you my views. Are you going, to listen to me ?

Leave aside agricultural labourer. The main thing is that we should make arrangements to provide them one thousand rupees. The Government want to pay the amount of premium of insurance cover on behalf of the labourers. A provision has been made to this effect. Besides, you have referred to minimum wages. I am taking the basic things. Earlier agricultural labourers were paid different wages at different places, but now it has been said that minimum wages should be fixed and a Bill was also brought in this regard. Every state Government has tried to implement it. But how can we talk of minimum wages without paying the minimum support price. There is a very big imbalance in it. In my view the condition of the farmers and that of the labourers should have been taken into account together before arriving at any conclusion in this regard. The minimum remunerative price to the farmer not the support price, and the minimum wages to the labourer should be linked together. Wherefrom he will get the minimum wages ? He will get it from the farmer, but we are not paying attention to the condition of the farmers. We are giving preference to the labourers. We have created a difference in the society and the result is that 31 lakhs labourers are migrating to Punjab to work because farmers here are not in a position to pay the minimum wages to the labourer. It is the only reason for their going to Punjab. I would like to submit that it will not be justified to pay minimum wage to the labourers without giving minimum remunerative price to the farmers and this will result into an agitation also in the society. Their problems can only be solved if equal attention is paid to both of them. There can not be a consistency if problems of the both are studied with different angles. You will fail at both the places. I, therefore, request the hon. Minister that he should impress upon the State Government to give minimum remunerative price to the farmers. This should be implemented strictly and if necessary, a Bill should be introduced for the purpose. We can obtain consent of the State Governments in this regard and call a meeting of NDC to discuss this matter.

The other thing, I want to say about agriculture is the creation of irrigation

potential. You might be knowing the extent of irrigation potential created in the country but you have never made a mention of it. In our country irrigation potential has been created only for 67 million hectares of land. But out of that the utilisation has been limited only to 45 million hectares. It means that we could not utilise whatever irrigation potential we have been able to create. The amount spent to create this irrigation potential has not been utilised fully as there is a shortage of 13 million hectares in utilisation. By 2000 A.D. we have to create a irrigation potential for 113 million hectares. How much expenditure will be involved? whether any assessment of the expenditure has been made? Many big irrigation projects has been started in the country. These projects were needed to supply water to the farmers for irrigation. We have spent crores of rupees these projects as. We have spent 1200, 1300 and upto 2000 crores of rupees on each of these projects. (Interruptions) Listen to me as I am saying a very important thing. You will also appreciate it. You should not leave like this. You will be feeling difficulties if you do not listen to me.

I was saying that if we are not able to utilise fully the irrigation potential we have created than the Government should not create fresh irrigation potential. We must ensure 100% utilisation of the potential we have created. New irrigation potential should be created only after we have fully utilised the existing potential otherwise we will get on return of the money we have spent on it.

Besides, I would like to say something about minor irrigation projects involve huge amount of expenditure and it is not possible for the Government to undertake them due to the constraints of the resources. Minor irrigation projects have been given priority in the R.L.E.G.P. scheme and in other schemes also. I think that you should give every farmer his own irrigation facilities. This will bring a change in the system. We should make changes in the policy and we are doing that in the form of decentralisation of irrigation facilities. We are providing 4 inch boring and a pumping-set to a farmer's family, but we should

make arrangements to provide this facility to every farmer. The facility should not be given only to the marginal or the small farmers. I want to tell you that there is a class of farmers which owns land between two and half acres and five acres only and there is another class which owns between five acres or more of the land. These are the middle class farmers who are also known as the backbone of agricultural society. We have to look after the interests of the farmers who own land between five acres and fifteen acres. It is a different thing that we have to see the welfare of the marginal and small farmers. We have different programmes for them, but we have very few programmes for the average-middle-class farmers owing land between 5 acres to 15 acres. I want to give you an example. Mr. Chairman, Sir don't ring the bell. I am talking of the reality about the farmers.

I want to say something about mechanisation of agriculture. You talk of mechanisation of agriculture sector. You provide good seeds, irrigation facilities on fertilizers to the farmer and let him cultivate his fields with the help of oxen and plough, you will find that the yield is more as compared to meahanisation system. You can spend lakhs of rupees on mechanisation, but you will not get the yeild. I want to say that the price of tractor is one and half time more than the Maruti car. The price of a Maruti car is 80 thousand rupees, whereas the price of a tractor is Rs. 1.25 lakhs. When the farmer goes to buy a tractor and other implements, he finds himself unable to purchase these items because of the high prices. Secondly, the banking system is far from satisfactory. The Branch Managers have been given enormous discretionary powers. These branch Managers are grossly misusing these powers to derive undue benefits out of them. I know about it and I have gathered information about it regularly from the estimates committee. Every Branch Manager has got powers. A Zonal manager can sanction a loan upto Rs. 50 lakhs on his own without seeking the approval of other higher officers. If we impress upon him to sanction loan to a industrialist of our district the branch manager points out this Lacunna and that Lacunna in the application. We

cannot implement our politics with such branch managers. It needs a radical change.

Besides, I would like to say something about the loans. A farmer who applies for loan for the purchase of a tractor and tractor implements has to mortgage his land as well as the tractor. How far it is correct? If a person buys a taxi, only the taxi is hypothecated to the bank and there is no need of any other security. This disparity should be removed. When we hypothecate the tractor, why then hypothecation of the land is necessary. When the loans are repaid by the earning from the tractor, hypothecation ends.

AN HON. MEMBER : Very good point.

SHRI MANOJ PANDEY : These are the fundamental things. You must raise these things, but you never talk about the farmers...*(Interruptions)*

Another thing I want to say about crop insurance. We have implemented crop insurance scheme and have taken the district as a unit for the purpose. Crop insurance scheme will be implemented in a district where the damage caused by the natural calamity is more than 50 per cent. This is a condition for implementing the crop insurance scheme. If there is drought in one district in which 40 per cent area has come under the grip of drought and the 60 per cent has not, then district as whole is not covered by crop insurance scheme. What I think is that the revenue district should be taken as one unit. This will remove many difficulties.

Land reforms are very much needed today. Many things in land reforms, require a new form to be given them. If we only talk about the land reforms and do not plug out the loopholes then nothing can be gained. We must do something about it today.

I wanted to say about population control also, but you have not allowed me time, so I am concluding here.

Thank you very much.

[English]

SHRI BHADRESWAR TANTI (Kaliabor) : While participating in the discussion on the Finance Bill I must say that this Budget and the Finance Bill are being passed for the past so many years, after independence. But still, the country has not reached its goal as per the expectations of the people. We have achieved many things, in many fields, the country has progressed, no doubt, but it is yet to progress on the lines of the other developing countries of the globe.

Look to the burning problems of the people. For want of food and shelter the parents are selling their own babies. Bonded labour system in the country is going on. There is business on labour. Labourers are being sold and sent to other Gulf countries. It has appeared in the paper today also. Civilization has not reached many places in the country. For example, in Malkhangiri in your own State, Mr. Chairman, people are still uncivilised. In Nagaland, in Tuensum district people still remain naked. You cannot go there. They will shoot you down. And then there are starvation deaths in your State in Kalahandi and Koraput districts (Orissa).

AN HON. MEMBER : There no starvation deaths.

SHRI BHADRE SWARTANTI : Just listen to me.

You see the grim picture of human life in 800 tea estates in Assam and then see what has taken place in Rajasthan—Sati incidents. And this is the test of freedom of the people who have sacrificed a lot for building up the country, for the freedom of the country. We have done a lot, I must agree. But still many things remain to be done.

I remember the words of Robert Frost who wrote :

The woods are lovely, dark and deep,

But I have promises to keep,

And miles to go before I sleep,

And miles to go before I sleep.

Your false promises will not last long. Because of your wrong policies you have failed to reach the target. Your barometer has failed. You are hijacking reality to an uncertain destination. People at the head of the administration have failed. I have seen one cartoon in today's *Indian Express* which says,

"The Bofors Truth : Born : 1987.
Buried : 1988"

THE MINISTER OF STATE IN THE
DEPARTMENT OF REVENUE IN THE
MINISTRY OF FINANCE (SHRI A.K.
PANJA) : What a laugh !

SHRI BHADRESWAR TANTI : This is economic growth. You may object to it.

That is why, Mr. Aladi Aruna, in his 'dissent note' has said "Oh Siva, you may threaten me and open your third eye. But, truth is truth and guilty is guilty". You must build a bridge between the Government and the people. You have failed to go to the people and failed to consider the reality and the problem of the people.

Some hundred years back, thousands of people were taken from States like Orissa, Madhya Pradesh, West Bengal, Bihar, to work as Tea Garden labourers in 800 Tea Estates. Mostly these people are Scheduled Castes and Scheduled Tribes and they still remain backward. Why not they be given constitutional mandate under Article 341 and 342? What prevented you to give them the constitutional mandate which is the guaranteed provision of the Constitution? Why have you not given then this right as they had in their state of origin? What prevented you to do that?

Sir, we have passed many laws after our independence. Why have you failed to implement the laws, particularly the labour laws. These laws are as per the provisions of the Constitution. Constitution is the Bible of the country. I do not want to go into the details.

Sir, you know, Assam and other North Eastern States are most backward as far as

industrialisation is concerned. You have set up so many industries in Bombay, Madras, Delhi, Uttar Pradesh and all other places. Why have you not set up industries in Mizoram, Manipur, Arunachal Pradesh, Meghalaya, Sikkim and Assam and other places? What prevented you to do that?

Sir, Assam Tea is earning sixty per cent of our foreign exchange, but the people those who are earning the foreign exchange are living below the poverty line. Thirty five per cent of our people are living below the poverty line. How can you deny these facts...(*Interruptions*)

MR. CHAIRMAN : Please wind up.

SHRI BHADRESWAR TANTI : This is a very important matter. Please allow me some more time Sir.

The Kathalgiri power and gas-based project of 660 MW and Subhansiri project have not been taken up. Every year, there is flood in Assam and hundreds of people die in flood waters. Nobody is there to rescue them.

The rail communication in that area is the worst. Only for namesake, there is a superfast train from Delhi to Assam. But its bogies are very old and not worth travelling. The food supplied is the worst. There is no water in the lavatories. One day, in my constituency, one gentleman was travelling by train and his friend was going on foot near the train. The person, who was in the train, asked him to come in the train. But he replied that since he was in hurry, he was going on foot. This is the condition of train service there.

There is no steel plant in the public sector. Under the Assam Accord a refinery in the joint sector was to be set up. And the Government is committed to set up that refinery. But till date no action has been taken to set up the refinery. Numligarh in Golaghat District, which is my constituency, has been found to be the best place for setting up the refinery, as per the survey report. I humbly pray the Government that it should set up a refinery in Numligarh. Moreover, Gollaghat is a no-industry district.

Restricted area permit should be lifted. Because of this, tourists cannot go there. With the result, we are losing lot of revenue.

Kaziranga is the only place where one-horn rhinos are found and may tourists from inside and outside the country visit that place. But that area has not been developed at all. Manas sanctuary and Tiger Project in Assam have not been looked after at all.

The unemployment problem in Assam is very acute. Unless you set up some industries there, this problem cannot be solved. There should not be any regional imbalance. There should not be any disparity in that.

Under the Assam Accord, the Central Government had agreed to consider the pay and allowances to all those employees of the Central Government and the public sector undertakings who took part in the Assam movement. They have not yet been given their salaries whereas the State Government has given all the benefits to those of its employees who took part in the Assam movement. I request the Government to give their affected employees all the benefits which the State Government has already given, under the Assam Accord.

SHRI CHINTAMANI JENA (Balasore):
I rise to support the Finance Bill moved by the hon. Finance Minister.

The hon. Minister has introduced certain amendments which are to be welcomed, I also congratulate the hon. Minister that he has proposed certain amended proposals which will boost the hotel and tourist industry of our country and also which will be a boon to our foreign exchange earnings.

The Minister in his amendment proposals has proposed to limit the exemption from wealth tax on investment made in certain public sector bonds upto Rs. 5 lakhs which is definitely a welcome step. The amended proposal to exempt customs duty from 32 pieces of equipment meant for treatment of eye sight and some other medical equipments, is definitely a step in the right direction.

The textile policy which was announced three years back had given encouragement to the persons engaged in textile industry. But I regret to say that it has not been properly implemented I would request the Government to see that it is properly implemented. Since we all know that seventeen per cent of the total employment in the country is in textile industry, therefore, due attention should be paid for its proper implementation.

I must praise the Finance Ministry for their decision to reduce the duty on some of the textile items. This is really a very commendable step taken by the Finance Ministry.

The hon. Prime Minister's instructions to the planning Commission for the implementation of the district level planning from the Eighth Plan onwards is really very praiseworthy. The planning process at the district level should start from now itself, otherwise we cannot achieve our goal properly before the finalisation of the Eighth Plan. The exercise should be started by appointing experts at the district level to see that the district level planning is properly done. There should be an analysis of the pattern of the average income and expenditure of the Government because when the internal borrowings and external assistance amount to twenty per cent of the total receipts, interest payments alone account for seventeen per cent of the total expenditure. The interest payments are really causing a great threat and strain to our own resources. So, this aspect has to be given due attention.

Our aim and policy is to remove the regional imbalances. As we all know, there are certain States which are backward and the per capita income of those States is much less than the national average. While speaking on this aspect, I would like to say that the per capita income of the State like Orissa where the ST/SC population is forty per cent—which is the second highest in the country, next to Madhya Pradesh—is much less than the national average. So, steps should be taken on priority basis so that they can be brought to the national average, not only in the matter of per capita income but also in other respects,

like education, irrigation, communication, etc. Similarly, top priority should be given to the exploitation of natural resources which are available there, such as mines, forests, water resources, etc. We know that the other day our Prime Minister has given a slogan and programme for eradication of unemployment along with poverty. I am sorry that Mr. Chatterjee, my hon. lawyer friend, is not here. He was accusing the Prime Minister that he has said that poverty has already been eradicated and now he is going to eradicate unemployment. I would like to say, his interpretation on this issue is not only baseless, but also not based on facts, but on his imagination. The Prime Minister has categorically told that while we are eradicating poverty, side by side we should see that unemployment is eradicated from our country. He was quoting our great leader Indira Gandhi who had brought 20-point programme and who gave the programme for eradication of poverty from the country. But she was repeatedly telling that she is not a miracle and also she is not Alladin and the Wonderful Lamp so that within a day poverty will be eradicated. She gave the slogan and also gave the programme for the nation and gave a clarion call to the nation. She had been repeatedly telling that with sincere effort and hard labour we can achieve our goal by eradicating poverty. Similarly, Mr. Chatterjee is not here, he will agree with me that the percentage of people below the poverty line is definitely reduced after the slogan given by the late Indira Gandhi. Similarly also our present Prime Minister has given a call that we will eradicate poverty along with unemployment. But within 60 hours of his call we cannot expect that unemployment has been eradicated or will be eradicated after the implementation of the 1988-89 Finance Bill. This is not correct. Rather I would ask him not to mislead the people in such a way that they will misunderstand about it.

Sir, due to unprecedented drought in 1987 as well as severe floods in some States, our agricultural production has been reduced to a large extent. So, steps need be taken on a war footing to extend the irrigation facilities and also to control the floods. In view of the irrigation projects which are under execution, I would like to

state that the irrigation projects which are under execution should be completed within a limited period without extending the time again and again. Similarly, in the case of flood control project...

MR. CHAIRMAN : Please conclude.

SHRI CHINTAMANI JENA : I will conclude.

Similarly, the flood control projects which are of multi-purpose nature should be given top priority. In this connection I would like to mention one project in my constituency and in my State, which is an inter-State project, namely, Subasnarekha project, which is a multi-purpose project and will not only control the floods, but will also provide irrigation facilities and also generate power. So, this multi-purpose project should be completed. In this connection, I would definitely convey my gratitude to the Union Government for giving all support. This project is being financed by the World Bank which is to be repaid by the three States—Bihar, West Bengal and Orissa—which is not possible on their part with their limited resources. In this connection, I would request the Union Government to come to their rescue and that project should be implemented by the Centre.

18.00 hrs,

We are proud of our Defence forces, ordnance factories and R and D and of their orderly discipline. We do not hesitate to provide as much amount as is required for the defence of our country. But side by side, I must urge that the amount allotted for the defence projects should be properly utilised in the same financial year. That amount should not be allowed to be lapsed.

In spite of severe drought of 1987, the energy generation has not been reduced through, we are mostly depending on hydel projects. It is no doubt a significant contribution to the national development. Still, our aim and object should not be for going in for more hydel projects. We should go in for more thermal projects and also for producing non-conventional energy. All-out effort should be made to generate thermal

projects. In this connection, I would like to say that Talcher Super Thermal project in Orissa which has been cleared by the Planning Commission should be implemented by the Government as early as possible. The Thermal Project at Ib Valley which is being executed by the State Government should be given proper assistance and guidance so that, it can be completed in the prescribed period.

The hon. Minister in-charge of Banking is not here. I would request the hon. Minister, Mr. Panja to bring to his notice one point. The poor people, and the SC and ST people who are getting loans from the banks are being harassed. In this connection, so many things are to be told but there is no time. But I would request the hon. Minister to see that the poor people who are beneficiaries under IRDP are not harassed.

MR. CHAIRMAN : Please conclude.

SHRI CHINTAMANI JENA : Minimum remunerative price should be given to the farmers so that they may not sustain loss. With these words, I support the Finance Bill.

MR. DATTA SAMANT (Bombay South Central) : Mr. Chairman, Sir, I am thankful to you for giving me time to express my views on the Finance Bill.

Sir, in this Budget, when the discussions were going on a lot of concessions were given to the private sector. I start from the textiles, namely Dhirubhai, R. K., Ambani, and JK.

MR. CHAIRMAN : Please continue tomorrow. The House stands adjourned to re-assemble tomorrow at 11.00 a.m.

18.04 hrs.

*The Lok Sabha then adjourned till
Eleven of the Clock on Friday, April
29, 1988/Vaisakha 9, 1910 (Saka)*
